



BRITISH INSTITUTE OF INNKEEPING

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

22<sup>nd</sup> September 2020

## **Essential investment in pubs whilst long term trading restrictions are in place**

Dear Chancellor,

We are the leading independent membership body with over 9,000 individuals working in the licensed trade, with the majority of those members being licensees of pubs. I am writing to you for your support in safeguarding the future of our pubs, allowing them to fully play their role in our collective recovery economically, providing essential skilled jobs, and through the role they play in bringing people together safely in their communities. The further restrictions announced today will both impair already significantly reduced levels of trade, and also fundamentally undermine essential consumer confidence.

We are not asking for handouts, but investment. The successful EOTHO scheme that you brought in gave a welcome boost to the wider hospitality sector and also provided a platform to safely get people out of their homes to reconnect in our communities, high streets and workplaces. Half of that investment has already been returned directly to the Government as demonstrated by the recent analysis conducted by the BII, UKH & BBPA. In addition, the value to the wider economy in encouraging people out of their homes is immeasurable.

As you are aware, pubs are not just small businesses. Many are an essential hub of the communities they serve, delivering recognised social value in inclusively bringing people safely together. They support over 900,000 jobs in the pub sector and the average pub generates around £140,000 of taxation per annum to the Treasury. For many they are family livelihoods and homes. Investment will be required to safeguard the future of the people at the heart of our nation's pubs.





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August trading for many, but not all, was better than expected, supported by your EOTHO package and a reduction in VAT. September has brought trading back to significantly reduced levels, with the majority of pubs trading at a loss. The long term restrictions now in place for pubs will require further investment to prevent significant levels of business failure, with the following priorities;

- Extension of both full and flexible furlough, specifically for the pub sector to safeguard significant loss of employment. Our members have fed back that over 60% are considering further redundancies before the end of October and 10% of pubs remain closed.
- Long term extension of VAT at 5% for pub and hospitality businesses. In addition to the financial support that this would provide, it would critically reinforce that Covid-Secure pubs were safe places to socialise in our communities.
- Extension of the business rates holiday until April 2022 to provide certainty to pubs as they plan their recovery.

Our members have adapted, diversified and transformed their businesses over the last few months, ensuring their staff and customers are safe, based on Government guidelines. They have proven to be professional enterprises that can effectively adapt to changing requirements and are sustainable businesses that are worthy of specific investment. They want to play their part in our collective recovery and will need your support to do so.

We would welcome further discussion with you and your team on how we can make this happen.

Yours sincerely,

Steven Alton  
Chief Executive,  
British Institute of Innkeeping (BII)