



M I L S O M

HOTELS & RESTAURANTS

Today marks the introduction of a significant VAT cut for Hospitality businesses' across the country. This fantastic support from the Government is in place until the middle of January 2021, which along with the furlough arrangements and a raft of other measures, will hopefully enable most of our sector to survive through until the spring of 2021. By that point it is hoped that Coronavirus will be under control through treatments or a vaccine and normal life can start to return, until then our business will continue to be in a perilous position.

The government website explains that these VAT changes are being brought in as an urgent response to the coronavirus (COVID-19) pandemic to support businesses severely affected by forced closures and social distancing measures. The Treasury believes that the choice should remain with the operators rather than the government on whether to pass on the savings.

It is therefore up to us to decide whether the priority should be to use this reduction in tax, to drive demand by cutting prices, or to reduce the huge losses we have incurred during nearly 4 months of enforced closure and the continued absence of all our important large events throughout 2020. We of course live with the threat of further sudden closure and have no idea whether the vital Christmas season will be allowed to happen.

As a result we have decided that the best course of action is do something in the middle and to share a proportion of this windfall with our customers, so as of today all our gross food prices have been reduced by 5%, the remainder will be used by the company to pay for increased food costs, additional cleaning and sanitising overheads and to offset our reduced capacities, particularly once summer is over. In terms of accommodation new lower pricing has been introduced to allow for this new rate and to drive demand. I am pleased to say this has been warmly received and our guests are returning for longer stays as a result. Sadly however for those of you who enjoy our wine lists, Government largesse has not included VAT on alcohol, which remains the same at 20%. However the new Government backed August dining vouchers (on Mondays Tuesdays and Wednesdays) offer up to £10.00 per person off your food bill and I guess that could help your bar bill on those particular days!

Transparency in business life is really important and I hope this explains our position. The last few months have certainly been our greatest challenge and whilst this pandemic is far from over, it has been a truly uplifting experience for Geraldine and I and all our teams to personally welcome you back to our properties. In most cases you have entrusted your very first restaurant or hotel experience to us and we will be forever thankful for your support in our hour of need. I am therefore delighted that we are able to reduce our prices to you over the next 6 months and hope that you understand why we are not passing on the full amount in these extraordinary times.

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