An Open Letter to the Rt Hon Rachel Reeves, MP, Chancellor of the Exchequer

05/10/2025 by Roger Protz

Opinion



Dear Chancellor, I am writing to you with a plea to take wide-ranging measures in your Budget to help our struggling pubs. The latest dire prediction from the British Beer & Pub Association is that 378 pubs will close this year, with a loss of 5,600 jobs. Pubs play a vital role in the economy. They create £34m a year and employ a million people. For every £3 spent in a pub, £1 goes to the government. This means that every pub closure means less income for you and more people forced to apply for unemployment benefits. But pubs are about far more than just bricks and mortar and the people who work in them. Other countries have cafés and bars but nothing in common with our pubs. They are unique to this country and are rooted in our history, heritage and culture. Chaucer, Shakespeare, Dr Samuel Johnson and Charles Dickens are just some of the writers who not only drank in pubs but worked there, too. They were inspired by the congenial atmosphere to write some of our finest plays, novels and poetry. Most customers today visit pubs for less intellectual pursuits. They go to meet friends, enjoy a meal, watch sport on TV or quietly read a book or a newspaper. But of course most will go to enjoy a pint, in particular another unique British product: cask-conditioned real ale, beer that reaches perfection not in the brewery but in casks in pub cellars. In common with the pub, cask ale is unique to this country, another key element of our history and heritage. And because cask beer is a draught product that can be sold only in pubs, each time a pub closes it means a blow to both the publican and the brewer – and less income for the Exchequer. The key question is: why are pubs closing at such a worrying rate? One reason is unfair competition from supermarkets. Sir Tim Martin, the founder and chairman of the Wetherspoon pub group, has complained for several years that supermarkets can claim back VAT on beer. This enables them to sell beer as cheaply as bottled water. A few days ago I paid £5.80 for a pint of 3.6 per cent bitter in a pub in St Albans, where I live. I could have bought a bottle of perfectly acceptable beer in the neighbouring Tesco for £2.20. It is surely time to tackle this glaring anomaly and put supermarkets on a level playing field with pubs. Pubs are also under the hammer as a result of high business rates, energy bills, National Insurance and the Minimum Wage. Of course staff should be paid well, but the increase in the Minimum Wage coincided with other increases introduced last year. Business rates are an out-of-date levy on pubs and unfair in the manner in which they are raised. When the rates were last reviewed here in St Albans, a Sainsbury’s hypermarket had its rates cut while pubs in the city centre saw their rates rise alarmingly. We need a fairer system of rates to support pubs and other high street businesses. Pubs face high energy bills. They have to be lit and also heated in the colder months. Many publicans say it’s the cost of energy that has forced them to close. We need a special energy package for pubs to help them survive. We need a major cut in excise duty charged on beer. The last government did make a small reduction in the duty charged for draught beer but we need a far deeper cut. High rates of duty are a tax on pleasure, a tax on the People’s Pint. Rates in this country are punitive. When we were in the European Union, only Finland paid higher rates than us. Here, one third of the price of a pint goes to the Exchequer in duty. In Germany, another major beer-drinking country, duty is equivalent to just two pence. You will argue that a major cut in excise duty would mean fewer funds for the Exchequer. Not so. If beer in pubs is cheaper, it means people will return to pubs and drink draught beer. Cheaper beer would be of particular help to people on low incomes who are forced into the arms of the supermarkets as they cannot afford current pub prices. Encouraging people to use pubs more often will strengthen their vital community role. A number of academic studies in recent years have highlighted the way in which pubs can tackle loneliness among significant numbers of people of all ages and backgrounds. In 2021, for example, Dr Thomas Thurnell, senior lecturer in sociology at Loughborough University, produced a report Open Arms – the role of pubs in tackling loneliness. Dr Turnell and his team said people don’t necessarily go to pubs just to drink alcohol. They may visit pubs for a ‘cuppa’ or a meal or to take part in such activities as quizzes, bingo and music. Loneliness is not just a problem for older people. All age groups, including young people away from home for the first time, face the problem and welcome the chance to go to a local pub. Pubs need to be helped to maintain their vital community role and I appeal to you, chancellor, to help in every way you can. I mentioned the number of writers that have been inspired by pubs. Another scribe who loved pubs and wrote in them was the Welsh poet Dylan Thomas. He mentioned a much-loved local in his elegiac poem Under Milk Wood: “Up the street in the Sailors Arms, Sinbad Sailors, grandson of Mary Ann Sailors, draws a pint in the sunlit bar. “The ship’s clock in the bar say half past eleven. Half past eleven is opening time. The hands of the clock have stayed still at half past eleven for 50 years. ‘It is always opening time in the Sailors Arms’. Please ensure it stays open, Chancellor. Yours sincerely, Roger Protz Former editor CAMRA Good Beer Guide. The Budget is on 26 November.