



Paul Hegarty
Secretary to the All-Party Parliamentary Beer Group

17 February 2022

Dear Paul,

CAMRA evidence to the All-Party Parliamentary Beer Group Inquiry on Business Rates (England only)

Thank you for the opportunity to submit evidence for consideration by the Beer Group as part of the Inquiry on business rates in England.

CAMRA has campaigned about disproportionately high business rates bills for pubs for several years. We believe that pubs are vital community facilities that foster social wellbeing and community cohesion, and that this should be recognised within the business rates system.

We are extremely concerned that without fundamental changes to reduce the business rates burden on the pub sector, the next revaluation will have even more devastating consequences than that in 2017.

At present, as well as rebuilding trade as we move out of the pandemic, pubs and social clubs are facing soaring energy bills, and cost of goods crisis, acute employment challenges, and the prospect of the VAT rise driving customers away as prices have to increase. A further increase in business rates bills will mean that businesses become unviable, jobs will be lost, and communities will lose out on the social benefits of pub going.

Our specific concerns about the current business rates system are that:

- The business rates system does not recognise the unique status of pubs as community facilities.
- The current system unfairly penalises property-based businesses, and especially pubs.
- Fair Maintainable Trade (FMT) is not being correctly applied as a valuation methodology, and that pubs are more commonly assessed on their overall turnover which is not an adequate measure of profit or sustainable trading levels.
- Licensees who work hard and invest in their pubs are penalised through increased rateable values and rates bills – often to levels at which they are ineligible for business rate relief.
- The Valuation Office Agency (VOA) is not adequately resourced – either to properly apply FMT when rating pubs, or to deal with the many appeals that result from the incorrect application of rating methodology.

You can view our submissions to the Business Rates Review, which discuss these issues in more detail, using the links below:

- https://camra.org.uk/campaign_resources/policy-submission-to-the-business-rates-review/
- https://camra.org.uk/campaign_resources/second-policy-submission-to-the-business-rates-review/

In summary, we would like to see the Government reform the business rates system for England by:

- Widening the scope of the Digital Sales Tax to ensure that online business pays a fair level of business tax.
- Introducing a hospitality multiplier which grants pubs, social clubs, and other hospitality businesses a lower overall rates bill in recognition of their dual status as both businesses and community facilities.
- Ensuring that Fair Maintainable Trade is properly applied as a valuation methodology
- Increasing funding for the VOA, to ensure that valuation methodology is correctly applied, and to ensure that the appeals system functions swiftly.

We would welcome to opportunity to discuss these issues further with the Beer Group and thank you again for launching this inquiry.

Yours sincerely,

Ellie Hudspith – CAMRA Senior Campaigns Manager
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About CAMRA

CAMRA is consumer group representing nearly 170,000 beer drinkers and pubgoers across the UK. Our vision is to have quality real ale, cider and perry and thriving pubs and clubs in every community.