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Rt. Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
Horse Guards
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Friday 22nd October 2021

Dear Chancellor,

I am writing in my capacity as Chair of the All-Party Parliamentary Pub Group, ahead of the Budget next week, to highlight the acute issues currently facing the pub sector and to stress the importance of making meaningful changes that will benefit publicans, their staff, and the communities that they serve.

In recent weeks, worrying figures have been reported that underpin the need for support for the pub sector in the Budget. Supply chain issues, a recruitment crisis, and rising energy costs are combining with the end of the business rates holiday and VAT reduction for hospitality to create a perfect storm that threatens to de-rail the fragile recovery that the pub sector is going through.

A recent survey of publicans from the British Institute of Innkeeping found that:

- 76% of pubs are paying higher wages to attract and retain staff
- Half of respondents are facing increased utility costs of over 10%
- 61% of pubs cannot recruit enough staff to maintain trading levels
- 72% of pubs are running out of core lines in their food and drink offering

In addition to this, the All-Party Parliamentary Pub Group has been carrying out an inquiry into the effect of the pandemic on the pub sector. We have received evidence from hundreds of licensees, often highlighting issues they face as tenants that are less frequently spoken about by large trade associations representing parts of the pub sector.

Many spoke of uncertainty over the VAT cut and business rates holiday coming to an end, of pub companies and landlords refusing to negotiate on rent debt, of fear of skyrocketing business rates bills at the next revaluation, of frustrations with the limitations of the Pubs Code and Adjudicator, and of a need for investment in high-speed internet coverage for rural pubs to allow them to invest in remote ordering technology and booking systems.

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Since we held the evidence gathering phase of the inquiry, Dr Liz Hind (one of our licensee witnesses), has had to take the excruciating decision to leave her pub at the end of her tenancy. This is a stark reminder of the need to for meaningful change to allow our pub sector, and the wonderful people working within it, to thrive. Every pub closure is a loss to the whole community – and Liz’s will now be poorer without her and her pub in it.

It is therefore vital that this Budget, and the Government more widely, delivers:

- 1) An end to the broken business rates system that unfairly penalises the pub sector and punishes publicans that save failing pubs with a hike in their rates bill.
- 2) An implementable Code or Practice and fair deal on rent debt arising from the pandemic.
- 3) Reforms to the alcohol duty system that incentivise people to drink in pubs.
- 4) Certainty about trading prospects for this winter – and a complete ruling out of a return to the unfair restrictions like curfews and the ‘substantial meal’ requirement that were especially damaging for wet-led pubs.
- 5) Investment to allow the sector to embrace technology for the benefit of people and planet - connecting rural pubs with high-speed internet, and grants to help publicans invest in green technology and energy solutions.

I look forward to hearing your plans next week. We all know that pubs, and the people that run them, are at the heart of communities across the UK. Please use this opportunity to invest in the pubs, and publicans that make them so special, in the Budget next week.

Yours sincerely,

Charlotte Nichols MP
Labour MP for Warrington North
Chair, All-Party Parliamentary Group for Pubs