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Rt. Hon. Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
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24th November 2020

Dear Chancellor

Emergency funding for pubs and brewers

I am writing to you ahead of tomorrow's Comprehensive Spending Review announcement to impress upon you the seriousness of the situation facing our nation's pubs and brewers. I know you are more than aware of the crisis facing our sector, but yesterday's Winter Plan has only made the situation more urgent and heading into what would have been our most valuable trading period, thousands of pubs are now reaching the end of the road.

Following the announcement yesterday it is clear that pubs are being singled out for exceptionally strict treatment, despite a lack of available evidence that they are any more responsible for outbreaks than other types of venue. If anything, the evidence indicates that they are far less of a risk than many other environments. As a result of these exceptional restrictions we are calling on the Government to put in place a more sustainable round of grants for pubs in line with the first lockdown to adequately cover ongoing fixed costs, with payment as soon as possible. As a minimum:

- Pubs with a rateable value of less than £15k should be eligible for a grant of £3,000 per month
- Pubs with a rateable value of between £15-£51k should be eligible for a grant of £6,000 per month
- Pubs with a rateable value of between £51k-£100K should be eligible for a grant of £9,000 per month
- Pubs with a rateable value of more than £100K should be eligible for a grant of £12,000 per month

To put this into context, the average loss in turnover for a wet-led pub located in a new tier two area in December and for those pubs closed entirely in tier three will be £47,000, with *total* lost turnover for these pubs amounting to £1.5 billion. The situation facing pubs also inevitably has an enormous impact on brewers who are again losing their most valuable route to market. If all pubs were to be subject to the restrictions in tiers two or three in December, we estimate that compared to a typical

December, 180 million pints of beer will go unsold by wet-led pubs alone at a value of £680 million to the sector. It is vital that the Government also puts in place a rescue package for brewers who have suffered substantial losses throughout this year but have had no grant support at all.

This enhanced regime would make all the more urgent an increase in the state aid cap in line with the Commission's new €3m limit – and potentially more once the UK is no longer subject to EU rules. It is also vital that pubs receive an early signal that the business rates holiday will be extended beyond March 2021, this will provide publicans and pub owners with a degree of certainty going into the year ahead.

I cannot overstate how serious the situation facing our brewers and pubs is at this stage. It would be utterly heartbreaking if, having survived through the last nine months, pubs now face ruin with the end of the pandemic in sight. I would welcome the opportunity to discuss this further with you and your officials at the earliest opportunity. I can be contacted on emcclarkin@beerandpub.com or 07912541441.

Yours sincerely,



Emma McClarkin
Chief Executive