



BRITISH INSTITUTE OF INNKEEPING

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Rt. Hon. Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
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14th January 2021

Supporting our Great British pubs to be at the heart of the economic recovery

Dear Chancellor,

We are writing to you on behalf of our 9000 plus members, who are predominantly licensees running pubs across the UK. It has been heartening to hear directly from yourself, the Prime Minister and from across Westminster over the last few days, the recognition of the social, cultural and economic value of our sector. Specifically your words in the chamber outlining your expectation that the hospitality industry will lead the economic recovery, as we have been able to do before. Our ability to leverage our viable sector to drive the economic recovery and support over 3 million workers, remains under real threat and needs your help.

Your further development of grant support announced last week is welcomed and provides a critical lifeline for hospitality businesses who have had little or no income over several months with large ongoing costs. An average pub has monthly running costs of around £5,000 and have incurred losses of circa £4,000 with each short notice opening and subsequent closure. The increased grants are appreciated, although do not fully cover their ongoing costs including the very real costs of national insurance and pension contributions needed to safeguard jobs through the furlough scheme. Any further extended period of closure for our sector will require these grants to be reviewed and reissued.

Quickly processing these grants is business critical and we would ask for your help to ensure that they are promptly paid to our eligible hospitality businesses, enabling their survival in the short term.

We have just conducted an extensive survey of licensees this week which has shown that **less than 1 in 4 have received the full grant payments they are entitled to for Autumn/Winter 2020**. We have provided the full detail of our survey to BEIS and are working with them to improve the performance of the delivery of these essential grants.



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We are encouraged by Government's progress with the national vaccine programme and look forward to this enabling the reopening of our member's pubs in the spring. Our pub businesses want to focus on preparing for this reopening and they need to plan their cash flow to both survive over the next few months and through initial period of trading, expected to be loss-making for many. These viable businesses have incurred significant debts over the last year and will require time to recover their businesses and remain sustainable whilst they do it.

We have consistently made the case for the further extension of VAT at 5% for hospitality and the postponement of business rates for 2021/2022 to support our recovery. The surety of these measures, if they are announced in the next few days, will be critical for many hospitality businesses in deciding to weather the next few months. We appreciate that in normal times announcements of these types would be within a budget announcement, however, we would ask for early confirmation of this investment in our hospitality sector as it is business critical for many.

Your support of our pubs, their supply chain and the wider hospitality sector is a worthy investment, being both viable and able to bounce back rapidly once free of trading restrictions, as demonstrated during the summer months. Before this crisis, our sector supported over 3 million jobs (c.10% of UK jobs in every community), contributed over £73bn to the UK economy and generated circa £40bn in taxes to the Treasury. We are confident that we can quickly snap back if we are supported with the right package of financial measures.

Your ongoing support and the acknowledgement of the value of our sector is greatly appreciated. We look forward to your response on our request.

Yours sincerely,

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