

Positive measures in Budget 2021, but they will need to be extended as long as restrictions continue

The Licensed Vintners Association (LVA) has welcomed a number of measures announced in Budget 2021 which they say should keep some pub doors from permanently closing. However they also cautioned that these measures will need to be extended if the period of restrictions is prolonged.

This was particularly true of the Covid Restrictions Support Scheme (CRSS), which will provide cash grants to businesses which have been closed or impeded by Government restrictions. While this is a positive programme which will finally provide real relief to pubs who are forced to keep their doors closed, it is currently expected to run only until March 2021. With pubs and the rest of the hospitality sector potentially facing ongoing, rolling public health restrictions into next year, the LVA says the programme may need to be reviewed and extended before March 2021.

Non food pubs in Dublin have now been closed for 211 days and counting, the only pubs in the country who have not been able to trade in that time. The LVA believes that the CRSS scheme should be made available retrospectively to those "wet" pubs which have not traded since 15 March.

The LVA also welcomed the Government's commitment to avoid a "cliff edge" ending to the Employment Wage Subsidy Scheme (EWSS) by extending it to the end of 2021, given the certainty it provides to publicans and their staff. The representative body for Dublin pubs believes this measure will need to be reviewed in early 2021 with a view to increasing the level of wage support back to TWSS levels and allowing for the programme to be extended in line with the ongoing restrictions facing the industry.

The reduction of the VAT rate to 9% will also help the pubs who serve food and will benefit those businesses if and when they are in a position to trade. The commitment to waive commercial rates for 2020 is helpful but the implications of a return of commercial rates for 2021 will need urgent review before the end of this calendar year. The LVA also looks forward to seeing the details for the Tourism Business Support Scheme.

"The importance of this Budget to the pub sector in Ireland can't be overstated, it was very much the last chance saloon for whether many pubs would see out the year," said Donall O'Keeffe, Chief Executive of the LVA. "Thankfully based on initial review it looks like real support has finally been provided to the pub sector which has been shut by order of the Government.

"This is the type of support our industry has been seeking for months and months, so it will come as critical relief to pubs across Dublin and beyond that the despair they have been experiencing has finally been recognised. On the face of it the Government's Covid Restriction Support Scheme appears to be exactly the type of assistance that should have been forthcoming for pubs and other sectors of the economy who have been taking the hit due to the public health restrictions. We have long argued that if pubs and other businesses need to stay closed to protect the public good, then these businesses and their employees should be properly compensated.

"The absence of meaningful relief has put massive pressure on pubs and the hospitality industry to reopen as livelihoods have been on the line for months now. Non food pubs in Dublin haven't been open for 7 months. We hope these measures will provide some mitigation and ease part of that pressure.

"We would also encourage the Government to review and recognise the impact of these measures, particularly when it seems like pubs and the rest of the hospitality sector will be facing rolling restrictions well into 2021. It would be counterproductive if the restrictions were to last a lot longer than the current window outlined for some of these supports, particularly given how much strain these businesses have been placed under already this year," Mr. O'Keeffe concluded.

