



Nik Antona  
Campaign for Real Ale  
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16 April 2020

Dear Nik,

Following on from the CAMRA 'Save our Pubs' email campaign, I personally wanted to take the opportunity to explain how we are navigating through these unprecedented times, determined to work through this global crisis together with our Publicans to ensure that they, and we, can emerge from this period of closure with our businesses intact.

Punch is a pub-owning business, running 1,250 community pubs across the UK. We are only ever as successful as our pubs and we are all facing challenging times which, even after almost a month of closure, remain fluid and fast-moving. Clearly the current closure of all pubs creates huge problems for every business connected to the pub industry, and we all have our own unique circumstances and challenges to manage. We have welcomed the package of support which has been made available to our Publicans. Like yourselves, we have lobbied the Government hard, in partnership with the industry bodies, to achieve the measures of support which have been made available, and we are still pushing for more to be provided, both to individual pubs and also to rectify the almost total absence of any support being provided directly to businesses like our own. We, of course, have on-going fixed costs to manage within our business, including rent payments to our landlords and interest payments.

Our operations team are working hard to help each and every one of our Publicans access and collect all of the government support that they are eligible for. We have a varied estate of leased and tenanted pubs across the UK with each of these pubs eligible to receive differing amounts of support, partly dependent on their rateable value. As an example, the largest pubs in our estate - those with a rateable value above £51,000 - are not eligible for any grant money. We believe that these businesses are likely to require the most support.

Depending on rateable value, grants are either £10,000, £25,000 or zero, and clearly this makes a huge difference to the cashflow resources available to each business. There is also variability in the operating model of our Publicans which impacts their ability to access financial support from the Job Retention Scheme and the Self-Employed support package. It therefore makes sense for us to continue working with our Publicans on a pub by pub basis to align our support for each pub taking into account the individual circumstances of their business. We have finite resources, and we are trying to use these intelligently. This is not a situation with a simple 'one size fits all' solution. In addition, no-one knows how long the closure period will last, and indeed whether there will be any additional periods of closure, and so we need to be prepared to be fluid and dynamic in the support which we are able to provide.

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The Government's financial support for small businesses is unprecedented, including business rates cancelled for 12 months, self-employment income support, deferment of VAT and income tax payments, the job retention scheme, access to business interruption loans, and of course the aforementioned cash grants which do not need to be repaid.

When the Chancellor outlined this support, he made it clear that his intention was to pump urgent liquidity into the system, enabling cash to flow upwards, downwards and sideways to ensure that all businesses are protected as best as possible. We believe that this is a sensible strategy, and it needs to be allowed to function. The Chancellor spelled out that his support for our sector is aimed directly at supporting businesses with their two major fixed costs: rent and staff. The grant money is starting to filter through now, and the initial Job Retention Scheme support will arrive by the end of April. The Self-Employed support will not arrive until June, and this is another example of each individual Publican having their own particular set of circumstances.

To support our Publicans in light of the above, we continue to defer the collection of all rent, insurance, fixtures and fitting rental, and licensing fees to ensure that we are not adding further pressure to the cashflow of any business prior to the Government support actually landing. Alongside this, we are having private conversations with each of our Publicans to understand their individual circumstances and to agree a workable and sustainable arrangement with them. This process is now well underway.

In addition to the above, we are in regular communication with all our Publicans ensuring that they have full access to all of the information and help that is available to them. Our teams are working hard helping our Publicans on applying for, and collecting, the government support for which they are eligible. The grant applications have been made and the priority right now is to help our Publicans to be ready to successfully complete their furlough submissions when the scheme opens on 20<sup>th</sup> April.

We are proud of our track record in investing in community pubs and of the strong relationships that we have nurtured with our Publicans. At this most challenging of times, this is being reinforced in conversations between our operations teams and our Publicans every day. They recognise what we are doing to help support them. In addition to this, we have been positively energised by so many of the inspiring initiatives that we are seeing from our pubs in supporting front-line workers and local communities across the UK.

We very much look forward to a time when we are able to reopen our doors and, together with our Publicans, we can all get back to what we do best - running epic community pubs. In the meantime, more than ever, we need to work hand in hand with our Publicans and to support them through this crisis in an intelligent and individual manner.

Thank you for your continued support of your local pub.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Clive Chesser', with a horizontal line underneath.

Clive Chesser  
CEO, Punch Pubs & Co