



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

28th September 2022

Dear Chancellor,

Hospitality businesses at the heart of economic growth with interim support

We are writing to you as organisations representing consumers, brewers, pubs and the wider hospitality sector following your growth plan announcement. Thank you for your support with the business energy price guarantee alongside your recognition that this was not the only challenge to growth. Even with your welcome intervention many hospitality businesses are now still expected to pay at least double the cost for energy from last year providing additional pressure to already fragile finances.

Equally your approach to removing barriers to enterprise is greatly welcomed particularly the focus on reducing business regulation. Our sector remains heavily burdened with excessive regulation limiting our ability to trade freely and fully. We will need real flexibility to rebuild and grow trade following the significant damage of the last two years of closure and restriction.

The specific acknowledgement of our sector through freezing alcohol duties and adapting the alcohol duty for draught beer is also hugely appreciated and will be critical to ensure our sector does not encounter additional barriers to its recovery. We would encourage the earliest implementation of these measures alongside the Alcohol Duty Review (ADR).

The measures you announced, whilst welcome, do not provide the urgent and immediate support that we will need to weather the coming incredibly challenging months. The combination of pandemic-specific debts, minimal cash reserves, escalating inflationary cost increases beyond energy, ongoing resourcing issues, exasperated through sector uncertainty and cooling consumer demands, threaten the survival of many, particularly the small hospitality businesses operating at the social heart of every community across the UK.

We are seeking your urgent support, particularly recognising the vulnerability of our sector, with two key areas;

- **an immediate reduction in the headline rate of VAT for hospitality on all food and drink sales including alcohol**
- **Cancellation of business rates for the remainder of this financial year**

This investment in our sector, alongside the energy price guarantee, will prevent widescale unnecessary business failure and allow us to play our full part in your plan for growth. As a champion of our sector as the previous Secretary of State BEIS launching the first Hospitality Strategy, we know that you will appreciate the national capacity we have for economic growth, employment and investment in every community.

This investment will allow our sector to be an integral part of your growth strategy and be an economic and social foundational element in levelling up in every area of the UK.

As always, we would welcome any further engagement with you and your officials to discuss these proposals.

Yours sincerely,



Emma McClarkin, Chief Executive, British Beer & Pub Association (BBPA);



Tom Stainer, Chief Executive, Campaign for Real Ale;



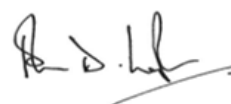
Kate Nicholls, Chief Executive, UKHospitality (UKH);



Steve Alton, Chief Executive of the British Institute of Innkeeping;



Roy Allkin, Chairman, the Society of Independent Brewers (SIBA);



John Longden OBE, Chief Executive, Pub Is The Hub;



Rick Bailey, Independent Family Brewers of Britain (IFBB)



Colin Neill, Chief Executive Hospitality Ulster