



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

16<sup>th</sup> December 2021

Dear Chancellor

As Chief Executive of the British Beer and Pub Association I am compelled to write to you on behalf of our members to raise the devastating impact the latest Covid-19 restrictions and guidance are having on the pub and brewing sector which is already facing eye-watering inflationary cost pressures and disrupted supply chains.

Plan B restrictions introduced this week are a huge blow for our sector. Combined with calls in yesterday's press conference from the Chief Medical Officer for people to "deprioritise" some social interactions in the run up to Christmas, it is evident that consumer confidence has been hugely undermined, and the pub and brewing sector urgently needs the Government to step in with financial support.

The festive period is a crucial time for the sector and these restrictions could not have come during a more important trading phase, particularly as many pubs and brewers targeted Christmas as an opportunity to recuperate some of the losses they have experienced to date. This period is also vital to see them through the quiet winter trading months in the New Year. A failure to support the industry at this pivotal time risks mass closures in an industry which remains on a knife-edge after a brutal previous 21 months.

Already in just the last week we have seen an estimated three million Christmas bookings cancelled. Weekly trade is now tracking rapidly downwards compared to 2019. Based on our survey this week of pub businesses covering nearly 9,000 pubs, we are forecasting Christmas trade across the sector to be down by at least 25% (some much worse). This is below the break-even point for the vast majority of pubs and a reduction in trade of £6,300 against a typical Christmas period for a pub. This equates to £297m lost across the sector as a whole over a two-week festive period.

Should further measures be introduced which will impact our trade further, it goes without question that more support will be needed, specifically to support and protect jobs. We know from very recent experience that table service and other social distancing measures in pubs had very significant additional impacts on trading which, if reintroduced, will render many pubs unviable.

We have been hugely grateful for the support of Government through the pandemic and it is critical that all this support does not come to nothing in what is hopefully the final phase of pandemic and related trading restrictions. To ensure that businesses can survive the first

quarter of 2022 and to ensure we can contribute towards the nation's economic recovery, the Government must:

- Introduce new grants to compensate for a lack of trade from Government intervention
- Suspend business rates for Q1 2022 for all hospitality businesses and agree to review the 2022/3 cap.
- Prolong the reduced rate of VAT until at least the end of June 2022 – ahead of a review looking at a permanent reduction.
- Ensure brewers are within scope for compensation grants and rate relief.

I urge you to take swift action to support our sector and I am at your disposal should you wish to discuss any of the issues raised above, I can be contacted at your convenience on [emcclarkin@beerandpub.com](mailto:emcclarkin@beerandpub.com) and 07912 541441. It is crucial we do not let pubs and brewers suffer any longer following the devastating 21 months they have experienced.

Yours sincerely,



**Emma McClarkin**  
**Chief Executive**  
**British Beer and Pub Association**