

ALMR Press Notice

Monday 20 April 2009.

Release time: immediate

BUDGET 2009 - 'TAKE VAT' CHANCELLOR URGED

The Chancellor should use his Budget to do more than just cut excise duty if he is to deliver a real and much needed boost to pubs and bars. That is the message the *ALMR* delivered to politicians ahead of this week's Budget - and it recommended a package of measures to help pubs survive and thrive.

As part of the industry's "Axe the Tax" campaign, the *ALMR* highlighted the need for the Chancellor to clear up the mess left in the wake of last year's over-hasty VAT changes. Last year's Pre-Budget Report cut VAT by 2.5 per cent but increased excise duty to keep alcohol prices "broadly the same".

The trade body for pubs and bars is calling for this year's planned VAT increase to be delayed by at least a month, and the excise hike to be reversed to avoid hitting retailers with a double whammy of tax increases early next year.

ALMR Chief Executive, Nick Bish warned:

"New Year's Eve is the worst possible day to impose the huge task of reversing last year's VAT cut. It cost the sector almost half a million pounds to implement the cut to 15 per cent and, because of the timing, will cost a similar amount to reintroduce the 17.5 per cent rate. That's the worst possible hangover for hardworking licensees to face at the start of a new year."

The call to deal with VAT is part of the *ALMR's* Budget submission, which is published today (Monday). The *ALMR* is also calling for an end to the alcohol duty escalator and a moratorium on new business taxes, cost burdens and red tape to give pubs a vital breathing space.

Nick Bish went on:

"Unlike other industries we are not looking for a government bail-out – hard working licensees want a hand up not a hand out. With a little bit of support from the government they can not only survive but even thrive. Even good, well invested sites are having to generate positive growth of between 3-4 per cent just to stand still. The Government should be helping them do that, not hindering them with further tax increases.

The Great British Pub is a national asset. Pubs bring local communities together and create thousands of jobs. They also pay a great deal of tax. It is about time that Mr Darling recognised a pub taxed into closure soon pays no tax at all."

<ENDS>

Notes for editors

- *ALMR* is the only national trade body solely dedicated to representing the interests of pub and bar operators, and to providing them with business support and advice. It has almost 100 member companies, operating over 10,000 outlets.
- *ALMR* research suggests that the average community pub generates £87,000 per annum in taxes – equivalent to two thirds of profits before tax. This is more than the lessee and landlord combined receive in income.
- The *ALMR*'s Budget submission also calls for:
 1. Abolition of the alcohol duty escalator and a freeze in duty rates
 2. A ban on below cost selling by supermarkets
 3. A lower VAT rate for pub meals (recently agreed in Europe)
 4. A freeze on NMW rates and cancellation of the proposed 0.5% increases in employee and employer National Insurance Contributions
 5. Abandonment of the proposed code of practice on alcohol retailing – which will cost all pubs a minimum of £900 in the first year alone

For more information please contact:

Nick Bish, Chief Executive, *ALMR*

020 85792080

Kate Nicholls, Head of Communications, *ALMR*

07958 796238