

Campaign for Pubs

How well do you believe that the Government understands the trade? What would you like them to know, if you think they don't already?

It is apparent from the Covid pandemic that the UK Government and Scottish, Welsh and NI) don't adequately understand the pub trade or how pubs operate, the different models and the reality especially for many smaller pubs (as opposed to big chains).

It's also the case that the Government deals with and listens to the voices of the large pub companies and big breweries and doesn't adequately engage with organisations representing pubs and publicans.

Tell us about how Government support schemes have worked during the COVID-crisis– have they been enough for the pubs you represent? Has financial support arrived in a timely manner? Have you/the publicans taken out Bounce Back Loans? Are you concerned about the end of the Job Retention Scheme? If you haven't received sufficient support to cover periods of closure and restrictions, what measures have you had to take because of this?

Key points on this:

1. For many, we believe most UK pubs, the level of grant has not been enough to even cover costs, where commercial rent has been charged, never mind provide any replacement for income lost or provide income support for publicans and their families. This was made worse by the Government's unwillingness to tackle the disgrace of some pub-owners, pub companies and commercial landlords charging full rent through the pandemic. The weak voluntary rent code of practice has been routinely ignored, so publicans facing large rent bills are now in very significant debt, debt levels of tens of thousands of pounds, that it will take years to pay off.
2. The receipt of support has been a lottery, largely dependent on local authorities, with some doing a great job and some taking far too long to pay desperately needed Government grants. This lottery has caused serious anxiety for those with poor council responses. 3. The Bounce Back Loans have themselves become a problem, they were offered and taken in the belief that business would be largely back to normal into 2021, yet we had two further lockdowns and trade will not be anything like normal by the time the loans are supposed to start being paid back. Many publicans feel that they took them out under false pretences as a result. So this needs addressing.
3. The Job Retention Scheme has been good for many pub staff, but a mixed blessing for pubs and publicans, who have had to contribute to costs, which has added to the debt burden. So the way these are seen as benefit for pubs shows a real lack of understanding of the reality for publicans/tenants who have been funding this despite having no income themselves.
4. Many pubs now face a very parlous situation, due to the large rent debts and general debts accumulated, that will take some years to pay off and that is if trade recovers to pre Covid levels. If it does not, many pub businesses are at risk. Governments must act on rents, which must reflect the changed reality as well as extending business rates relief - then reforming the whole system to stop penalising pubs and shops that have and need a physical presence. Things must now change, following the pandemic.

Throughout the pandemic there have been a number of leaks, as well as speculation from the media about changes to regulations, dates for reopening, and financial support. How do you think this impacted businesses' ability to plan?

The leaks have been a disgrace, it's a shoddy way to behave in normal times, but in a situation where people are fearing for their businesses and livelihoods and under huge stress in many cases, it's made that even worse.

The reality is that it has been impossible to plan, throughout this and whilst a pandemic is clearly a hugely challenging thing for Government to deal with, the way decisions were made, not made as quickly as they could or should have been and regular U-turns have all made things much worse for pubs. Lessons must be learnt.

Do you feel that there was sufficient time to make these plans once changes were officially announced?

No, indeed plans were ruined and huge extra costs incurred due to last minute announcements and changes (and without compensation for stock lost). Huge amounts of cask beer (and some other draft beer) has been wasted, due to last minute announcements. This has happened several times, probably the worst being announcing closures late on 30th December when pubs and restaurants had stock for New Year's Eve, cask/draught beer and food and with staff set to work. This was an appalling way to treat all these businesses.

What will your pubs/ the publicans you represent need to be successful in the future?

First of all, to be able to trade normally, as pubs and without restrictions that reduce trade. So this means no mandatory table service, no restriction on numbers in the pub or at tables. Whilst it is sensible to continue to have things like sanitiser (and of course implore hand-washing), pubs cannot trade normally and in many cases profitably until social distancing has ended.

Rents remain the biggest concern for many pubs and something that Government continues to do nothing to tackle. Rents must be changed to reflect the trading reality, whereas what is happening is that many pub owners are seeking full rent again now, because pubs have opened indoors.

The business rates holiday must be extended and the whole system reformed.

Do you expect the wider pub trade to change following the end of the COVID-19 crisis? In what way?

Change happens all the time, but the real question is not what we expect to change, but what needs to change to give pubs a better future.

First of all, the pandemic has shown the inherent failings in pub ownership, with far too many pubs rented, tenanted or leased from uncaring owners (especially some commercial landlords, some pub-companies and some individuals). We need owners to be much more accountable and to give the right to pubs to challenge patently unfair rents levels or decisions.

Secondly, there is also a serious threat to the future of many thousands of pubs, due to the weak planning system, and already cynical owners, planning consultants and developers are seeking to

exploit the pandemic by claiming that a particular pub is no longer viable. So if Government cares about pubs and pub culture, it needs to strengthen the planning system as outlined in our Give Pubs Protection campaign policy <https://campaignforpubs.org.uk/campaigns/give-pubs-protection/>

Thirdly, we also want to at least see a more sustainable, more independent future for our pubs, with more locally accountable ownership. So this means fewer pubs in the hands of giant breweries, pub companies and hedge/investment funds, large commercial property companies and the like - and more pubs in the hands of those who run them, local entrepreneurs, small brewers and communities. This would be something very positive to come out of this awful situation.

What opportunities do you think there will be for the sector after COVID, and what would you need from the Government to support potential growth?

Rather than talking about growth, we need to be talking about big changes that must happen as a result of both lessons learnt from the pandemic and the handling of it by Government, but also the fact that the environment has changed for many businesses, for 'the high street' in many areas and for pubs (and that is thinking of when things are finally back to normal, which they are not yet).

The UK Government has ducked the issue of taxation on business for far too long but now, with the huge impact on pubs (and shops other than supermarkets) from the pandemic and lockdowns at the same time as supermarkets and online shopping has boomed, there must now be a system of business taxation that moves away from penalising businesses that need a physical presence.

Clearly and happily, one type of business that will always need a physical presence, by its very nature, is a pub and if Governments values our pub culture, they must now come up with wholesale reform including replacing business rates and levelling up taxation on online and physical businesses. Government also must have the courage to tackle the issue with rents, which must reflect market conditions (and in our view, the Government should legislate to make it illegal to charge commercial rent on any business that has been legally forced to close by a public authority for reasons outside of the control of the business, like a pandemic. Too many faceless property owners and pubcos have charged excessive or even full rents and merely deferring rents is still to charge businesses rent for a property that they rent to be able to trade, in which they cannot trade. That is immoral and must be outlawed, but the Government must also act to allow the right to independent rent assessments for pubs (and other businesses) faced with intransigent and uncaring landlords, this must be a key thing to come out of this crisis.

One positive thing for many pubs has been the way they have expanded their capacity and offer by creating, expanding or improving outdoor areas. So hopefully this will have a positive impact permanently, both in terms of the trade for those pubs that can serve more punters, but also in hopefully attracting new customers who like the outdoor area and atmosphere.

Finally, our biggest hope for pub is that this awful pandemic will remind people of the important role pubs play in our society and culture and that people who didn't appreciate this as much as many of us do, will now see this. The inability to meet friends and family or merely to pop out of the house for a pint and a chat, especially for those who live alone, has highlighted how important the social and community role of pubs are. so we hope that many more people will embrace and celebrate this and that we will see a renaissance of the Great British Pubs in the coming months and years, alongside long-overdue changes from Government to properly support and protect them.

Is there anything else you would like to add?

Only to thank the Pubs APPG for this initiative (and the APPG Secretariat, CAMRA, for organising it) and we look forward to working with both to campaign for a better future for pubs.