

Minute Item 7.(iii)



HM Treasury

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December 2018

Our reference: TO2018/21774

Dear Mr Eaton

Thank you for your correspondence of 30 November 2018 to the Chancellor of the Exchequer regarding period poverty and Value Added Tax (VAT) on women's sanitary products. As it is not practical for Ministers to respond personally to all of the correspondence they receive, I have been asked to reply on their behalf.

In your letter, you highlighted Stockport Council's resolution to request that the Government confirm its ongoing commitment to removing VAT on women's sanitary products and asking the Chancellor to inform the Council of any action the Government is able to take. In response, I would like to reassure you that the Government believes that VAT should not be applied to women's sanitary products, and is committed to introducing a zero rate of VAT for these supplies as soon as legally possible.

As you may know, the UK's VAT regime exists within a framework set by EU legislation. Within this framework, a standard rate of VAT (set at 20% in the UK)

must be applied to most goods and services. Exceptions to this standard rate are limited, but EU Member States may apply a reduced rate of VAT to women's sanitary products. Therefore, the UK applies a 5% rate of VAT to women's sanitary products, which is the lowest reduced rate permissible under EU legislation. However, it would be unlawful to apply a zero rate of VAT to women's sanitary products under the current EU legislative framework.

The Government has therefore been actively pursuing the necessary change in the EU and, as you have noted in your letter, took the initiative in 2016 to introduce legislation to enable a zero rate for women's sanitary products to take effect as soon as legally possible. In January 2018, the European Commission published a proposal on VAT rates which, if agreed to by Member States in its current form, would provide the UK with the necessary flexibility to apply a zero rate of VAT to women's sanitary products. This remains under discussion in the EU and the Government is committed to engaging constructively with the proposal to achieve this flexibility.

In your letter, you also asked for confirmation that the Government intends to continue to direct the revenue collected from VAT on women's sanitary products to women and girls in need through the Tampon Tax Fund, and that the use of these funds would be continually reviewed. I would therefore like to confirm that the £15 million annual Tampon Tax Fund has been put in place to support women's charities until the Government is able to introduce a zero rate of VAT for women's sanitary products. This provides funding equivalent to the amount of VAT raised on women's sanitary products. To date, over 70 frontline charities and support services for vulnerable women have received grants, with £47 million allocated since 2015.

Applications for the next round of funding opened on 29 November, and information on the most recent round of the Tampon Tax Fund can be found here:

www.gov.uk/government/news/women-and-girls-set-to-benefit-from-15-million-tampon-tax-fund

Finally, you highlighted the Council's resolution to ask the Secretary of State for Education to expand the reach of free sanitary products across schools and colleges, and investigate how the Council can support projects to deliver free sanitary products to schools.

The Department for Education is committed to supporting all pupils in their education; no one should be held back from reaching their potential because of their gender or background. Educational achievement is at the heart of the Government's commitment to ensure that everyone has the opportunity to go as far as their talent and hard work will take them.

The Government encourages schools to make sensitive arrangements to help girls and young women cope with menstruation through our guidance on Sex and Relationship Education and the draft Relationships Education, Relationships and Sex Education and Health education guidance.

Schools and colleges have discretion over how they use their funding and can make sanitary products available to pupils and students if they identify this as a barrier to attainment or attendance. The Government supports schools in addressing the needs of disadvantaged pupils through the Pupil Premium, equivalent to over £2.4 billion of additional funding this year alone. For those aged 16–19, the Government supports participation in education by allocating funding (via the Discretionary Bursary fund) to help students facing financial hardship.

Thank you for taking the time to raise these concerns with us.

Yours sincerely,

R Decastro
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