



Campaign for Pubs

Promote, Support and Protect Pubs

Rt. Hon Boris Johnson MP
Prime Minister
10 Downing Street
London
SW1A 2AA

14th October 2020

Dear Prime Minister,

Urgent need for support for pubs in all Tiers to avoid closures and hardship

We are writing to you following the announcement of the new tier 'traffic light' system and additional restrictions for Tier 2 and Tier 3 (including the closure of wet-led pubs) and the disappointing news that all pubs and hospitality are still subject to the damaging and dangerous 10pm curfew and table service, which makes staff less safe.

These announcements have been made despite no credible scientific evidence and without proper consideration of the disastrous impact they will have on pubs and hospitality. They simply have not been properly thought through (and there has been no meaningful consultation with pubs and publicans) and the measures have been brought in without any financial support for thousands of pubs, despite the disastrous impact these measures will have on pub trade.

Complete Lack of Support for Pubs in Tier 2

We are staggered and dismayed that pubs, micropubs and bars in Tier 2 are being offered NO support, despite a ban on socialising with anyone other than immediate family/support bubble. Be under no illusion, this has the effect of stopping pubs functioning, which means that all pubs and other affected businesses in Tier 2 MUST be eligible for grants, or you are effectively destroying these businesses, including many valued pubs up and down the country.

The reality is that the Government has completely hung Tier 2 pubs out to dry and consigned them to trading unprofitably, with no support. This is wrong and completely unacceptable.

We urge the Government to do this properly – and to allow all pubs and other businesses in Tier 2 to access support, as Tier 3 businesses can.

Level of support being offered to Tier 3 pubs forced to close

The reality of the grants being offered is that they do not even cover ongoing costs of pubs forced to close, never mind providing any support for publicans and their families finding themselves with no income. The level of support on offer from the Government won't even cover ongoing costs, especially rent but also utility bills and loss of stock. This shortfall means that in reality no actual income support is being provided for publicans and their families facing a winter with no earnings and only the prospect of getting further into debt.

Tier 3 decision to close wet led pubs but not restaurants

The announcement of Tier 3 is a huge blow to all the wet-led pubs and publicans in Liverpool who were given just 2 days notice of a decision to close, despite the reality and cost of disposing of stock and shutting the business down, compounded by the uncertainty of when they might be allowed to open again.

Campaign for Pubs, The Volunteer Arms, 5 Watson Street, Holgate, York YO24 4BH

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We wish to challenge the decision to close wet led pubs and micropubs in Tier 3, and yet allow large pub chains, restaurants and fast-food outlets to remain open. The Sage advice clearly states “CDC report suggests that those who test positive [are] twice as likely to have eaten at a restaurant”. Yet the Government has ignored this and has made the opposite decision – to close pubs that do not serve food whilst allowing restaurants to stay open, which is perverse (and undermines Government claims to be following the science).

We make clear that we do not believe the evidence justifies a closure of any hospitality venues (and the same Sage advice exposes that the curfew is not based on evidence either, as it clearly states “Curfews to have a marginal impact”). However, as regards the specific case of wet led pubs, we maintain that it simply isn't fair to be singling out these smaller community-orientated pubs in particular, when the evidence doesn't justify this.

The unfair Government treatment of 'wet-led' pubs

This latest decision, which singles out wet-led pubs, follows the decision to reduce VAT only for establishments that serve food and offer accommodation, and also the Eat Out to Help Out scheme, which gave a huge boost to multinational fast food outlets but provided NO support whatsoever for wet-led pubs.

Lack of assistance from the Job Support Scheme and the new furlough scheme

To make matters even worse, most smaller pubs cannot even benefit from the Job Support Scheme.

The Job Support Scheme, as originally announced in September, may be helpful for some sectors, but it isn't any help at all for most pubs. Some pubs have no staff, especially at the moment with trade so reduced, and instead publicans and their families are working every hour to run them all on their own just to survive the current situation. A subsidy for a third of non-worked staff hours is no use at all for pubs at the levels of trade experienced as a result of Government restrictions, and even being asked to cover NICS and pension contributions means yet more costs without income (and with grants that don't even cover costs, never mind provide any support for publicans and their families).

In addition, those pubs that do need staff have found that they need even more people working in order to cope with the new measures, especially table service. Yet this extra cost is already more than most pubs can afford, on top of the other ongoing costs experienced during this period of suppressed trade, and when the Government is not giving any sense as to when the (deeply questionable) requirement to offer table service might end.

Overall there seems to be a complete failure to understand the awful reality of trade levels for the majority of pubs at the moment, directly due to the Government's restrictions, and this lack of understanding is reflected in the misconception that JSS will help, when it is of no use at all to many pubs.

Furthermore the Enhanced Job Support Scheme as announced last week for pubs under compulsory closure only promises staff 67% of their pay, which for a great many people will mean just 67% of minimum wage. We believe this is insufficient. Businesses will now lack the resources to top this up to an acceptable level, they will already struggle to find NIC and pension payments in many cases, and will also be concerned about accruing holiday pay liability. So we believe that the Government has a duty of care to those furloughed employees to at least match the 80% level that was available under the original scheme.

Under the current circumstances – and with the Government having no apparent plan of when restrictions might end or this destructive cycle of semi-closures and closures - the only option many pubs with staff have is to make staff redundant or to close the pub, either temporarily or permanently, which will

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obviously spell an end to any associated jobs altogether. This surely cannot be your intention but it is the reality for many pubs.

The clear message being given is that the Government doesn't care about our traditional pubs and community locals, but seems interested only in supporting larger pub and restaurant chains and corporate fast-food outlets. Thousands of hardworking independent publicans are feeling completely ignored and let down by the Government and we urge you to listen and address this.

The need for support for ALL pubs and publicans to avoid closures and hardship

The fact is that all pubs and publicans need support, as all have restrictions to trade from the 10pm curfew and increased staff costs, due to the requirement for mandatory table service.

Already many publicans are struggling to survive on current levels of trade, even with just the Tier 1 restrictions. Many are already on the very edge, and those facing additional restrictions simply will not get through the next few months.

So we urge you to do the right and obvious thing and introduce a **proper package of support for pubs** that reflects the impact of Government restrictions in all three tiers:

- Tier 2 pubs need to be able to access the same level of support as Tier 3 pubs, if trade is at a level where they cannot trade viably or if they take the decision that they need to close rather than make losses.
- Support for Tier 2 and 3 pubs needs to be enhanced to take into account (a) fixed costs (rent/mortgage payments) and (b) separate to the grant, payments to cover the loss of stock from closure or restrictions and the cost of mothballing pubs then reopening them.
- All pubs need the following support:
 - 5% (or even better zero) VAT on ALL sales in pubs
 - A business rates holiday extension, with a complete overhaul for business rates for pubs prior to recommencing.
 - A statutory right to an immediate rent review for all pubs, to tackle the fact many pubs are facing wholly unreasonable rent levels, considering the Government restrictions and reduced trade.

On this last point, we once again urge the Government to finally tackle the rent crisis facing many pubs, bars and restaurants. You say it is the right thing to restrict and stop the business of hundreds of thousands of small businesses, including pubs, bars, clubs and restaurants, yet you are taking no action to stop large businesses continuing to charge unreasonable level of rents, indeed full rent throughout the entire crisis in some cases.

The Voluntary Code of Practice, as we predicted, has been widely ignored and you now need to take legislative action to stop the scandal of closed and restricted pubs and other businesses being charged unreasonable rent. Otherwise the message will be clear, that you are all too ready to ruin the trade of small businesses, including valued community pubs, but you turn a blind eye to the behaviour of huge commercial landlords, investment funds and offshore companies who are current destroying small businesses, including pubs, in their own unrestricted demands for excessive rent.

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We want to see what side this Government is on – and thus far, it is not on the side of Britain's pubs and publicans and their families.

Without further support, many publicans simply won't get through the winter and that means a loss of jobs, livelihoods and the permanent loss of pubs and the fault will be the Government, not Covid-19.

We also urge you to also provide support for brewers and other suppliers to pubs, whose businesses are also being seriously affected by the decisions taken regarding pubs. As part of this, we urge that you drop the ill-considered and damaging proposals to reform Small Brewers Relief which would be an inexcusable thing to do at a time like this.

We and Britain's publicans and brewers look forward to a response.

Yours sincerely,



Paul Crossman
Chair, Campaign for Pubs



Dawn Hopkins
Vice-Chair, Campaign for Pubs



Greg Mulholland
Campaign Director

cc Rishi Sunak, Chancellor of the Exchequer
Alok Sharma, Secretary of State for BEIS
Darren Jones MP, Chair, BEIS Select Committee
Toby Perkins MP, Chair, Pub APPG
Daisy Cooper MP, MP for St Albans, Save St Alban's Pubs campaign

Also sent to elected Mayors