



Department for
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& Industrial Strategy

Paul Scully MP
Parliamentary Under-Secretary of
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David Sawyer-Parker
By email: david.sawyer-parker@mdvsports.com

21 December 2021

Dear David,

Thank you for your email of 16 September. Please accept my sincere apologies for the late response. This is due to the wide-ranging issues you raised, for which I needed to seek contribution from my colleagues across Government.

I understand that you talked with the Secretary of State in June regarding the issues affecting the Snowsports industry due to Covid-19 and that you had some further questions on other topics of interest to the industry.

You asked whether there would be an extension of at least a year to the interest-free period of loans taken out through the Coronavirus Business Interruption Loan Scheme (CBILS) and the Bounce Back Loan Scheme (BBLs). You may know that the Chancellor has already made a series of announcements concerning these schemes, to extend and reinforce the support provided to businesses during this challenging time.

The Government introduced the “Pay as You Grow” (PAYG) measures, which allow Bounce Back Loan borrowers to tailor their repayments to their individual circumstances. PAYG provides borrowers with the option to:

- Extend the length of their loan from six years ten
- Make interest-only payments for six months, with the option to use this up to three times throughout the loan
- Pause repayments entirely for up to six months

Borrowers can use these options either individually or in combination with each other. If borrowers want to take advantage of these options, they should notify their lender when they are contacted about their repayments.

For those who borrowed under CBILS, the Government has taken action to allow lenders to extend the term of CBILS loans up to a maximum of ten years where they assess that borrowers are in difficulty and will benefit from the extension. Given loans under CBILS are more varied than the standardised BBLs and resemble more traditional commercial lending, CBILS borrowers are likely to benefit from

engagement with their lender if they have concerns about repayments. Lenders have an ongoing relationship with CBILS borrowers and will be best placed to provide support tailored to the circumstances of each individual business.

You also mentioned business rates relief and reduced VAT for the sector. Eligible businesses in the retail, hospitality and leisure sectors in England will benefit from business rates relief worth over £6 billion this year. This includes a three-month extension of the 2020-21 business rates holiday, followed by 66 per cent relief with a cap of £2 million for businesses that were required to close as at 5 January 2020, and a cap of £105,000 for businesses that were permitted to open.

We cut business rates for over 350,000 properties, with the vast majority receiving 75 per cent relief across the year. When combined with Small Business Rates Relief, this means 750,000 retail, hospitality and leisure properties in England paid no business rates for 3 months from 1 April.

VAT has been designed as a broad-based tax on consumption, and the twenty per cent standard rate applies to most goods and services. While there are exceptions to the standard rate, these have always been strictly limited by both legal and fiscal considerations.

Going further would impose significant additional pressure on the public finances, to which VAT makes a significant contribution. VAT raised around £130 billion in 2019-20 and helps to fund key spending priorities. As you will know, any reduction in tax paid is a reduction in the money available to support important public services, including the NHS and policing. In addition, this request should be viewed in the context of over £50 billion of requests for relief from VAT received since the EU referendum.

Finally, it is never guaranteed that any reduction in tax on a given item would be passed on by the business to the end consumer. Such costs would have to be balanced by increased taxes elsewhere, increased borrowing or reductions in government spending. Given this there are no plans to change the current VAT treatment on winter sports products, however, the Government keeps all taxes under constant review.

We are working with international partners to expand our list of recognised vaccination programmes, where the country in question administers a vaccine approved for use in the UK. This list is subject to regular change, and I would recommend that your constituent check it to find out which international travel rules they should follow. The list can be found at www.gov.uk by searching for 'COVID-19 vaccines and countries with approved proof of vaccination'. There is an email alert system that your constituent can sign up for, which sends out updates as further countries are recognised. One can also check the rules for entry into the UK here: www.gov.uk/guidance/travel-to-england-from-another-country-during-coronavirus-covid-19.

There is a large variety of COVID-19 vaccines being administered worldwide, and work is ongoing to determine which additional non-UK-recognised vaccines and certification solutions could be recognised for travel purposes. We are engaging with other countries through organisations such as the International Civil Aviation Organization and the World Health Organization to support this work.

Thank you again for raising these very important issues.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'Paul Scully', written in a cursive style.

PAUL SCULLY MP

Minister for Small Business, Consumers and Labour Markets

Minister for London