



Campaign for Pubs

Promote, Support and Protect Pubs

Rt. Hon Alok Sharma MP
Secretary of State
Department for Business, Energy & Industrial Strategy
3 Whitehall Place
London
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11th December 2020

Dear Alok,

Urgent – we need a change of approach from the Government regarding pubs

The situation for pubs and publicans is now gravely serious and it's clear that this is simply not being understood or appreciated within the Government. Successive policies have led to a widespread crisis for pub families just before Christmas.

Many of our nation's pubs are at risk and many pub families are facing real hardship through the loss of their livelihood, and without some urgent changes to the Government's approach and levels of support, you are condemning many families to having no Christmas at all. A worrying number are now facing the complete loss of their business and ongoing income, as well as the threat of bankruptcy and in some cases homelessness, especially where the family lives in the pub.

Whilst many sectors of the economy saw restrictions eased as we went into the new tiered system, hospitality and in particular wet-led pubs were faced with even more draconian measures. Pubs are now facing restrictions that no other businesses are facing – with rules that mean pubs must either remain closed or be expected to operate in a way which is simply not viable. Once again, we have seen traditional 'wet-led' pubs singled out for especially harsh treatment as they are expected to change their entire business model under tier 2. The feeling is growing that pubs have been unfairly scapegoated by this Government, and there is huge anger amongst pubs, publicans and their families who now feel victimised by the way their pubs and livelihoods have been threatened without credible evidence.

It has now been publicly admitted by Sir Patrick Vallance that the decision to impose a 10pm curfew was not based on any hard evidence, something that has been clear all along. It is also the case that there is no credible evidence to justify the absurd 'substantial meal' rule that prevents pubs operating as pubs and is destroying livelihoods.

The anger and sense of betrayal has increased with news of huge crowds in shopping centres, stores, supermarkets and city and town centres up and down the country with no social distancing in place and, unlike pubs, no supervision. The Government's current strategy – of allowing mass gatherings in retail and other environments yet heavily restricting or indeed banning people from having a quiet socially restricted drink in a well-run pub, is not only clearly illogical, but also displays what is now seemingly a clear prejudice from this Government towards our nation's iconic pubs and the communities that value them. The scenes at the weekend also show that the current approach is very clearly risking further infections, which could lead to the need for further restrictions and even another lockdown, either of which would only further add to the devastation of pubs and the hospitality sector.

Pubs went to enormous lengths earlier in the year to keep their staff, customers and communities safe, and evidence from Public Health England showed clearly that they were highly successful in becoming part of the solution rather than being any problem. Now however they have been targeted with a harsh new regime which is not backed by meaningful evidence, and which in no way shows

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any appreciation for the enormous lengths to which pubs went in order to help the Government control the virus during the late summer and autumn.

The Campaign for Pubs urges the Government to acknowledge the real struggle pubs are facing this Christmas under their punitive enhanced winter Tier restrictions. As has been very widely reported the pub sector is currently struggling as never before due to the way the Government has chosen to single out hospitality businesses for increased restrictions under the new enhanced Tier system. Pubs face stronger restrictions than ever, with many in Tiers 2 and 3 unable to open at all, while restrictions on every other sector of the economy have been to some extent relieved. The Campaign for Pubs has already pointed out that the recent support for pubs in England is woefully inadequate, and goes nowhere near far enough to compensate pubs for the huge restriction of their business over the festive period. Even those pubs that can trade are currently reporting vastly reduced custom under the single household/"substantial meal" restrictions of Tier 2, with an inevitable knock on throughout the supply chain which includes our brewing industry as well as a huge number of other suppliers. Many of these are small independent businesses with limited reserves and resilience, meaning that they are currently facing the same fears as our tens of thousands of small business publicans.

Christmas would clearly be a hugely busy time for the pub sector under normal circumstances. December trading levels give a vital seasonal boost which provides many pubs with the revenue they need in order to make it through quieter times of the year. Yet the frankly Scroogelike new level of grant support announced by the Government is only about a third of the far more realistic amount that businesses received during the first lockdown, and the derisory £1000 Christmas bonus announced by the Prime Minister in order to appease his rebels MPs will make no material difference at all to over forty thousand pub businesses that continue to face huge running costs while either closed or at least facing vastly reduced trade as a result of the unfairly harsh treatment handed to them.

So we are writing to you to urge you to really listen and to act on these key issues for pubs and publicans in England as follows:

1. Announce now what the situation will be for pubs from 16th December
2. Review all the current questionable rules
3. Drop the substantial meal rule
4. Urgently announce a meaningful and adequate package of support for pubs
5. Supermarket funds repaid must be used to support pubs and hospitality
6. Address issues and problems with the December Grants for wet-led pubs

1. Notice of Tiers and restrictions from 16th December – decision needed now

It is wholly unreasonable to leave it as late as 16th December to announce decisions about whether or not businesses can open over Christmas and the festive season.

So we urge the Government to announce no later than this coming weekend which areas will be in which tiers, as well as what (hopefully amended) restrictions they will actually be facing.

2. Urgent Review of Covid Rules Needed

The current Covid rules are not working and need to be reviewed now, without delay. **We urge you from 17th December:**

- To drop the substantial meal rule for pubs in Tier 2 and Tier 3 and to allow pubs to operate with the rule of 6 indoors and without a curfew, subject to compliance checks.
- To announce that all pubs will be allowed to open over Christmas, and furthermore, if the Government still intends to proceed with the 5 day relaxation for household mixing in private homes, then to extend those same rules to pubs and hospitality.

3. Substantial meal rule

The substantial meal rule must simply be dropped altogether, in all tiers. There is no credible evidence to suggest that people having a socially distanced drink in a well-run pub are any more likely to be a source of infection than people having a meal; indeed the Government's own evidence, provided by SAGE, contradicts this notion by suggesting that food-serving scenarios actually present a higher risk.

The substantial meal rule is nonsensical, as well as unworkable and legally unenforceable. There is no sensible nor workable definition of 'substantial', so clearly any definition will vary greatly from one person to another. Indeed it is already the reality that, in a restaurant setting, some people may (and have the right to) simply have a starter, snack or side dish whilst others have a large meal. Now it seems people will be obliged to order a full meal even if that is not their normal preference, and even though people cannot legally be forced to eat food they order. After all they have every right to tell the provider that they do not want to do so for any reason (feeling unwell, not liking the food, it not being satisfactory). Nor can people legally be told how much of any food they order must they eat, nor how long they must take to eat it! Surely the Government can see the absurdity of this situation?

The Government claims this is about allowing places that operate as restaurants to open, but restaurants don't have rules about whether or not you can order drinks before eating (you can) or whether you can order more drinks after a meal (you can) or how many drinks you may order during the course of your meal. Whoever came up with this policy has no grasp of commonsense, no foresight and frankly, not much grasp of the real world.

Yet, as with so many of the imposed restrictions, you are unreasonably expecting pubs and publicans to make constant decisions, without clear legal guidance, as to how these rules should operate on the ground, often while faced with customers who understandably resent the rules, and will resist attempts to force them to eat within a certain timescale, and to leave when they have finished eating. This is simply too much to expect from publicans who are already in many cases facing the extra burden of being forced to offer food when they do not normally do so, just to be able to open and to survive the winter. This is the position into which many publicans have been placed by these ridiculous and unfair rules.

As has been widely reported, the substantial meal rule is also now leading, inevitably, to vast amounts of food waste, as people are leaving large amounts of food uneaten, because they simply did not want it in the first place. To be imposing a policy that is wasting food in this way, at this time of real hardship for many, is frankly scandalous.

In short, it is an idiotic policy, without evidence, that clearly and deliberately (and unfairly) demonstrates prejudice towards traditional pubs, and those on lower incomes who cannot afford to eat out. The whole policy has rapidly become an embarrassment and a laughing stock.

Please wake up to the reality of this policy and get rid of it. We believe that the substantial meal requirement is completely pointless and unfairly onerous, and is needlessly damaging the viability of thousands of pubs. We believe those pubs should instead be allowed to revert to the more sensible, workable rules that allowed them to open as normal with small groups of mixed households, closely supervised in order to keep customers and staff as safe as possible.

4. Level of Support for Pubs – Support Pubs NOW!

The level of support for pubs in England is wholly inadequate and has quickly been eclipsed by the far superior support recently announced in Wales. It is also far lower than comparable support in Germany and France where grants are sensibly calculated as a proportion of lost revenue for each business. While we are glad to see furlough returned to the 80% level for staff, this is not actually any help to the businesses that employ those staff, and will not help those businesses survive in order to preserve those furloughed jobs.

Closed pubs still have to meet significant fixed costs, especially in the case of many thousands of pubs that are burdened with unsympathetic landlords or backers who are still insisting on billing substantial, and in the worst cases full, property costs.

The current levels of grant funding, as pinned to Rateable Values, are simply inadequate for most businesses to come close to even meeting those basic fixed costs while closed, let alone leaving anything over to live on in the case of the great many publicans whose circumstances as either recently self-employed or as small business directors have left them excluded from additional income support.

The grants of £1300 and £2000 every 28 days represent virtually one third of the far more realistic level of support offered during the first lockdown, and while it is good to see support this time for those with an RV of over £51K, following their appalling exclusion last time, the current grant level of £3000 falls woefully and shamefully short of what is required by these larger businesses.

As for the recently announced one-off Christmas “bonus” grant of £1000 for substantially wet-led pubs, this amounts to just £32.26 a day. That is basically the cost of a round of drinks and is frankly a derisory amount to compensate for lost extra trade during the busiest month of the year, and a month that is vital for pubs getting through the difficult months of January and February. Suffice it to say, it was perceived by struggling publicans as an insult, and as an indication of how little the Government values our traditional community pubs or understands the real costs of running one.

The real consequence of this is that thousands of pubs and publicans are simply getting into more and more debt each week, this is not sustainable and doesn't seem to be understood by the Government.

The current grants are not remotely adequate even to cover costs, never mind making up for the devastating loss of normal December trade. We notice that some Ministers have made the disingenuously general statement that pubs in England are getting £3000 a month, whereas this of course is only the case for larger pubs that are forced to close. Smaller pubs of course receive significantly less, even for full enforced closure, and many pubs are struggling on even lower grants in Tier 2 despite having no option but to struggle on in a marginally or non-viable situation due to the single household rule and the requirement to serve substantial meals.

For many businesses in Tier 2 the grant situation has actually become so confusing that they are not actually sure what they will be receiving depending on their particular circumstance, and are still awaiting guidance from local councils who tell them they themselves have had to await clarity from central government.

You cannot possibly claim this situation is acceptable or adequate, in reality is it derisory.

The Government needs to announce grants of an absolute minimum of £1000 a week, for all pubs, not the paltry amount that has been announced so far, and which has been shown up as frankly embarrassing for the Government by the hugely more generous package announced by the Welsh government.

The #SavePubsNOW petition is calling for a full and proper support package for these businesses, and for the people who rely on them for their livelihood and who are now facing such hardship due to the Government's policy choice. The petition has attracted over 10,000 signatures from people who passionately agree with us that the Government should provide the following support as an absolute minimum, in order to fairly compensate pubs for the restrictions they continue to face:

- (1) Closure grants increased to at least £1000 a week to actually cover costs, avoid business failure and prevent hardship.
- (2) A statutory rent code including the right to a rent review, to stop unreasonable rents that don't reflect trading conditions & a presumption of no commercial rent during forced closures.
- (3) A business rates holiday in 2021/22.
- (4) VAT of 5% on all pub/hospitality sales, including on all drinks, to support ALL pubs. This must not be on food/accommodation only, or it becomes yet another way the Government is discriminating against wet-led pubs, traditional community locals and micropubs and taprooms.
- (5) A tailored package of support, including business rates relief for small brewers & other suppliers, whose businesses are threatened by pubs being closed.

This is the kind of support that struggling pubs and their suppliers need both now and to give pubs a chance to get through into 2021 and to survive into the future.

5. Supermarket funds repaid must be used to support pubs and hospitality

We welcome the news that major supermarket chains are set to return Covid support funding worth some £1.8 billion to the Government,

Some of the UK's major retailers received grant funding and tax breaks earlier this year as part of the Government's planned support for businesses that were expected to see a downturn in trade due to the Coronavirus pandemic. The Campaign welcomes the news that some of those businesses that continued to thrive and prosper are now agreeing to return that unused revenue to the Government, and we further welcomed the Treasury's pledge that "any funds returned will support the ongoing efforts to protect people's jobs and incomes".

We commend supermarkets for taking this decision and now all eyes are on the Government, especially given their decision to allow supermarkets to trade, without restrictions, throughout the crisis, whilst forcing pubs to close. So we urge the Government to use that money to increase support for the pub and hospitality sector which has been so badly hit this winter with uniquely stringent government restrictions.

Indeed, supermarkets have benefited all through this crisis from being able to sell alcohol, with no restrictions, whilst pubs, that already face competition from supermarkets selling alcohol at very low

prices, have been closed or hugely restricted. This isn't fair and the obvious and right way for the Government to now rectify this is to compensate pubs and hospitality using the money that supermarkets have rightly returned.

6. December Grants for Wet-led pubs – issues and problems

Pubs and publicans are already reporting issues and problems with the £1000 December grants, which is the latest blow for them.

We are hearing many reports that Councils are making it unnecessarily onerous and complicated for pubs to apply. Pubs that are clearly wet-led and have always been wet-led are still being asked to prove this, including providing trading figures from last year. Some councils are already telling potential applicants that in any case the process will take a long time and it seems clear that many pubs, even if successful, will not receive the grants until next year.

Considering the devastating effect of the loss of normal December trade on just about all pubs, they urgently need this very modest additional support paying now, and it is imperative that Government works with local councils to expedite this.

We urge you to intervene and make a clear announcement that all pubs normally categorised as wet-led pubs are eligible and that there should be no requirement to provide past figures, and to urge councils so ensure that these grants are all paid before Christmas.

Please save our pubs this Christmas and for the future!

So, we urge you, please listen to the nation's pubs and publicans. Please accept that the current strategy isn't justified, isn't fair on pubs and isn't working. Please remember that publicans are people and have families – and these families deserve Christmas too and the chance to survive the winter and into next year when communities everywhere will be wanting, and fully expecting, to flock back to their precious local pubs once they are finally able to do so.

We urge you to #SupportPubsNOW, to review the rules and act decisively to save pubs and support families facing hardship.

We look forward to hearing from you.

Yours sincerely,



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Licensee



Dawn Hopkins
Vice-Chair, Campaign for Pubs
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cc Darren Jones MP, Chair, BEIS Select Committee
 Charlotte Nichols MP, Chair, Pub APPG
 Jeff Smith MP, Chair, Nighttime Economy APPG
 Daisy Cooper MP, MP for St Albans, Save St Alban's Pubs campaign