



# 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

17<sup>th</sup> December 2021

Dear Chancellor,

## **Urgent need for financial support for UK pubs due to the impact of Government announcements**

We are writing to you due to the devastating impact of Government announcements, restrictions and advice on pubs, publicans, pub staff and suppliers in all parts of the UK and from the impact of announcements from the Governments in all 'home nations' of the UK.

Publicans and staff, as well as brewers and all suppliers who rely on pubs for trade, are reeling at the various announcements, that have had a huge impact on trade, at this crucial time of year. Our members are reporting cancellations of parties, meal and room bookings as well as a huge drop in trade, at a time when pubs would normally be busy.

The impact of all of these has been devastating and this is regardless of whether hospitality is itself directly restricted or not. Advice that people should not socialise, in effect saying that people should not go to the pub, is in itself disastrous for pubs and trade and directly threatens jobs, livelihoods.

Pubs rely on December/Christmas trade to help get through the difficult winter months of January and February. This is even more the case after the desperate last twenty or so months, with trade having never reached pre-pandemic levels, even before recent announcements and many pubs still paying off debts, including Government Bounce Back Loans. Not only has the pub trade not bounced back to where it was and needs to be, but now has been bounced off a cliff by Government advice and wider restrictions. We are hearing from publicans on the verge of tears who are on the brink of giving up. The cycle of restrictions and lockdowns (and Government U-turns) is making running pubs and hospitality businesses impossible. We simply can't go on like this.

It may not be 'important' to you and the Prime Minister to go to the pub, but it is of fundamental importance that publicans and pubs staff are able to pay their bills and put food on their table. We are hearing reports from deeply distressed publicans that due to the sudden collapse on trade, they are not sure how they can afford Christmas for their own families. Be under no illusion what the advice given this week has done.

These announcements have been made without any accompanying announcement of financial support for pubs, despite the disastrous impact on pub trade that they are having, something that the Government must have predicted. This is grossly unfair, deeply worrying for publicans and staff and all whose incomes rely on pubs, but also is abdicating responsibility, so we are writing to you to urge you to do the right thing and follow up the recent announcements with a proper, meaningful package of support to get them through the winter, to save jobs, businesses and livelihoods – and to save many valued pubs in many communities up and down the UK that otherwise, may not survive.

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

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So we urge you to do the right and obvious thing and introduce a proper package of support for pubs as follows:

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- A Christmas/winter grant to all pubs/hospitality businesses to provide some compensation for the direct impact of Government advice and wider restrictions (and to prevent business failure).
- A 6 month suspension of business rates and removal on the limit for the 50% discount for the remainder of the period.
- An additional discretionary fund given to councils, for pubs and other affected businesses to apply for (on top of the grants).
- A 6 month suspension of repayments of Bounce Back Loans for all hospitality business, including suppliers (and with no interest accruing during this 6 month period). How can the Government expect people to continue to pay loan repayments knowing that it has destroyed trade and pubs' ability to make those payments?
- 5% VAT on ALL sales in pubs for 6 months January to June 2022. This MUST be for all pub sales and not restricted to food/soft drinks/overnight accommodation. Previous VAT cuts have been hugely unfair on and discriminatory against 'wet-led' pubs, which are often the pubs most affected by and most at risk of temporary or permanent closure due to the impact of the serious loss of business. Wet led pubs have been consistently discriminated against, via 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.
- Return of flexible furlough (with no employers NI). Please note that due to the latest huge blow to trade and existing debts, many pubs and publicans simply cannot afford to contribute to furlough and if this is required of them, redundancies would be inevitable.
- Extension of the eviction moratorium through to at least Easter and include any rent arrears from July 2021 to April/May 2022 in the ring-fenced period and subject to the new legislation coming in with regards to arbitration and settlement if it cannot be agreed between tenant and landlord.
- Cap utility costs/bill levels for electricity and gas to a sensible level for all hospitality and retail for 12 months. Rising and volatile utility bills are putting even more pressure on pubs and without action, could be the factor that pushes some pubs into failure.
- A statutory right to an immediate rent review for all pubs, to tackle the fact pubs are now paying rent levels that are too high, in light of the profound loss of trade, caused by recent Government announcements. The Voluntary Code of Practice, as we predicted, has been widely ignored and the Government needs to take legislative action to stop the scandal of closed and restricted pubs and other businesses being charged unreasonable rent.
- Put pressure on the banks and other lenders to provide further mortgage holidays and renegotiate terms of loans where needed.
- Grant and rate relief support for brewers and other suppliers to pubs, whose businesses are also being seriously affected by the decisions taken regarding pubs.

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We urge to you listen to and engage with the people actually running the nation's pubs (and not to only listen to the organisations representing the large pub-owning companies and brewers, which alas is all too often the Government's approach). Pubs and publicans (and suppliers directly affected) need direct support and they need it urgently.

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.

You and the UK Government have stated repeatedly that you would support businesses through the pandemic. You therefore must again put this into practice and in a meaningful way, that will allow pubs to get through the next difficult 6 months. It would be a profound failure of policy and a waste of the money spent so far if a lack of support now lead to many pub closures and job losses. It therefore makes policy and economic sense, as well as doing the right thing, to provide a meaningful support package and do so quickly.

We and Britain's publicans, suppliers and customers look forward to a response and we hope an announcement very soon.

Yours sincerely,



Paul Crossman  
Chair, Campaign for Pubs



Dawn Hopkins  
Vice-Chair, Campaign for Pubs

cc Rt Hon Alok Sharma MP, Secretary of State for BEIS  
Paul Scully MP, Parliamentary Under Secretary of State (Minister for Small Business, Consumers and Labour Markets)  
Darren Jones MP, Chair, BEIS Select Committee  
Charlotte Nichols MP, Chair, All Party Parliamentary Pub Group  
Mike Wood MP, Chair All Party Parliamentary Beer Group  
Steve Double MP, Chair, The All-Party Parliamentary Group for Hospitality and Tourism  
Jeff Smith MP, Chair, All Party Parliamentary Nighttime Economy Group