

Further to your request for evidence for the Parliamentary inquiry, I would like to share the following thoughts and experience of the pandemic from a Lincoln Green Brewery and pub company perspective.

Prior to the pandemic, our business model was essentially a vertically integrated one – a brewery established in 2012 which was becoming self sufficient on its' own pub estate. Our pub model took tired, under invested sites and breathed new life into them, creating new jobs for people within the local community. We'd grown from a start up business with 2 employees to over 60 in eight years, with a strategic plan to continue the growth at a rate of an additional 1 to 2 pubs each year. Cask ale was, and we hope will remain, the beating heart of our business.

Coronavirus dealt a heavy blow to our businesses, as it has for many others in the hospitality industry. The furlough scheme has been essential to business survival where restrictions forced us to close our pubs and our brewery lost its' main route to market. Whilst our pubs have received financial support in the forms of grant payments, zero business rates, VAT reductions on food and rent relief from our pub company landlords, our brewery business hasn't been so fortunate.

Brewer's fortunes in the UK have been in the hands of local authority discretionary grants – Lincoln Green brewery hasn't benefitted from business rates relief, we've received limited grant support and our landlord has refused to offer any rent concessions. As such, our debt-free business has had to self-finance the pandemic through the Coronavirus Business Interruption Loan Scheme and has been forced to act quickly, by shifting as much production as possible into small pack, generating much needed income and offsetting the lack of financial support for primary suppliers.

We've utilised the pandemic time as best as we can; our brewery is about to become SALSA accredited and we've established an apprenticeship programme for our pub teams, with 20% of employees now beginning formal qualifications in hospitality.

We're fiercely proud of having survived this situation – we're heavily battle-scarred, but we're still viable. We now need support from Government to restart our recovery and help us to continue to provide future career opportunities.

I'd ask that we carefully consider the image that has been portrayed by Government of the hospitality industry. Having invested heavily in creating Covid-secure environments, we were scape-goats for rising rates of infection with little or no evidence. In comparison to non-essential retail, pubs were required to deliver a significantly higher level of restrictions which in turn restricted turnover and demotivated our teams. What do the general public think of us now? How many may not return for fear that it is not safe to do so?

Our Government should be proud of an industry that employs over 3 million people in the UK and generates £39 billion in taxes. We need clear messaging that it is safe to return to pubs and socialise, knowing that good hygiene practices have always been at the heart of our businesses.

We need to deliver the message that cask ale is something unique to the Great British pub. It cannot be purchased in a supermarket and in conjunction with great service, it remains an icon for tourism and a safe place to enjoy responsible drinking.

We provide a warm welcome for the lonely and raise monies for good causes – pubs are great for mental health and need to be seen as the place to socialise safely.

Changing perceptions of pubs is the vital starting point for the recovery of hospitality and brewing, but it doesn't end there.

We should consider the conversion of at least a portion of loans taken out by breweries to grants, to support their recovery in recognition of how little support they've received.

Business rates for primary suppliers of the hospitality industry should be discounted over the coming financial year. A full review of business rates for on-trade premises should also be undertaken within the next 5 years, to create a fairer system of commercial taxation.

The proposed change to Small Brewers Relief, reducing the level at which the taper begins from 5,000 to 2,100hl, should be scrapped in order to protect the 200 effected breweries like Lincoln Green and support their recovery and future growth.

Beer duty rates need to be reduced for sales to the on-trade, with small increases to sales in the off-trade to level the playing field between pubs and supermarkets. A further consideration should also be made to differential levels of VAT in on and off-trade locations.

We need our pubs and breweries to recover as quickly as possible – they work hand in hand and are a significant part of the British economy. Lincoln Green may be a small business, but we have an ambition to grow and we're asking the Government to help us in our recovery.

Anthony Hughes
Founder
Lincoln Green Brewing Company Limited
Lincoln Green Public House Company Limited