

Campaign for Real Ale
230 Hatfield Road
St Albans
Hertfordshire
AL1 4LW

Tel: 01727 867201
Fax: 01727 867670
Email: camra@camra.org.uk
www.camra.org.uk



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

16 March 2022

Dear Rishi Sunak,

Spring fiscal announcement – supporting pubs, social clubs, brewers, and cider makers experiencing a cost of business crisis

We are writing ahead of the Spring fiscal event about our concerns as consumers on the challenges facing the beer and pub industry, and to emphasise the grim outlook for community pubs and social clubs, and the brewers and cider makers that supply them.

The Campaign for Real Ale represents around 160,000 discerning consumers and pub goers, who are also facing the cost of living crisis, which is impacting upon their ability to support the pubs, social clubs, brewers, and cider makers that they care so passionately about.

As consumers, we are deeply concerned about the cumulative effect of several pressing threats to the sector, the communities that value and support it, and the people working within it:

- The cost of living crisis for consumers, which is limiting disposable household income, and reducing spending on pub going and supporting small brewers and cider makers.
- The imminent VAT hike, which further reduces the affordability of pub going for consumers.
- The parallel cost of business crisis facing the sector, which includes:
 - Astronomical rises in energy bills for publicans and producers, amid concerns that some companies are refusing to supply pubs¹
 - Inflationary business costs for pubs of more than 10%²
 - Continuing high debt levels from the pandemic – with the tied pub sector particularly squeezed
 - Increased costs for producers (felt more acutely by small and independent producers that lack the purchase power of global operators)³
- The ongoing recruitment slump in the hospitality sector, where those that left during the pandemic have not returned or been replaced in sufficient numbers.
- With no conclusion to the Business Rates Review, and the 22/23 tax year looming, publicans have no assurance that the sector will no longer face the unfair rates burden that the current

¹ <https://beerandpub.com/2021/03/24/energy-companies-are-refusing-to-supply-pubs/>

² <https://www.bii.org/BII/News/Articles/Rebuilding-your-business-survey-results.aspx>

³ <https://www.siba.co.uk/2021/10/26/costs-spiral-brewing-industry-warns-business-closures-time-bomb-new-year/>

system causes. Inability to plan ahead with certainty on costs, particularly when compounded by the other factors listed here, will stifle potential investment.

- The continuing dominance of global brewers and distributors in the beer and pub sector, which is limiting choice in the on-trade market and limiting market access for small and independent producers.

We would therefore urge you to use this fiscal announcement to:

- Combat the cost of business crisis by expanding the Business Rates Retail, Hospitality, and Leisure Relief Scheme in England to include brewers and cider makers, with additional funding for the devolved administrations to offer similar support, as well as all hospitality venues. CAMRA would also welcome moves to increase the level of relief available to these businesses.
- Bring forward the implementation of the new draught duty rates for beer and cider. This ground-breaking change to the structure of the duty system is capable of delivering significant benefits to pubs, clubs, brewers and cider makers, and businesses now urgently need these changes to be implemented. CAMRA welcomes this new duty rate but believes that applying it to containers of 20L and over, and increasing the differential between the draught and general duty rates will be vital.
- Make the 12.5% VAT rate permanent, as supported by the public and businesses⁴. This measure alone would make a significant contribution to combatting the cost of living crisis, as well as providing on-going mitigation against the other increased costs faced by businesses.

Please use this fiscal announcement to safeguard the future of our much cherished pubs and social clubs, and the brewers and cider makers that supply them.

Yours sincerely,



Nik Antona
CAMRA Chairman



Tom Stainer
CAMRA Chief Executive

⁴ <https://www.ukhospitality.org.uk/news/598551/UK-public-support-12.5-vat-rate-for-hospitality-and-want-Government-to-support-sectors-recovery.htm>