

ALMR Press Notice

Date: Friday 25 April 2008

DARLING'S £1 BILLION MIX-UP ON DRINKS DUTY

The Chancellor has been slammed for claiming that the Budget's block-busting increases in drinks duties were primarily linked to funding extra winter fuel payments for the over-60s.

The criticism came from a leading trade association, The Association of Multiple Licensed Retailers (*ALMR*), which has identified a gap of almost £1 billion in the Chancellor's sums.

His claim of a direct connection between the drinks duty hikes and the winter fuel payments came in Treasury Questions, yesterday, in the House of Commons. But the Treasury's Budget handbook shows that the increases in drinks duty, over the next three years, will be almost £1 billion higher than the cost of the extra winter fuel payments.

According to the Treasury's own figures, the Government has budgeted to spend an extra £575 million on winter fuel payments but raise an additional £1,530 million in drinks duties over the same three-year period - 2008-09, 2009-2010 and 2010-11.

The gap between the two figures is £955 million. Indeed, it could rise further, as the Government is firmly committed to further above-inflation increases in drinks duties in both 2011-2012 and 2012-13, but not to any extra spending on winter fuel payments.

The *ALMR*'s Chief Executive, Nick Bish, said:

"The Chancellor's sums simply don't add up; indeed, it's a billion pound blunder.

We already knew that the hikes in drinks duty had nothing to do with tackling binge drinking. Now we know they're nothing to do with winter fuel payments either.

In reality, the Chancellor's hitting, and hurting, Britain's pubs and bars for one just reason - his huge budget deficit.

Yesterday's talk about winter fuel allowances is post-hoc, post-Budget rationalisation at its very worst."

Notes for editors

- *ALMR* is the only national trade body dedicated to representing the interests of pub and bar operators, and to providing them with business support and advice. It has almost 100 members, operating over 15,000 outlets.
- Most *ALMR* members are small, independent companies operating 50 or fewer outlets. For instance, they include the Capital Pub Company and Geronimo Inns - both based in

London - plus Lancashire-based Inventive Leisure which was named, earlier this year, as one of the UK's '100 Best Companies to Work For'.

- Although pubs are already closing in record numbers, last month's Budget increased drinks duties significantly, in real terms, and included an announcement that further big increases would follow from 2009 to 2013, inclusive.
- A transcript of the Chancellor's comments yesterday can be seen in 'Hansard', 24th April 2008, Col. 1458. The winter fuel and drinks duty figures - for 2008-09, 2009-2010 and 2010-11 - can be seen on p. 110 of the Treasury's 'Red Book' for the 2008 Budget.
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