



HOUSE OF COMMONS
LONDON SW1A 0AA

The Rt Hon Jeremy Hunt
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

February 2024

Dear Chancellor,

I am writing as Chair of the All-Party Parliamentary Beer Group, with the support of a significant number of my colleagues. Members of the APPBG engage with landlords, pubs, and brewers throughout their constituencies and the group formally engages with 60 companies across the breadth of the brewing and pub sector to gain further insights. A full list is enclosed at Annex 1.

As you know, the brewing and pub sector, along with wider hospitality, is well placed to deliver solid economic returns for the UK. It is an industry that is at the heart of our local communities, providing safe social spaces which bring people together for all kinds of occasions, creating connections, and supporting our wellbeing. However, operators remain under significant pressure, with the cost of conducting business leading to a reduction of 3766 licenced premises across the hospitality sector. This equates to 3.6 per cent of the sector in one year. The loss of a pub has severe ramifications for local communities and high streets in terms of economic value, employment, and community cohesion.

Creating the right economic and fiscal conditions to enable the industry to thrive is crucial. Investment in beer and pubs at this time will yield positive outcomes for economic growth in our towns, cities, and rural communities across the UK. The industry is keen to engage with the government. One example is the joint initiative with DWP aimed at bringing people far from the workplace into employment through the Hospitality Apprenticeship Pilot. Working with Job Centres, the industry coordinates activity to prepare candidates for apprenticeships. This scheme is actively bringing people into the workforce and is a great example of the positive impact the industry can have on supporting levelling up and providing employment opportunities. This came together as a result of a recruitment challenge and their recognition that level 3 apprenticeships were not suitable to their recruits in the first instance.

Your previous support has been very much appreciated and is recognised, and as we move towards the Spring Budget, I would take this opportunity to highlight the following areas for consideration:

- **Capping the standard business rates multiplier.** This is due to be increased in April at more than twice the rate of underlying inflation. The sector continues to call for an overhaul of the business rates system but recognise that this is unlikely in the short term.
- **A cut in overall Beer Duty.** This would help mitigate costs being passed on to consumers and in doing so, support efforts to reduce inflation and also start to redress the duty level which remains one of the highest in Europe.
- **An extension of Draught Relief in pubs.** The draught duty differential is currently 9.2%. Widening this further under the Brexit Pubs Guarantee would also help support pubs at this challenging time and benefit consumers. This would recognise the role pubs play in communities and in supporting responsible drinking. It would also help prevent further

decline of high streets and maintain community hubs in rural areas.

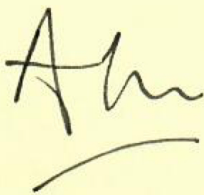
- **A reduction in Employer NI contributions.** The implementation of the NLW/NMW increases will add to staff costs not just in terms of the uplift but will also impact as businesses try to maintain differentials. A reduction in Employer NI contributions would help to ease this cost burden.
- **CBILS flexibility.** Extending or permitting the rescheduling of the loans would ease the pressures on the hospitality significantly. The current repayment is a challenge with the increased interest rates and banks are refusing to reschedule because of the guarantees they would lose.

The industry is also facing additional costs from the introduction of new packaging regulation, notably the Deposit Return Scheme. I am working with DEFRA on this but as it stands, the additional costs incurred will increase the rates at which licenced premises will close.

This is a sector keen to invest. With policies that will encourage investment further, it has the capacity to respond immediately with employment, skills, and regeneration of the High Street amongst many other social benefits.

Thank you for your consideration, and along with the industry, we look forward to working with you.

Yours sincerely,



The Rt Hon Alun Cairns MP
Vale of Glamorgan

Peter Aldous MP
Caroline Ansell MP
Sarah Atherton MP
Bob Blackman MP
Sir Peter Bottomley MP
Rt Hon Sir Graham Brady MP
Rt Hon Robert Buckland MP
Rt Hon Sir Geoffery Cox MP
Rt Hon Stephen Crabb MP
Virginia Crosbie MP
Dr James Davies MP
Dehenna Davison MP
Steve Double MP
Flick Drummond MP

Rt Hon George Eustice MP
Sir Michael Fabricant MP
Simon Fell MP
George Freeman MP
Jonathan Gullis MP
Darren Henry MP
Dr Neil Hudson MP
Simon Jupp MP
Rt Hon Sir Greg Knight MP
Kate Kniveton MP
Andrew Lewer MP
Rt Hon Sir Brandon Lewis MP
Marco Longhi MP
Jonathan Lord MP

Robin Millar MP
Tom Randall MP
Selaine Saxby MP
Greg Smith MP
Henry Smith MP
Jane Stevenson MP
Julian Sturdy MP
Derek Thomas MP
Justin Tomlinson MP
Craig Tracey MP
Steve Tuckwell MP
Rt Hon Shailesh Vara MP
Robin Walker MP
Giles Watling MP

Annex 1: List of Supporters of the All-Party Parliamentary Beer Group

Admiral	Innis & Gunn
Adnams	J W Lees
Amber Taverns	Kurnia Group
Asahi	Laine Pub Co
Barter Inns	Lancaster Brewery
Batemans,	Lincoln Green
Bathams	Lucky Saint
Bavaria	Marstons
Beds and Bars	McMullen
Black Sheep Brewery	Molson Coors
Budweiser UK	Punch Taverns
Carlsberg	Ramsgate Brewery
Castlerock Brewery	Robinsons Brewery
Charles Wells	Rooster's Brewery Ltd
Diageo	Sambrooks
Elgood & Sons	Shepherd Neame
Evans Evans	St Austell
Everards	Society of Independent Brewers
Fuller, Smith & Turner	Stonegate
Golden Lion	Tennent Caledonian
Gray and Son	Theakstons
Greene King	Thornbridge
Harvey & Son	Timothy Taylors
Heineken	Titanic Brewery
Hepworth & Co	UK Hospitality
Hogs Back, Holts	Wadworth
Hook Norton	Wye Valley
Hydes	Youngs