



BRITISH INSTITUTE OF INNKEEPING

British Institute of Innkeeping

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

10th October 2023

Government investment in our nations' pubs is vital for the growth of local economies, skilled employment and sustainable communities

Dear Chancellor,

I am writing to you ahead of your autumn statement as a representative of over 10,000 members of the British Institute of Innkeeping (BII), the vast majority of whom run independent pub businesses at the heart of their communities across the UK.

Pubs have always been, and continue to be, an essential and unique part of our heritage, delivering flexible, accessible, skilled local employment and economic growth, as well as providing immeasurably important social connections and value in every community.

Over the course of the last few years, they have faced immense challenges, firstly with the pandemic and then with huge energy price rises, unfair energy contracts, and high inflation against every cost in their businesses, from food and drink to staff wages.

Recent insight from our own survey of members revealed that only 1 in 3 have seen growth in their revenues over the last year, with the remaining 2/3 either being down or flat on their trading position.

Of those who are trading strongly, back to normal levels or seeing growth, **1 in 2 are only breaking even** when it comes to profitability, highlighting the extreme levels of costs they are facing. These are often long-standing, diversified, viable businesses and these temporary, exceptional trading pressures are hampering their ability to recover, generate profit and invest in further growth.

They are doing everything they can to maximise trading opportunities, and to make sustainable changes to their working practices, helping them to reduce costs, waste and protect their local and global environments. We have recognised and supported them with our Sustainability Champions campaign, sharing their successes and their best practices with our membership and the wider hospitality sector.



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Despite their tenacity and hard work, without profit, there will be limited opportunity for them to invest in their future growth, as they tread water to keep their businesses afloat. They need the confidence to be able to plan for the future, to develop their offer and invest in their brilliant teams. They urgently need the right level of investment and support from Government to see them through this period, until we return to more normal market conditions.

Pubs in every community need;

- an immediate announcement of the extension of business rates relief for at least another year, as well as a similar relief for all the devolved nations.
- a fairer, proportionate level of taxation, with a reduction in VAT for our pubs & hospitality businesses, to align with the levels of other leading nations.

In addition to the soaring inflation driven costs of doing business, our members have highlighted energy prices as still materially impacting them as high- volume energy users. Even with all of the additional measures they are taking to reduce energy, there is real concern as we enter the winter months, with additional necessary heating being layered on top of energy intensive kitchens and cellars.

These measures will be vital in giving pubs the lifeline they need to begin their recovery from almost four years of relentless challenges for their businesses. Undoubtedly you will be hearing directly from your fellow MPs as their local pub businesses ask for their support for the essential investment in their futures.

Your recognition of pubs being treasured community institutions is greatly appreciated. The support you provided during the pandemic clearly safeguarded many of our nations pubs. This investment will be paid back through growth in every community. Pubs are at the heart of local economies and the above measures will be key to realise the full potential from that investment.

As ever, we are available to work with your team on the above proposals.

Yours sincerely,

Steve Alton
Chief Executive Officer
British Institute of Innkeeping (BII)



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