Your Address,

XXXX,

XXXX,

Post Code.

HM Treasury,

1 Horse Guards Road,

London,

SW1A 2HQ.

(Date)

HMTVATandExcisePolicy@hmtreasury.gov.uk

Dear Sirs,

**Response to Treasury Technical Consultation on Small Brewers Relief (SBR)**

I am writing to you to make a general representation about the Government’s preferred approach to reforming SBR.

I am concerned that the current preferred approach will ultimately see some of the smallest brewers struggle to compete on a level playing field, and I want to ask you to think again about reducing the 50% relief threshold from 5,000HL to 2,100HL – the Society of Independent Brewers estimates that this will result in 150 of the smallest brewers paying more tax.

I do not believe there is a case for making this change. The consultation document says that it has been argued that the current threshold is a barrier to expansion, but it also says that there is no evidence of a clustering of breweries just below the 5,000HL production level. While I appreciate that the relief curve needs to be smoother to facilitate brewers’ growth, I do not believe that withdrawing support from some of the smallest brewers is the best way to do this.

I believe that issues with how the SBR scheme works should be resolved by increasing the range of production covered through an increase to the top threshold, rather than the removal of full duty relief from very small brewers.

The removal of relief will have a serious impact on brewers that are producing between 2,100 and 5,000HL.

If the Government does decide to continue with reducing the lower threshold, it is vital that this happens as gradually as possible above 2,100HL. I will be clear – this is a terrible time to be increasing the amount of tax that smaller brewers pay. During the Coronavirus pandemic, brewers have not had access to the same level of financial support as the wider hospitality sector, and some form of transitional relief will also be needed to give brewers as much time as possible to adjust to the changes to SBR.

Thank you for taking the time to read my submission and consider my concerns.

Yours sincerely,

(Your Name)