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RT Hon Rishi Sunak MP  
Chancellor of the Exchequer  
1 Horse Guards Road  
Westminster  
London,  
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21 July 2021

Dear Chancellor

**RE: Small Breweries' Relief Review**

It is now the first anniversary of the Treasury's announcement of the conclusions of the review of Small Breweries' Relief (SBR). With potentially only a few months before changes could come into place, we are urgently seeking clarification on the Treasury's intention and ask once again that you reconsider lowering the threshold to 2,100 hectolitres (hl).

As you will know, the Treasury announced via a Written Statement to Parliament on 21 July 2020 that the SBR taper would be reformed with a lowering of the threshold from 5,000hl to 2,100hl. SIBA believes that under the Treasury's proposals more than 150 small brewers will have to contribute up to £44,000 more each per year in beer duty whereas breweries many times larger benefit up to £145,000. These changes are putting jobs and the recovery of small businesses from the Covid-19 pandemic at risk.

Over the past 16 months small brewers have seen their main route to market (pubs) closed which represents around 80% of their sales. Small brewers have not had access to the same level of Government support as the wider hospitality sector and this has resulted in small brewers losing 10 years of growth and accumulating high levels of debt averaging £30,000 per business. It will take many years for the industry to start to recover and for them to repay this debt. Sadly, we have seen small brewers closing for good and others are still likely to follow.

Small brewers are trying to plot a route out of the Covid-19 crisis but are being hampered by the cloud of uncertainty hanging over them as they do not know what final changes you will be making to SBR or when these will come into force. This uncertainty is causing a great deal of anxiety in the sector, making some reconsider their future growth or job plans.

We therefore ask you to urgently reconsider the proposals to reduce the threshold but also to publish a timetable for any changes that will be made to SBR so that small brewers can begin to plan for the future.

I would be happy to meet with you to discuss this further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J Calder', written in a cursive style.

James Calder  
Chief Executive