



# Campaign for Pubs

Promote, Support and Protect Pubs

Rt Hon Jeremy Hunt MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London  
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The Rt Hon Grant Shapps MP  
Secretary of State  
Department for Business, Energy & Industrial Strategy  
3 Whitehall Place  
London  
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22<sup>nd</sup> December 2022

Dear Jeremy and Grant,

## **URGENT – crisis facing small brewers – please act to stop further closures**

We are extremely concerned by the recent and ongoing spate of small brewery closures and we urge you to take action, to stop the decimation of the independent brewing sector, currently suffering from the astronomical level of energy bills, the cost-of-living crisis and inadequate and poorly targeted support from Government. **There have now been over 80 small independent brewery closures this year, which is unprecedented.**

Given all the pressures that they face, it is sadly no surprise that small breweries are shutting their doors; but it is surprising that the UK Government - with a stated aim to 'level-up' and deliver growth - is turning its back on this growth industry and doing nothing to help preserve these pillars of national character. The view amongst brewers (and publicans) is that the Government seems happy to watch these important small businesses struggle and fail. Like pubs, our small breweries are an intrinsic part of the fabric and culture of our nation, besides being a key partner for pubs and bars that want to showcase local produce.

The UK's small breweries have faced significant headwinds since before the COVID crisis. In the post-Brexit environment, many UK brewers whose business models relied on exporting a great British product into the European Union, found their activity severely curtailed by additional red tape. Rather than support the small brewer SMEs to provide competition to their larger rivals, this Government has gone on to prove time and again that it is beholden to big multinational brewers, irrespective of the impact of its policies on the UK's cultural landscape. Recent proposed changes in Government policy on alcohol duty have betrayed effective lobbying by multinational brewing concerns to increase the tax burden on their competitor small UK breweries. Small breweries employ and train disproportionately more people than larger concerns, and pay disproportionately more tax into the exchequer, whilst bringing quality and variety to the bar.

Unfortunately, there is still uncertainty around the final alcohol duty package that the Government is working on and struggling breweries need and deserve clarity. We urgently need to know the detail of what the general beer duty rate will be next year. There is a glimmer of hope for support in the new

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proposed draught duty rate and we ask that this positive reform is expedited and enhanced. However, we understand that this reform as currently configured would prevent pubs from selling takeaway beer in a resealable container. For pubs, brewery taps and bars with a consumer base that enjoys being able to take fresh and/or cask beer home in a Growler or Crowler container, this unfortunate consequence of the draught duty rate policy could be disastrous.

Many small breweries diversified into small pack, like cans, to survive the recent COVID crisis. Government plans for a Deposit Return Scheme will add another layer of cost and difficulty to producers making small pack - in a way that will disproportionately disadvantage smaller brewers. A deposit scheme is an excellent idea, but the current implementation plan requires small brewers to shoulder significant additional costs. Larger brewing concerns have even managed to effectively lobby for the measure not to apply to their favoured (and less environmentally friendly) package: the glass bottle. Like duty reform, the Deposit Return Scheme is slated to hugely disadvantage smaller breweries. All the while, it is worth remembering that unlike pubs, breweries - many of which achieve most of their sales through pubs, particularly those producing the national beer style: cask beer - did not receive any sector-specific Government support during the COVID crisis.

It is not surprising that many small brewers have decided to cease trading, faced with this raft of punitive policy decisions and ongoing uncertainty around their implementation. To say nothing of the effects of recent rises in energy prices and a cost-of-living crisis which, for many breweries, have been the final straw. With more of the UK's small breweries closing day-by-day, now is the time for the Government to step in to protect to UK's indigenous beer industry, rather than continue to assist multinationals to achieve greater market share at the expense of our brewing heritage. Small brewers are evangelists on behalf of our beer heritage and the broad spectrum of beer styles. It is vital for UK pubs, tourism and consumer choice that pubs remain able to showcase range and variety on the bar. Small breweries deliver jobs, training and export opportunities, besides being important competition to industrial beer producers.

We also continue to urge you to wake up to the crisis facing our nation's pubs, with the current crisis already seeing a significant rise in pub closures, meaning the loss of valued pubs in communities up and down the country. We have continued to call for support from the Government and we refer you to [our letter dated 14<sup>th</sup> November 2022](#) and urge you to introduce some much needed direct support, in the form of direct tax relief and more meaningful support on energy bills, to see pubs and brewers through this unprecedented crisis. Our nation's small brewers, brewing our national drink, and our publicans, want to continue to trade, contribute to the local economy and pay taxes for years to come, but can only do so if they survive this current crisis.

The future of many beloved pubs in communities up and down the country, and the future of more excellent smaller breweries, is in your hands. We therefore urge you to act as a matter of urgency to prevent the further loss of brewers and pubs and save a key part of our economy and culture.

Yours sincerely,



Phil Saltonstall  
**Brewer Coordinator**  
Founder, Brass Castle Brewery



Dawn Hopkins  
**Vice Chair**  
Licensee, The Rose Inn, Norwich

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