

## BEN EVERITT MP

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

8 June 2020

Dear Chancellor

Like you, we are proud of the contribution small independent breweries make in our constituencies. With some two thousand British based and owned small breweries producing innovative local craft beer and supporting thousands of jobs across the brewing industry, they truly are at the heart of our communities. They are a vital part of our brewing industry and pub sector that overall contributes more than £20 billion to the UK economy and supports 900,000 jobs.

Sadly, the Covid-19 crisis represents an unprecedented threat to our small independent breweries, the craft beer industry and the local jobs they support. With the closure of pubs, bars and restaurants in March, small breweries lost 80% of their business overnight.

While it is welcome that the Government has allowed those breweries with the correct licences to remain open for takeaways and deliveries (if they wish to do so) these small scale sales are no match for the loss of revenue from the closure of pubs as most small breweries have very limited access to supermarkets. It is now a critical time for the brewing industry and our small breweries need your assistance to survive.

The Government has rightly introduced a significant package of financial measures for the hospitality, leisure and retail sectors including business rate relief and grant support. Unfortunately, this same level of support that pubs have received has not been extended to small breweries as primary supply manufacturers, who have not been eligible for business rate holidays or the £25,000 grant. Despite breweries experiencing a sudden collapse in sales and not receiving direct financial assistance, they have continued to be liable for HMRC beer duty payments and other business costs.

And with pubs, bars and restaurants certain to be amongst the last to reopen, independent breweries will continue to be massively impacted for some time to come. Many small breweries lack the capacity, and vitally the cash flow, to quickly restart and serve their customers again and there is a danger that their access to the market could be severely restricted.

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To help our brewing sector to survive the current crisis, we hope that you will consider what direct and immediate support can be provided and what measures can be put in place to ensure a fair playing field exists so that our independent breweries have a chance to recover.

We would be grateful if you could consider the policies below which would help get the sector off life support, help to secure the sustainability and jobs in the independent brewing sector and help breweries to become Covid-19 compliant.

1. To provide an urgent injection of support and allow them to brew again, the Government should halve beer duty bills for all British owned independent brewers based on the rate paid last year for the rest of this financial year. The direct support already provided to pubs and the hospitality sector should also be extended so small breweries receive business rate relief and grants. This direct injection of cashflow will protect and secure the thousands of jobs in brewing and the supply chain.
2. So that independent brewers can bring staff back to work and support the thousands of local jobs in the sector, the Government should provide fully flexible furlough, and we await the detail further to your announcement on 29<sup>th</sup> May. Breweries also need prompt payments to keep them afloat with a secured 30-day payment term from customers.
3. Beer production has been at a record low during this crisis so HMRC should take account of this in its duty calculations and give brewers extra time to pay (60 days rather than 30 days) and secure the sustainability of our small breweries through positive reform of Small Breweries' Relief.

We believe that without immediate assistance now and as we emerge from this crisis, there is a danger that many breweries will simply not reopen, impoverishing our local communities.

We hope that you will give serious consideration to our recommendations and concerns.

Yours sincerely

Ben Everitt MP  
Member of Parliament for Milton Keynes North

Aaron Bell MP  
Member of Parliament for Newcastle-under-Lyme

Wendy Chamberlain MP  
Member of Parliament for North East Fife

Stephen Crabb MP  
Member of Parliament for Preseli Pembrokeshire

Tom Hunt MP  
Member of Parliament for Ipswich

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Sir Greg Knight MP  
Member of Parliament for East Yorkshire

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Member of Parliament for Easington

Jim Shannon MP  
Member of Parliament for Strangford

Greg Smith MP  
Member of Parliament for Buckingham

Jamie Stone MP  
Member of Parliament for Caithness, Sutherland and Easter Ross

Julian Sturdy MP  
Member of Parliament for York Outer

James Sunderland MP  
Member of Parliament for Bracknell

Owen Thompson MP  
Member of Parliament for Midlothian

Christian Wakeford MP  
Member of Parliament for Bury South