



# Campaign for Pubs

Promote, Support and Protect Pubs

Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

1<sup>st</sup> March 2021

Dear Chancellor,

## **Pub rents – your comments on the Andrew Marr Show**

We are writing following your appearance on the Andrew Marr Show on BBC One yesterday, Sunday 28th February and your comments regarding 'average' rents of pubs and restaurants.

On the show you stated that the average rent payable by a typical pub was in the region of £14,000-£20,000 a year. It appeared, given the context of the conversation, that you made this comment to seek to show that the level of support the Government has provided to pubs has been sufficient.

The figures quoted by you as an average, have sparked disbelief amongst the nation's tenant publicans, and also within the wider hospitality sector, as they represent a gross underestimate of the rent paid by most pubs and restaurants up and down the country, many of which pay hugely higher annual sums. It is simply impossible that the average can be anywhere near as low as the figures you quoted.

Can you confirm where you received this quoted information from? We believe it to be wildly inaccurate. From our own research, direct from a large number of UK publicans, the lowest rent reported was £21,000 and the average appears to be around £39,000. This would certainly be in keeping with the 2017 RICS benchmarking figures which placed the national average at £37,691.

However we should add that we are in touch with many publicans whose rents are far higher still, with many reporting rents above £80K and indeed some well over £100K, especially of course in London and other busy city settings. We would also point out that such high rents are of course accompanied by high Rateable Values, meaning that many such tenants (many of whom are individuals or very small businesses) missed out entirely on Covid grant funding in the first lockdown.

To compound matters yet further, the reality is that many publicans have only received limited rent support from their commercial landlord, and many have disgracefully received no support at all in cases where their commercial landlords have openly ignored the Government's voluntary Code of Practice.

Our great worry is that, if you are basing your support measures upon this huge under-assessment of rent, the support calculated and offered by your office through the entirety of the pandemic is falling short by over 50% of what is really needed to support these businesses and help them meet their associated fixed overheads. Since the start of the pandemic, and continuing as we have remained closed, the industry has consistently said that whilst any support (which is in actual fact compensation for the Government making it illegal to trade) has been welcome and vitally important, it has fallen woefully short of even covering ongoing costs. It would appear we now understand why... you have been basing your measures on inaccurate or misleading numbers.

With heavy restrictions set to continue, it is clear that our ability to trade at anywhere close to normal levels will be suppressed until at least the end of June. With this in mind we urge you to clarify and confirm the assumed figures that have been used by the Exchequer to calculate the support needed to the hospitality sector.

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

Email: [campaign@campaignforpubs.org.uk](mailto:campaign@campaignforpubs.org.uk) Twitter: [@campaignforpubs](https://twitter.com/campaignforpubs) Facebook: [@campaignforpubs](https://www.facebook.com/campaignforpubs) Instagram: [@campaignforpubs](https://www.instagram.com/campaignforpubs)

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Without this explanation and justification it is clear that publicans up and down the country will remain of the opinion, following yesterday's interview, that the Government is sorely out of touch with the reality and actual cost of running our businesses. We are deeply concerned that the Government continues to listen unduly to the large pub-owning companies and other large property owners, and not to the people who *actually run* the nations' pubs (and indeed pay the rents), the UK's hardworking publicans.

We look forward to your response.

Yours sincerely,



Paul Crossman  
Chair, Campaign for Pubs



Dawn Hopkins  
Vice-Chair, Campaign for Pubs

cc Paul Scully MP, Parliamentary Under Secretary of State (Minister for Small Business, Consumers and Labour Markets)  
Charlotte Nichols MP, Chair, All Party Parliamentary Pub Group