

# British Pub Confederation

*Standing Up for Pubs and Publicans*

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

23<sup>rd</sup> March 2020

Dear Chancellor,

## **URGENT – support for pubs and publicans during the Covid-19 crisis**

We are writing to you regarding the urgent (and then continued) need to support for pubs and publicans during the Covid-19 crisis.

We welcome the announcements you have made so far and appreciate the fact that you are dealing with a fast-moving national crisis. You have our support in doing so. We also fully support the decision taken on Friday that all pubs and other hospitality businesses must close, both to reduce the risk of spreading the disease and also to better protect licensees and pub and bar staff, who were at risk by continuing to have to work. We support the decision, even though this has caused a huge loss of business, we believe it is essential and the right thing to do.

The British Pub Confederation is the Confederation of organisations representing publicans and pub campaigners. We represent and speak for the non-corporate side of the pub sector, for publicans/licensees and pub campaigners, as opposed to the pub-owning companies. Our member organisations are listed to the right and also below.

The current crisis is an existential threat to thousands of small, independent pub businesses and to the livelihoods of thousands of families who rely on income from the pubs they run. The pub is such a vital part of our nation and will be crucial to helping the nation get back on track after this awful crisis is over, but more action is needed now to avoid the loss of many of our cherished pubs, as well as hardship for those who run them. Tragically we are aware of two suicides of licensees last week.

The needs of publicans/licensees are very different from those of the large pub-owning companies, and it is the individual, self-employed pub 'landlord', operating under tenancies and leases and also independent freeholder operators who are at critical risk of financial ruin and the loss of their livelihoods, businesses and homes.

**Publicans/licensees are telling us that without being able to access financial help now and receive money directly in the next two weeks, they will be unable to pay staff and bills and some will be forced to close. Some measures that have been announced can be helpful to publicans/licensees, but only if they receive payments urgently, otherwise it will be too late to stop them having to wind up their business/close their pub altogether and make any/all staff redundant.**

Our requests are as follows (some of this is from Government, and some is from the companies and property owners who rent or lease buildings that operate as pubs). It is the following things that are urgently needed to save pubs and support publicans:

**British Pub Confederation - Eagle Ale House, 104 Chatham Road, London, SW11 6HG**  
Email: [info@BritishPubConfederation.co.uk](mailto:info@BritishPubConfederation.co.uk), Twitter: @GBPubConfed



### **Member organisations:**

*Forum of Private Business*

*Federation of Small Businesses*

*Licensees Supporting Licensees*

*Guild of Master Victuallers*

*GMB*

*Scottish Licensed Trade Association*

*Fair Pint Campaign*

*Pubs Advisory Service*

*Justice for Licensees*

*Punch Tenant Network*

*Unite the Union*

*Protect Pubs*

*Society for the Preservation of Beers from the Wood*

1. **Urgent clarification that small employers will not have to top up furloughed workers' wages.** We warmly welcome the support for all employees, whereby 80% of wages will be paid by Government; however, it is currently not clear how this will operate. Please clarify that this will operate on the basis that employers (including licensees) will pay 80% of wages to furloughed workers and that they will then be able claim back this same sum. **With no income at all through enforced closure, publicans/licensees cannot afford to be paying 20% of a wage bill to staff (when many publicans/licensees, with no income, are unable to pay their own bills and feed their own families). The system must be (and must be clarified to be) small employers, including licensees/publicans, not having to pay any wages/salaries when they are closed and have no income from the closed business. This should either work with small employers paying 80% to furloughed workers and claiming back that sum in full, as soon as possible, from the Government (and crucially not having to wait more than two weeks for the repayment which would be impossible with no cashflow), or preferably direct payments to employees from Government on the receipt of employee information to enable this, which would stop the risk of pubs having to make staff redundant through simply not being able to pay them, even if they would get repaid this money later on. So, can you please confirm this either way and if at all possible, can we urge direct payments to furloughed employees for closed small businesses, to avoid redundancies and hardship to closed publicans/licensees and others in a similar position.**
2. Linked to this, **with many publicans – tenants/lessees and freeholder operators – being self-employed and are unable to trade, they currently are facing financial ruin and urgently need support, personally, to cover their own loss of income.** Without this, they are unable to pay staff in any case, as above, and cannot provide for themselves or their families. Without such support many will have no choice but to cease trading, meaning the loss of a pub business and no payment to staff now, and no jobs in the future. The future of the pubs themselves is also then at risk, with the subsequent loss of community. So, we are urging proper support for self-employed people, including all self-employed publicans/licensees.
3. We welcome the announcement of grants for small business, including pubs, which could be vital in saving many pub businesses. However, we urgently need the detail of this as it is currently the only thing that is stopping many licensees/publicans from throwing in the towel and abandoning their business. We are concerned; however, that this grant aid is being restricted to pubs with a rateable value of £51,000. There are larger pubs operated by independent tenants/lessees, and also private freeholder operators, that have a rateable value higher than this. Currently, other than the very welcome business rates break, such publicans/pubs face no extra support at all, a situation which is perverse, unfair and potentially ruinous to such pubs and publicans. **So, grants must be available to all self-employed publicans/licensees running pubs of any size and rateable value.** Where a self-employed publican/licensee runs several pubs, then **the grant must be payable per pub** (as each pub, as a separate small business, needs support to avoid closure and each pub has its own bills, costs and staff needing to be retained).
4. We also urge you to make clear that the grants are for individual small pub businesses and NOT for pubcos. We were astonished and deeply concerned to see the contents of the letter you received last week from the BBPA, which is of course the trade association of the giant pubcos and large pub-owning breweries. In their letter to you, dated 18<sup>th</sup> March, they urged you to pay the grants directly to their members, the large pubcos and breweries, rather than to individual pubs and publicans via local authorities as originally planned. This is wholly unacceptable since the strong fear of tenants and lessee publicans is that the pub companies would seek to use some or all of this money to cover any rent (which the pubco should be

suspending during closures anyway - see point 5 below) that they might be expecting from the pub. So, when you announce clarification of the system, please confirm that grants must be paid to publicans/licensees direct by local authorities and must not be paid to any other company or organisation unless:

- (a) This has been expressly requested and agreed by the publican/licensee.
- (b) That a payment from the pub owning company has been made in advance of the grant being paid, of the full amount of the grant, to the publican/licensee.
- (c) That such payment has been made without any obligation to use any of it to cover the cost of commercial rent, which the pub-owning company should be suspending during closures anyway (see point 5 below) or any other contractual costs.

5. Other than what the Government can directly do, it is vital that those who rent and lease pubs also assist publicans/licensees. **So we urge you to ask all pub-owning companies and property owners who rent or lease buildings as pubs to announce that they will not charge commercial rent** (as opposed to rent for personal accommodation) **for the entire period of enforced closure**. We commend those companies (including Admiral Taverns, Fullers, Hall and Woodhouse) who have clearly announced they will not be charging commercial rent at this stage during this closure. Statements from other large companies have largely been ambiguous, only referring to deferred or suspended collection, with the result that tenants are anxious they will be liable for later payment. Shockingly, some of the largest companies have yet to make any statement at all.
6. We also urge you to ask suppliers including utility companies to agree to defer payments and to assist pubs and other small businesses through a time of having no income.

**So we implore you to announce ways publicans/licensees can be supported as a matter of urgency including that they can access Government help to receive some of this support, directly, in the next two weeks to avoid hardship and pub closures and staff redundancies.**

We know you are doing what you can to support and save businesses, but we urge you to put in place these additional measures and to announce them as soon as possible, in order to avoid financial hardship and in some cases destitution for publicans, and to prevent the closure and permanent loss of many cherished pubs.

Yours sincerely,



Simon Clarke  
Secretary, British Pub Confederation



Greg Mulholland  
Chair, British Pub Confederation

On behalf of the British Pub Confederation and member organisations:

- Forum of Private Business
- Guild of Master Victuallers
- Licensees Supporting Licensees
- The GMB
- Scottish Licensed Trade Association
- Fair Pint Campaign

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A handwritten signature in black ink, appearing to read 'L. Olliver', is centered on the page.