

**The All-Party Parliamentary Pubs Group – The impact of the COVID-19 crisis
on pubs
Call for evidence response (May 2021)**

About Molson Coors Beverage Company

Molson Coors Beverage Company owns some of the UK's most important breweries and brands – including Carling, the UK's number one lager, brewed in Burton upon Trent and made from 100% British barley; Sharp's – maker of the famous Doom Bar in Rock, Cornwall which is the UK's number one cask beer; and Aspull, which continues to involve the Chevalier family who founded the Cyder House in Suffolk in 1728.

Our beverage portfolio also includes Coors, Staropramen, Blue Moon, Pravha, Cobra, Worthington's, Caffrey's, Rekorderlig, Miami Cocktail Company and the hard seltzers Three Fold and Bodega Bay. Our range of low and no alcohol products includes Doom Bar Zero, Cobra Zero, Bavaria 0.0% and Rekorderlig no alcohol.

Our Western Europe Head Office is in Burton upon Trent and we have regional offices across the UK in Edinburgh, London and Belfast. Our National Contact Centre is in Cardiff. We have around 12,000 independent on-trade customers and the largest technical services and customer sales team in the industry. Across our breweries, offices and mobile workforce we employ over 2,000 people across the UK and Ireland. The business also supports the Molson Coors Growers Group, which brings together more than 140 farmers as part of its extended supply chain.

In recent years we have invested over £100m across our UK operations and through *Our Imprint* we demonstrate our commitment to our people, communities, consumers and the environment. Most recently we have become the first major brewer in the UK to produce all our beers and ciders using 100% renewable electricity.

Molson Coors has responded to the Covid-19 pandemic in several ways:

- We have focused on protecting the health, wellbeing and livelihood of every member of staff. At the outset of the pandemic we asked all of our vulnerable and extremely vulnerable employees to remain at home, including operational teams, and have continued to pay everyone, whether isolating, working or furloughed, 100% of their salary
- Reflecting the company's objective of being 'Champions of the Local', Molson Coors has supported the on-trade, including the national multi-channel launch of the #supportyourlocal campaign from Carling
- While being home to the most-loved beer and cider brands in the UK, Molson Coors takes pride in supporting small and entrepreneurial businesses (it has the largest independent on-trade footprint of any brewer) through the crisis – including investing in safely disposing of old stock, and providing fresh beer on reopening.

We are committed to tackling harmful drinking and supporting moderation. We are a major contributor to the Drinkaware Trust, and a member of several organisations that promote responsible drinking including the Scotland Alcohol Industry Partnership and the International Alliance for Responsible Drinking (IARD). **The impact of coronavirus on the pub sector**



Molson Coors Beverage Company welcomes the opportunity to respond to the APPG for Pubs inquiry into the impact of the COVID-19 crisis on pubs and the people who run them. The pandemic has hit the on-trade harder than perhaps any other sector. Venues have not been able to operate restriction-free since the initial lockdown in March 2020, and even when restrictions have gradually eased many have been unable to open their doors. We have been campaigning on behalf of pubs throughout the pandemic for support packages for the sector, for clearer guidance on re-opening timescales and regulations, as well as advocating a reduction in VAT and beer duty.

The impact on pubs: How have people who run and work in pubs been impacted? Have pub closures affected their mental health and wellbeing?

The economic pressures and uncertainties faced by landlords, owners and employees alike has caused a difficult and anxious situation for many. With pubs and the wider hospitality sector forced to close and for large periods uncertain about what levels of support they would receive.

Pub businesses have also been working tirelessly to make sure they've been able to provide a safe and welcoming environment for regulars and new customers, which has been a significant investment of time and money. However, on many occasions they have faced further restrictions, closures or the goalposts for reopening have moved.

The emergence of the Indian variant has cast doubt on the planned further easing of restrictions on 21st June, which will yet again have a significant impact. We know that the vast majority of pubs are unable to operate viably until social distancing measures are removed and prolonging the current restrictions will have a devastating effect on venues across the country. Therefore, if this is the case it will be necessary for the Government to extend the financial support that is currently due to be phased out from the end of June.

Further, it is important that the Government does not put in place any further legislation that cuts across our sector that would hamper the sectors recovery at such a critical moment.

The community impact: How has the need to close pubs impacted communities at a local level? What services do pubs usually provide, and what is the impact of their loss? How do you envisage the future of pubs and the communities around them?

Pubs and breweries have been a constant part of life and at the heart of our communities in the UK for centuries. Pubs are an integral part of what makes Britain special and they are so much more than just a place to go for a drink. They are a vital part of our social fabric and truly unique to British culture, something that should be celebrated and protected.

They continue to be the cornerstone of our communities all over the UK, bringing together visitors from all walks of life in a way no other establishment does. They are the social network that connects our communities, especially in rural towns and villages, providing a place for those who may be isolated to connect with others, and a vital space to open conversations between friends that can help to combat issues such as poor mental health.

As one of the biggest contributors to the UK economy, the sector has a vital role to play in fuelling the country's recovery, creating jobs in all regions across the country, as well as in maintaining community cohesion and social resilience well beyond the pandemic.



A report published in March from Localis, entitled [‘The Power of Pubs – protecting social infrastructure and laying the groundwork for levelling up’](#), critiqued the first 12 months of the pandemic and examined the consequences for the pub and brewing sector. The authors of the report concluded that, put simply, where there’s a pub, there’s a community. And in considering how we renew the nation economically and socially from the scarring of Covid-19, the pub is a central hub in countless cities, towns and villages from which the spokes of recovery will radiate.

The national context: What are your views of the impact of the pandemic on the pub trade as a whole? Are there key systemic pressures currently faced by all pubs? How could the sector best be supported to make a strong recovery?

The pub and beer sector can play a significant part in the UK’s economic and social recovery from the effects of the pandemic. The sector supports more than 900,000 jobs across the UK and is unique in that its positive impact is felt in every community and corner of the UK. We saw that the reopening of the hospitality sector last summer drove GDP growth, and since measures were lifted from 12th April outdoors, and 17th May indoors, there have been early indications of strong demand returning. The sector is also home to incredible entrepreneurialism, with thousands of small, often family-run businesses, at its heart.

The support the hospitality sector has received from the government to date has been essential, and the package of measures announced by the Chancellor at the Budget on 3rd March provided further welcome short-term support. We now need to see the introduction of long-term structural changes that will not only allow the sector to recover from the lasting damage of the past year but also be a catalyst for growth in every part of the country.

We have four specific asks that will give business owners of all sizes in the sector, the confidence and stability it needs .

1. Ending of trading restrictions on 21st June – we urge the Government to stick to its current timeline of removing all trading restrictions for hospitality businesses on 21st June. With continuing capacity restrictions many pubs continue to trade unprofitably, compounded by the debt burden many operators are carrying as a result of forced closure.
2. Business Rate reform – beyond the short-term business rates relief and reductions announced in the Budget, in the post pandemic recovery we need long-term reform that recognises the unique challenges facing the hospitality sector and supports its role in helping to rebuild our high streets and communities. This isn’t about giving the hospitality sector preferential treatment, but about ensuring that there is a level playing field for all industries.
3. VAT cut – Extending the 5% VAT hospitality rate until September and for an interim rate afterwards is again much welcomed. However, the sector needs a sustained cut which would be a great investment in driving consumer footfall, creating jobs and allowing the industry to flourish independently.
4. Beer Duty cut – We are an active supporter of the British Beer and Pub Association’s Long Live the Local campaign and will continue to call for a cut in beer duty. UK drinkers currently pay beer duty 11 times higher than in Germany or Spain and three times the EU



average. As part of the on-going Alcohol Duty Review, we need a more level playing field to give the sector the oxygen it needs to recover and flourish.

We also support the BBPA's call for the Government to impose a two-year moratorium on any new regulation that would add unnecessary costs to the pubs and breweries sector as it moves toward long-term recovery.

Pubs are at the heart of our communities and integral to the fabric of the UK. The areas of support outlined would be a positive and beneficial investment for the UK Government by creating jobs, increasing spend and rebuilding GDP, which the country so desperately needs. With the right backing the brewing and pub sector can be an important part of the solution, supporting thousands of jobs and acting as a catalyst for growth in regions, towns and high streets across the country.

