

CASTLE ROCK BREWERY

CASTLE ROCK BREWERY, QUEENSBRIDGE ROAD, NOTTINGHAM, NG2 1NB
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The Rt Hon Rishi Sunak MP,
Chancellor of the Exchequer
HM Treasury
The Correspondence & Enquiry unit
1 Horse Guards Road
London
SW1A 2HQ

16th October 2020

Dear Chancellor,
and our Nottinghamshire MPs,

We are writing to request that you take urgent action to support pubs and bars in Nottingham. Without immediate help, closure is inevitable for many businesses and thousands of jobs will be lost.

We must be very clear: it is not just already-vulnerable pubs which are at breaking point. Viable businesses – those which were thriving in a pre-CV-19 world – are now making a loss. The initial support granted through the business rates scheme, for those lucky enough to receive it, has been exhausted. Workers have taken considerable income cuts to help their employers survive. Our own revenues across 22 pubs and a brewery are 50% down, but our costs have gone up. Rent and loan interests still need to be met, and the expense of being Covid-compliant is extensive.

Castle Rock has been a successful business since 1977 but that is now changing. Across the 12 months prior to the Covid outbreak, we contributed 3.75million to government coffers. From March 2020 to the ceasing of the job retention scheme, we will have claimed 1.85million in support. It is not unrealistic to ask for continued help that will see viable businesses like ours through the next stage of the pandemic, which will in turn secure our considerable contributions to the economy in the future.

The Test and Trace system makes it mandatory for all customers to sign into our venues, yet those same customers can enjoy a day of leisure, shopping, or other pursuits, without having to do so. Each positive test which points to a pub or bar is the result of an incomplete testing system, not a negligent industry. The punitive treatment of pubs is founded on inaccurate and ultimately meaningless tracking.

Our industry is not denying that it has a part to play in keeping the public safe; we absolutely must operate responsibly and with integrity. Like most of our peers across Nottingham and beyond, we have exceeded what was required during the pandemic. As things changed, we adapted quickly and determinedly, always with the wellbeing of our customers and colleagues at the fore. We feared that the reckless and selfish behaviour of a few venues would damage customer and government confidence in the industry, and asked that any pub or bar which flaunted the guidelines face serious consequences. Those consequences are coming far too late, if at all. It took five months from initial complaint for one irresponsible business to be closed by a local council. A proficient and swift response would have undoubtedly protected lives, boosted public confidence, and supported businesses which were acting with care.

Overall, hospitality venues in England have performed exceptionally well during the last few months, with the government's own data released in September attributing just 5% of outbreaks to the industry. The data did not even identify what percentage was attributed to pubs and bars specifically. And yet, a 10pm curfew was introduced, resulting in approximately a full day's worth of income lost for business every week and a severe loss of customer confidence.

Furthermore, despite the density of Nottingham's population, the area's infection rate only became concerning when thousands of students were encouraged to return to university in September/October. It was inevitable that the virus would quickly gain momentum in our small city, and it was foreseeable that local businesses and residents would be the first to feel the economic effects of this surge, yet no help was put in place to support them.

The Tier 2 model laid out by the government does not provide the help needed to save jobs and businesses from collapse. Instead, it makes hospitality businesses unviable by devastating revenues without providing support. It leaves us with jobs that need doing but ones we cannot afford to pay for, and a "Job Support Scheme" which will instead lead to closure and job losses. Business owners are being forced into a position where they simply cannot afford to keep their doors open.

The 5% VAT rate must be extended to include wet sales to offer these venues some respite. Why, even in a pre-CV-19 world, must a supermarket only pay 20p in VAT on a bottle of beer, when that same beer in a local pub pays VAT that returns the Chancellor 60 pence?

As a pub group and brewery, operating for nearly 45 years in Nottinghamshire, we are on the verge of breakdown. The entire supply chain is impacted by every unfair restriction placed on pubs, with businesses operating in an array of industries taking a resulting hit, from food suppliers to electricians, to marketing professionals, to breweries like ourselves. The list is long and devastating.

We ask our local MPs to consider and challenge the rhetoric which is placing unjust blame and accountability on pubs and bars. We can no longer allow an entire industry to be scapegoated. First and foremost, pubs are essential hubs in our communities. We must protect them; they are vital to our collective wellbeing and our city's recovery.

We ask for urgent support to help pubs and bars and their direct supply chain. To achieve this, we need:

1. Financial grant support, to cover lost revenue during the crisis, allowing us to meet the obligations which are unavoidable, regardless of which Tier we are placed in. We ask for the level of 80% support for furloughed employees to continue for six months, to protect the lower paid.
2. Removal of Employer's NI payments, and a contribution towards paying people to work.
3. A VAT rate on beer that means we pay the same in cash terms as a supermarket.

Sincerely,

Colin Wilde,
Managing Director

Castle Rock Brewery

Proud independent pub co. and brewery, proud Nottingham business, est. 1977.