



Inn-Valuable

UNLOCKING THE SOCIO-ECONOMIC
POTENTIAL OF OUR NATION'S PUBS

By Joe Fyans & Callin McLinden



About Localis

Who we are

We are a leading, independent think tank that was established in 2001. Our work promotes neo-localist ideas through research, events and commentary, covering a range of local and national domestic policy issues.

Neo-localism

Our research and policy programme is guided by the concept of neo-localism. Neo-localism is about giving places and people more control over the effects of globalisation. It is positive about promoting economic prosperity, but also enhancing other aspects of people's lives such as family and culture. It is not anti-globalisation, but wants to bend the mainstream of social and economic policy so that place is put at the centre of political thinking.

In particular our work is focused on four areas:

- **Decentralising political economy.** Developing and differentiating regional economies and an accompanying devolution of democratic leadership.
- **Empowering local leadership.** Elevating the role and responsibilities of local leaders in shaping and directing their place.
- **Extending local civil capacity.** The mission of the strategic authority as a convener of civil society; from private to charity sector, household to community.
- **Reforming public services.** Ideas to help save the public services and institutions upon which many in society depend.

What we do

We publish research throughout the year, from extensive reports to shorter pamphlets, on a diverse range of policy areas. We run a broad events programme, including roundtable discussions, panel events and an extensive party conference programme. We also run a membership network of local authorities and corporate fellows.

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Any errors or omissions remain our own.

Joe Fyans and Callin McLinden

Foreword

There is nowhere quite like your local pub. A pub is more than just a place to eat and drink; it's a home away from home.

Our pubs can be places of both solace and celebration; a place where we make new friends and meet old ones, a destination for live music, sports and events, and in so many neighbourhoods they are the last true community hub -open to everyone and a space for all.

They are not only local businesses and employers but are bastions of the community. In this role so many go above and beyond, adding immeasurable value, both socially and economically to our way of life.

Many of us have experienced this in our own neighbourhood, in one way or another; be it a fundraiser for a local cause, a weekly club or activity, a central hub to collect food for those in need, a space to showcase local talent, or simply a warm friendly environment to feel less alone. It is much more difficult to quantify, however, to measure the impact of pubs in the roles they play in thousands of villages, towns and cities across the UK, every single day.

This report shines a light on their role and provides an insight into the way in which pubs across the country, along with the people that run them, add social value to their communities. It tells the stories of publicans who help people because the pub is much more than just a hospitality venue, it's a community asset.

In reading these stories, it would be easy to assume that these pubs will remain at the heart of communities simply because they are so valued by local people. Sadly, the stories also reveal that pubs are facing some of the toughest conditions they have ever experienced.

As politicians, we are proud to champion the role of pubs in public life and will continue to push for policies that support them. This is the only way they can continue to serve their communities and do vital work that add value to people's lives.

Quite simply, pubs are invaluable.

**Alan Cairns MP, Chair of the Beer
All Party Parliamentary Group**

**Charlotte Nichols MP, Chair of the Pubs
All Party Parliamentary Group**

Executive Summary

Across Britain, pubs have long stood as familiar and welcoming landmarks. Their significance goes beyond mere watering holes; they have consistently played a pivotal role in knitting communities together and promoting social cohesion. This report looks at the value of pubs – to society and to the economy – looking at both first-hand evidence and a range of literature to make the case for supporting the pub trade in Britain as a matter of sound social, economic and political rationale.

The value of pubs in society

Throughout British history, pubs have played an important role in society and culture. They have evolved into community anchors, offering solace, support, and a sense of belonging to various groups. For many, pubs offer a sanctuary from the daily grind. Beyond solace, pubs offer invaluable support. They are often gathering points during times of crisis, places where fundraisers or community projects are held and places of personal and national celebrations.

Pubs are the beating heart of many communities, playing multifaceted roles in local daily life. This is why the decline of pubs is cause for great concern. With each closure, both tangible and intangible voids are left behind. Worst case scenarios can see the ties that bind communities start to fray, leading to diminished community spirit and engagement, as well as neighbourhood alienation, all contributing to a rise in the isolation of individuals. In rural areas, pubs often act as de facto village halls, the locus of village life. In urban settings, given the often-impersonal nature of city life, pubs provide a space for more extended interaction and sociality. They become spaces where residents from across communities can bond over shared local interests or experiences. The value of these hyper-local networks within large metropolises was thrown into sharp relief in recent years by the COVID-19 lockdowns.

Polling carried out for this research reveals the affection felt for pubs as a national institution. Asking British adults if pubs have a positive or negative effect in a community, 75 percent felt the impact is positive. When asked if pubs are important in bringing people together, 81 percent of British adults said that they are. The bond between pubs and the communities they serve is not just emotional—it is also rooted in social capital. This term, which captures the idea of relationships and networks promoting communal action, is twofold: bonding (strengthening internal ties) and bridging (connecting with external networks).

Across academic and third sector research, the lessons are clear: pubs, in all their forms and across all locations, remain integral to British social cohesion as hubs of activity, community, and social capital. This makes their presence all the more crucial in deprived areas, where a lack of social infrastructure assets can lead to a vicious cycle of social capital depletion.

There is also a dynamism in the functionality of pubs. They provide a holistic environment where the pursuit of a refreshing drink converges with activities that align with community interests. Screening sports events, providing a platform for local musicians, artists, and performers, frequently hosting charity events, hosting or sponsoring local clubs and organisations are all very common functions of a typical pub that caters to the diverse needs and interests of various groups, strengthening community ties in the process. Recognising key life events – such as birthdays, graduations, weddings, retirements, and funerals – are all commonly experienced at pubs, offering a space for communal acknowledgement, celebration, and togetherness. Polling for this report found that 49 percent of British adults had met up with friends and 35 percent had met up with family in the pub in the past three months. One in 10 adults had attended a birthday party in the pub in the past three months, and almost a quarter had been for a Sunday roast.

In an increasingly atomised society, with rising loneliness leading to health issues and pressure on public services across the country, these social interactions are more important than ever. As the digital age continues apace, face-to-face interactions have become more critical, especially for the elderly. Polling carried out for this report showed 68 percent of British adults felt that pubs help combat loneliness in their local area. Furthermore, the pub setting is a ‘safety net’; regular pub-goers, particularly the elderly, often find that the staff and other patrons become an informal safety net – where drinking habits can be kept an eye on and if a person is not seen for a few days, someone from the pub is likely to check in on them, providing an added layer of informal security and care.

Pubs and the cost-of-living crisis

In light of the ongoing cost-of-living crisis, pubs have emerged as pivotal communal hubs, offering support and solace to the many affected. In the winter, in response to the rising energy and cost-of-living costs, many pubs across the UK stepped up to provide “warm spaces” for their local communities during the colder months. These pubs enhance their spaces, becoming inviting havens where people can escape the cold. Beyond just providing physical warmth, food

and drink, these initiatives have given people a chance to reconnect with old friends, make new ones, and take part in a range of activities and groups. In areas where traditional services and amenities have declined considerably, pubs have become pivotal community hubs, providing food, warmth, shelter, and an array of diversified services. They have responded to cost-of-living challenges by forming collaborative partnerships with local third-sector organisations and mutual support groups.

The role of pubs as a hub for community action against challenging times is greatly imperiled, however, by the impact of the crisis on their ability to function as viable businesses. Factors such as heightened costs stemming from rising inflation and energy costs – leading to severely reduced margins for businesses and less disposable income for consumers – combined with staffing shortages have coalesced into a stormy environment for the sector. For many publicans, their livelihood is more challenging in 2023 than even during the heights of the pandemic. Urgent calls for governmental measures, like energy bill support, beer duty freezes, VAT cuts, and specialised financial support, have been echoed across the sector. Yet, recent financial statements have largely sidestepped the industry's needs, sparking calls for more robust and longer-term relief measures.

The economic value of pubs

The impact of pubs in strictly economic terms is considerable. In addition to the direct impacts of employment from pubs, to the breweries that support them, there are indirect effects amassed along the supply chain as well as induced effects caused by the expenditure of the wages paid across the beer and pub sector. Taking all this into account, the beer and pub industry – from the brewing to the serving of beer – supports around 936,000 jobs nationwide. This employment amounts to around £14.3bn a year in wages. In terms of tax revenue, the sector generates around £15bn for the Treasury, including around five percent of all national VAT receipts and £4.6bn in excise duty. All this activity across the economy totals, through direct and indirect impacts, to a Gross Value Added of around £26bn.

Pubs are also disproportionately economically important in deprived areas – previous Localis research has shown how the value of both wages and total GVA of the beer and pub sector is greater in the most deprived areas of the country than in the least. This is in addition to the increased importance of pubs as social infrastructure in deprived areas, where a lack of social capital assets is also linked to poorer economic outcomes.

Pubs also hold latent value in the form of potential Diversification to provide local services. Pub is The Hub is a non-profit organisation working diligently to help British pubs as they become pivotal community hubs, providing food, warmth, shelter, and an array of diversified services and activities. Pub is The Hub and the Social Value Engine estimate that, across the suite of projects Pub is The Hub have supported during the first COVID lockdown, an investment of £1 in a given project returned between £8.98 and £9.24 in additional social benefit. This demonstrates the potential of pubs which is wasted when publicans are forced into focusing solely on subsistence – into ‘survival mode’ – by external conditions far beyond their control. The possibilities for ensuring that pubs fulfil their potential as crucial social infrastructure must be further explored by central and local government, with the potential social value returns on investment weighted against the costs of support for the sector.

Case studies: value in action

Pubs provide value beyond their role as purveyors of food and drink throughout the UK. Section three highlights some examples of the activities supported by pubs and the value of pubs to local communities through the lens of seven pubs from across the country. Across the pubs interviewed, there was clearly an acute awareness of the impact of the current cost-of-living pressures both on members of their community and their own businesses. Anxieties over the long-term sustainability of the pub consistently dovetailed with concerns for the wider community among our case studies. All of our interviewees were in some way providing additional social value, from fundraising activities to the direct provision of help to the community in the form of food or emergency medical supplies. These activities bring with them a sense of mission, and there was a strong determination felt across the case studies that the current crisis must be ridden out to avoid the loss of a prized local institution.

Across our seven case studies, some prevailing themes were evident, which resonate with the overview of research on the sector laid out in section one. These were:

- **Combating isolation.** It was repeatedly highlighted throughout the interviews that pubs provide a place to socialise for local residents who otherwise might not have many interactions over the course of a day. This is particularly true for older people, especially older people who are single, who will visit the pub for a conversation as much as they will for a drink or meal.

- **Supporting local causes.** It is well known that pubs can be catalysts for charity, with PubAid estimating that £100m is raised per year by the sector.¹ For all of our case study pubs, there was a feeling that, whether through fundraising or direct engagement, pubs have a responsibility to support causes that are important to the local area and to local residents. Sometimes these causes are general issues which affect everyone in society but are felt as a priority locally, sometimes they are direct responses to specific absences in local service provision or the area's cultural offering.
- **Reflecting local culture.** Part of the role of a successful local pub is to provide a reflection of the local area and its residents by putting on events such as mini-festivals or street carnivals. These events show how pubs can be catalysts for local culture, bringing residents together and showcasing pride in place.
- **Bringing local business together.** The case studies show how pubs can act as loci for action from a broad range of local businesses. When pubs organise fundraisers like public events, they often rely on the support of local traders who support the causes in question through quid-pro-quo arrangements or even free services. This type of activity can help bring a sense of pride in place to the business community in much the same way as the events themselves do for the community at large.
- **Intergenerational customers.** The pub as an intergenerational social adhesive was an idea that arose in several of our case study interviews – indeed, some of our interviewees recalled drinking as 18-year-olds in the pubs they now manage. Whether in the same space doing different things or united around a common cause, the pub as a physical space where groups across generations can coexist will only become more valuable as technological innovations and changing working practices lead to an increasingly atomised society.

1 Pub Aid – About Us

Policy prescriptions

Looking across the issues faced by publicans in 2023, policy prescriptions fall into three groups:

- **Providing emergency support.** In the immediate context of energy price surges and inflation across the economy, the first order for policy should be to establish a mechanism by which pubs are protected from the worst of the crisis, as a matter of preserving vital social infrastructure assets. There is also a need to recognise and encourage the social diversification of pubs through policy.
- **Joining up thinking.** Part of the problem with devising a policy mechanism to support pubs facing closure due to the economic environment is the multiplicity of policy areas which the sector touches upon. There is great potential value in placing a single, accountable figure within government to pull these threads together and give voice to the commonly held view that pubs are of great importance to our country and make a positive impact in their communities.
- **Long-term planning.** Given the social and economic importance of the sector, there is a clear need to move from a war footing to a more proactive attempt to shore up our nation's pubs. While short-term support is undoubtedly needed in the sector, what is called for in the long-term is a strategy for shoring up this vital social infrastructure against future shocks and continue to contribute to economic growth.

Recommendations

- **A cross-government taskforce on the future of the British pub.** A long-term strategy is needed to determine a sustainable tax and regulatory framework and measures that can help the sector thrive in the coming decades and ensure that its pivotal role in society is not lost.
- **Emergency fund for energy bill support.** Government should establish a fund to provide energy bill support for pubs in deprived areas, in a manner similar to the 'social tariff' on household energy bills argued for by organisations such as the Citizen's Advice Bureau. More broadly, government must ensure all pubs have access to fair and reasonable energy contracts.
- **Business rates rebates for diversifying pubs.** Government should fund local authorities to provide partial business rebates for pubs which diversify to take on socially valuable roles, such as those providing 'warm spaces' or food banks. Pub is The Hub estimate that there is potential for 1,000 pubs to diversify over three years, with required funding as little as £4,000 per pub. Financial support could be given to Pub is The Hub to quickly fund these grants.
- **A new, revamped Minister for Pubs role with cross-departmental remit.** The role of Minister for Pubs, last prominently occupied in 2017, should be reinstated as a Minister of State and given a brief to work across departments to support the pub trade.



CHAPTER ONE

The value of pubs: society

The local pub is widely recognised as the quintessential British institution, both by UK citizens and international visitors. While the pub as a licensed venue for food and drink has a value in of itself, most British people are well aware of the benefits our locals provide beyond this direct role. Across the country, pubs act as an adhesive for local communities and a bulwark against loneliness and isolation, often going above and beyond in providing vital support to residents through fund-raising and other charitable initiatives.

“Village meetings are held amongst others meeting friends or family. Events are regularly held to bring people together. Provides vital work for young people. The pub is a great way to escape loneliness or to make things happen in the village. It’s the only indoor relaxation and socialising space we have in the village. As a result, villagers make a great effort to maintain the pub as to lose it we would lose the soul of the village itself.”

– YouGov/Localis survey response

1.1 Pubs and social cohesion

In Britain, pubs have long stood as familiar and welcoming landmarks. Their significance goes beyond mere watering holes; they have consistently played a pivotal role in knitting communities together and promoting social cohesion. Historically, pubs in the UK have held a unique place in society, not only serving drinks and food but also acting as social hubs. In both urban and rural settings, these establishments have provided common ground where individuals can forge and nurture social ties.

In rural localities, pubs can be the beating heart of communities, playing multifaceted roles that urban centres may sometimes overlook. They are deeply embedded in the social and cultural life of these areas, acting as common grounds where locals meet, forge relationships, celebrate milestones, and discuss local affairs. This is why the decline of pubs in these areas is cause for great concern. With each closure, both tangible and intangible voids are left behind. Tangibly, these closures often mean a loss of employment for local residents, as well as of the magnetic role of the pub for tourists, visitors, and local activity – impacting other businesses in the area. Intangibly, the closure of a pub disrupts the rhythm of rural life. For many, a pub is the place to meet after work, hear local news, or to seek companionship. The loss of such a hub can lead to isolation, especially for older residents who might not have other accessible social outlets. Worst case scenarios can see the ties that bind communities start to fray, leading to diminished community spirit and engagement, as well as neighbourhood alienation.

In urban settings, pubs undoubtedly still hold importance, but their role and influence manifest differently. The dynamics of urban life, marked by a faster pace, diversity, and vast array of entertainment and socialising options, reshape the role of a traditional pub. The abundance

of recreational and social options means that pubs can face fierce competition for custom and must therefore innovate or adopt niche themes/specialisations to differentiate themselves. This is evident in the rise of themed sports bars and other specially themed pubs in cities². Moreover, in a city, pubs will cater to students, professionals, artists, and other demographic groups, sometimes specifically, sometimes all at once. This diversification sometimes leads to urban pubs being more transient in their clientele. While a rural pub might see the same faces day in and day out, an urban pub might experience a constant flow of new patrons, with many people visiting based on events, promotions, or changing social trends.

Yet, it is essential to acknowledge that urban pubs still play a vital role in fostering community – from long-established residents to new arrivals and tourists. Given the often-impersonal nature of city life, where neighbours can remain strangers and interactions can be fleeting, pubs provide a space for more extended interaction and sociality. They become spaces where residents from across communities can bond over shared local interests or experiences. Pubs near universities being a go-to spot for students or pubs in urban residential areas serving as community hubs are key examples of this role.

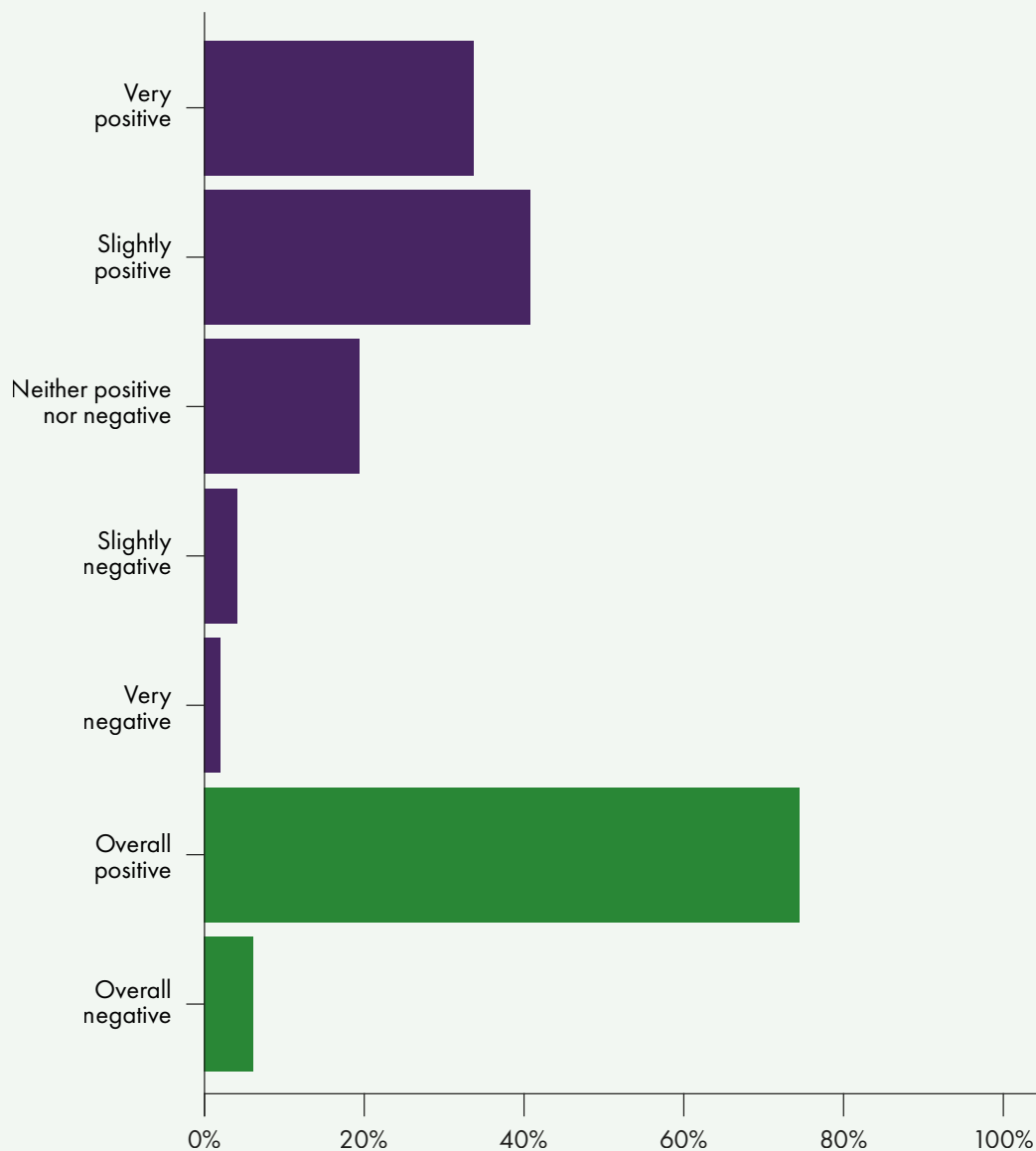
“A local pub is where individuals can meet friends, make friends, and be part of a family.”

– YouGov/Localis survey response

2 Thomas Thurnell-Read (2021) – ‘If they weren’t in the pub, they probably wouldn’t even know each other’: Alcohol, Sociability and Pub Based Leisure

Figure 1. The impact of pubs on communities

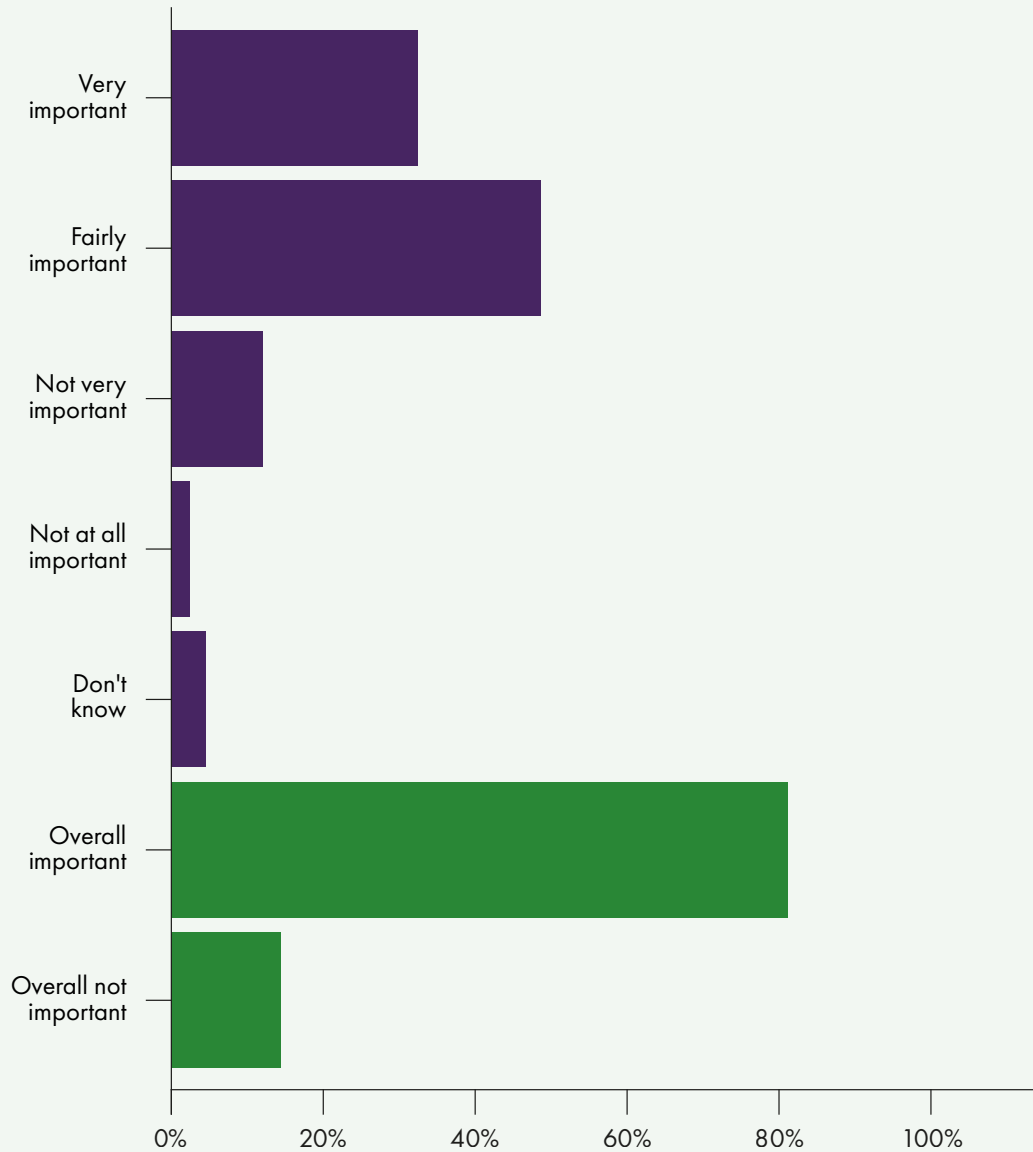
In general, to what extent do you feel pubs have a positive or negative effect in a community?



Source: YouGov/Localis

Figure 2. Pubs and social cohesion

How important, if at all, do you think pubs are in bringing people together?



Source: YouGov/Localis

TESTIMONIAL #1: RURAL SERVICES NETWORK

“The pub has always been regarded by many people as the centre of village life. During the pandemic, across the UK, we saw village pubs rise to the challenge and morph into a local shop, a delivery service and, in some cases, even a vaccination centre.

In my village, our pub closed its doors before Christmas last year. It is true to say that you don't know what you've got until it has gone. We all felt its loss. Thankfully, for our community, someone has stepped in and rescued it and that gap has once again been filled.

Our pub is a focal place for us all to meet and catch up on the village news. A place where we can make sure our elderly neighbours are ok and that the new parents aren't isolated. Our local cricket team has somewhere to meet post-match to celebrate their success (or commiserate a loss) and groups like the PTA can once again find a venue to meet.

We all now realise how incredibly lucky we are to have our pub. It sounds like a cliché but it is the heart of the village.”

– Kerry Booth, chief executive, the Rural Services Network

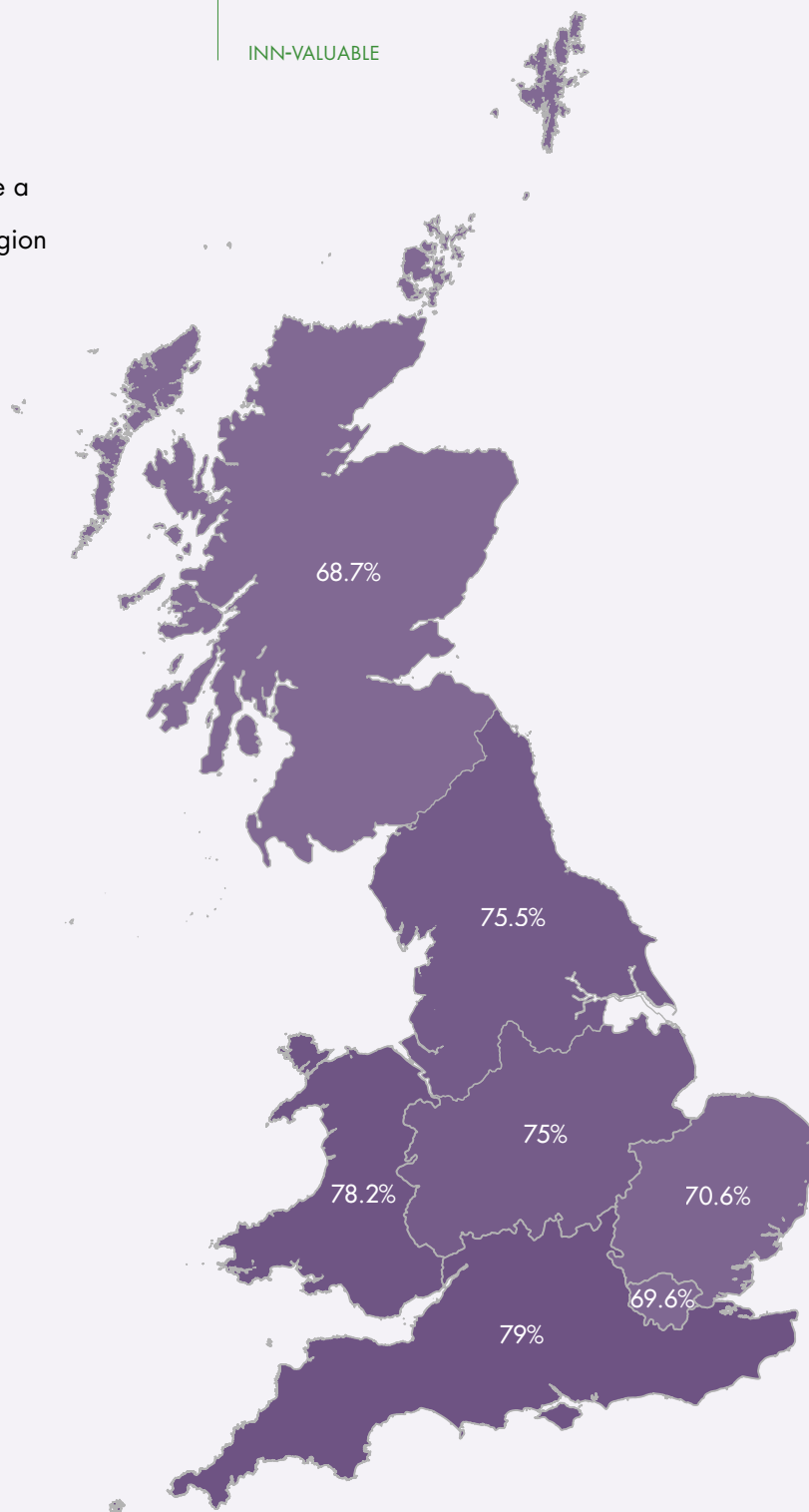


Polling carried out for this research project reveals the affection felt for pubs as a national institution. Asking British adults if pubs have a positive or negative effect in a community, 75 percent felt the impact is positive, with only six percent feeling the impact of pubs in a community is negative. When asked if pubs are important in bringing people together, 81 percent of British adults said that they are, with just 14 percent feeling that they are not. Affection for pubs and their impact on social cohesion was generally shared across different divides – variation between males and females was around five percent on the positive impact of pubs and just 0.5 percent on their role in bringing people together, with similar consistency across regions and social class.

“In times when shops and post offices are closing down, the local pub is almost a community centre.”

– YouGov/Localis survey response

Figure 3. Pubs have a positive impact on communities, by region



The bond between pubs and the communities they serve is not just emotional—it is also rooted in social capital. This term, which captures the idea of relationships and networks promoting communal action, is twofold: bonding (strengthening internal ties) and bridging (connecting with external networks)³. A recent study investigating rural parishes of Northern England demonstrated a positive correlation between pubs and social engagement levels, irrespective of the economic context of the area⁴. This suggests that the essence of a pub, as a space of gathering and social cohesion, remains unchanged across different settings. The lessons here are clear: pubs, in all their forms, remain integral to British social cohesion as hubs of activity, community, and social capital.

1.2 The local as a lifeline

Pubs have played a historic and sociocultural role in British society, they have evolved into community anchors, offering solace, support, and a sense of belonging to various groups. For many, pubs offer a sanctuary from the daily grind. Beyond solace, pubs offer invaluable support. They are often gathering points during times of crisis, places where fundraisers or community projects are held. In rural areas especially, where isolation can be acutely felt, pubs serve as communal living rooms, bridging generational and social gaps.

As the digital age continues, face-to-face interactions have become more critical, especially for older people. In the polling carried out for this report, 68 percent of British adults felt that pubs help combat loneliness in their local area. Professor Robin Dunbar's 2016 report reiterates the evolutionary importance of such direct social connections. Pubs offer older people and other isolated individuals an oasis of tangible interactions and a space for shared experiences⁵. For many older people, having a routine that is consistent can be crucial, as it provides a sense of structure and purpose, as well as combating loneliness and improving both physical and mental health.

Furthermore, the pub setting is a 'safety net'; regular pub-goers, particularly the elderly, often find that the staff and other patrons become an informal safety net – where drinking habits can be kept an eye on and if a person is not seen for

“For some, they are a lifeline”

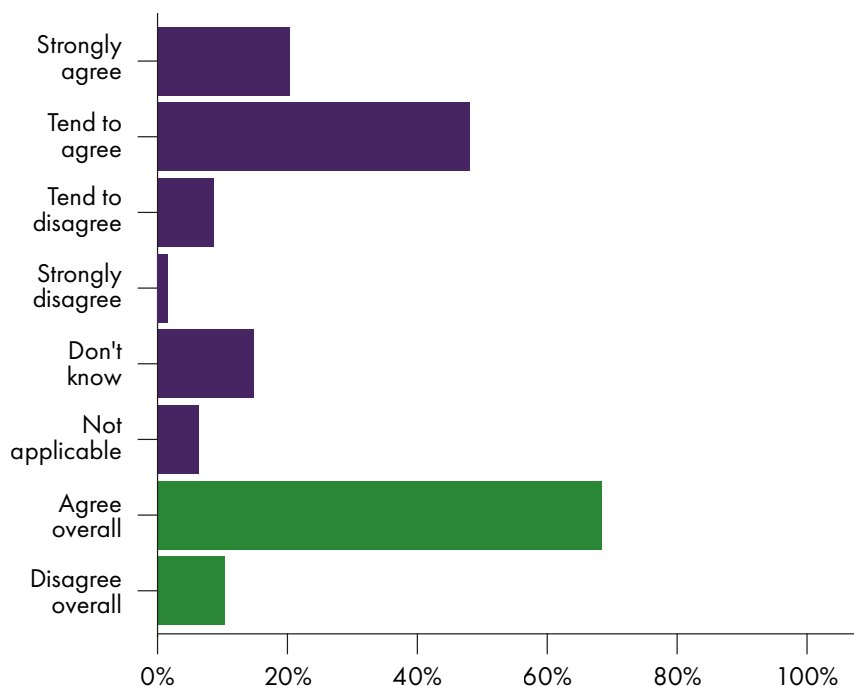
– YouGov/Localis survey response

3 Jacopo Sforzi & Michele Bianchi (2020) – Fostering social capital: The case of community-owned pubs
 4 Matthew Mount & Ignazio Cabras (2016) – Community cohesion and village pubs in Northern England: An econometric study
 5 Prof. Robin Dunbar for CAMRA (2016) – Friends on tap: The role of pubs at the heart of the community

a few days, someone from the pub is likely to check in on them, providing an added layer of informal security and care. This goes beyond being an anecdotal experience and finds grounding in academic research⁶ delving into the social underpinnings of British pubs, highlighting the intricate web of interactions and the sentiments of belonging they foster. One of the salient findings is that pubs can both bolster existing social connections and catalyse the genesis of new ones. The dual role means that regular pub-goers find themselves enmeshed in a social network that takes note of their regularity and, by extension, their well-being.

Figure 4. Pubs and isolation

Pubs help combat loneliness and isolation amongst people in my local area



Source: YouGov/Localis

⁶ Thomas Thurnell-Read (2021) – 'If they weren't in the pub, they probably wouldn't even know each other': Alcohol, Sociability and Pub Based Leisure

There is also a dynamism in the functionality of pubs that provides a holistic environment where the pursuit of a refreshing drink converges with activities that align with community interests and wellness needs, with pub staff that are proactive in smoothing social interactions thus accentuating the feeling of safety and sense of community. Screening sports events, providing a platform for local musicians, artists, and performers, frequently hosting charity events, hosting or sponsoring local clubs and organisations are all very common functions of a typical pub that caters to the diverse needs and interests of various groups, strengthening community ties in the process.

Over half of the population have celebrated significant life events at a pub⁷. Birthdays, graduations, weddings, retirements, and funerals are all commonly experienced at pubs, offering a space for communal acknowledgement, celebration, and togetherness. Polling for this report found that 49 percent of British adults had met up with friends and 35 percent had met up with family in the pub in the past three months. One in 10 adults had attended a birthday party in the pub in the past three months, and almost a quarter had been for a Sunday roast. In an increasingly atomised society, with rising loneliness leading to health issues and pressure on public services across the country^{8,9} these social interactions are more important than ever. Social infrastructure is a broad term, but at its core it describes the communal spaces where our interactions with each other take place, from parks and leisure centres to cafes and pubs. The loss of these spaces must be protected against, as their value as social infrastructure far outstrips their value as individual business or public services.

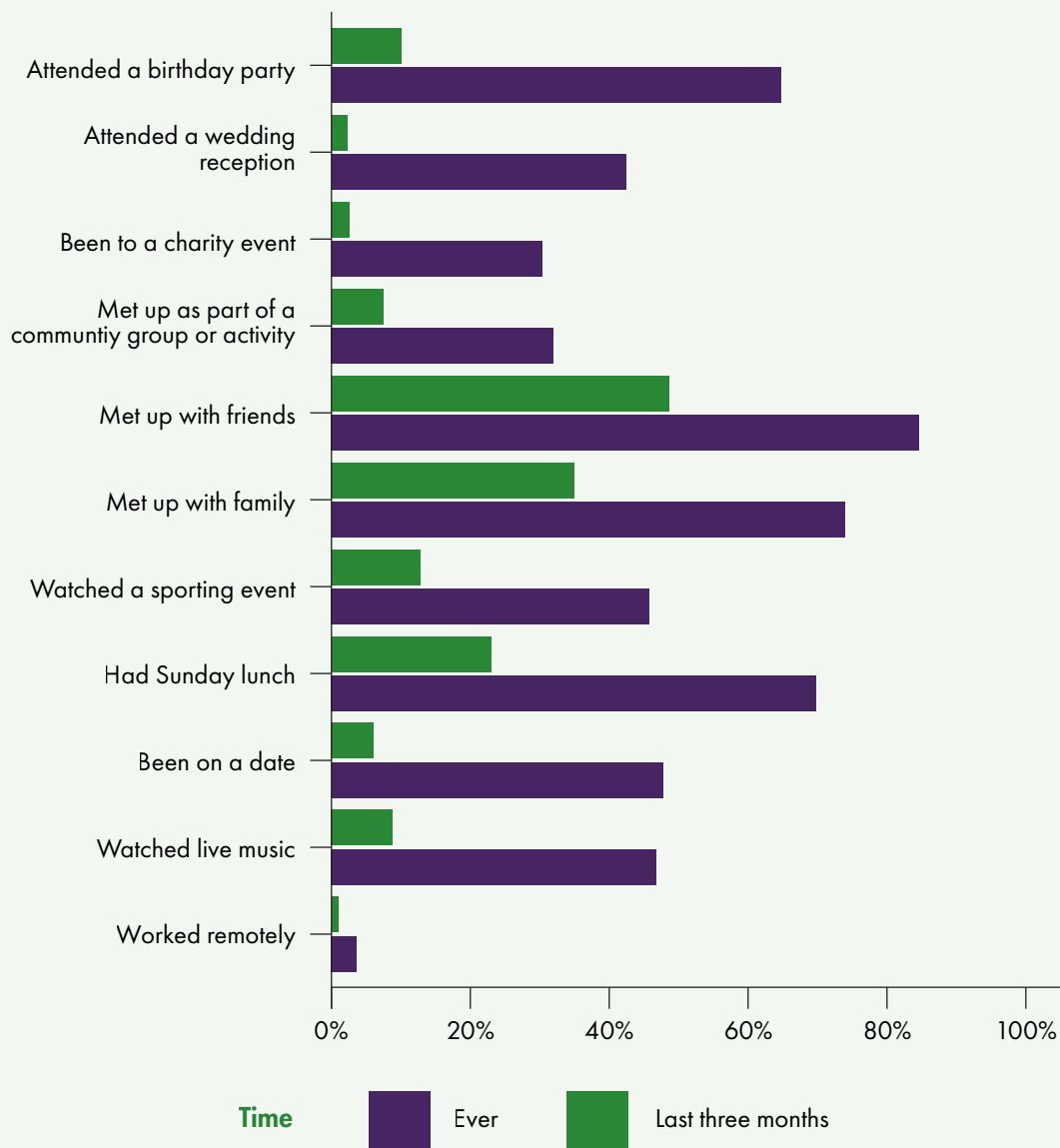
7 Greene King (2023) – Serving King and country: The Great British pub at the heart of communities

8 Campaign to End Loneliness and Figures

9 Mental Health Foundation – Loneliness and Mental Health report – UK

Figure 5. Activities in pubs

Have you done the following in a pub?



TESTIMONIAL #2: LOCAL GOVERNMENT ASSOCIATION

“Pubs are at the heart of many local communities. They bring residents together and enable us to socialise, celebrate, and re-connect.

Pubs are also a critical part of local economies, and councils up and down the country see pubs as playing an integral role in having thriving high streets, town centres, and rural communities.

We know times are tough for many of our local pubs at the moment, and councils are committed to supporting pubs to ensure they can continue serving our communities.”

– Cllr. Heather Kidd, Chair, LGA's Safer and Stronger Communities Board

1.3 Pubs and the cost-of-living crisis

In light of the ongoing cost-of-living crisis, pubs have emerged as pivotal communal hubs, offering support and solace to many affected. However, this same crisis has been devastating for the pub industry itself. Factors such as customers reducing their in-pub spending, heightened costs stemming from rising inflation and energy costs, staffing shortages, have coalesced

into a stormy environment for the sector. The British Beer and Pub Association has alerted the government that large numbers of these establishments remain on the brink of shutting down without further intervention and support. These pubs, which collectively employ close to a million individuals are grappling with eye-watering increases in energy bills, compounded by the lasting scars of COVID-19 lockdowns and sharply rising supply costs. Nonetheless, there is an admirable resilience and resistance in the sector, with many pubs still pushing on with how they can help their communities. Pubs, alongside other community venues like libraries and village halls, have become integral parts of initiatives to provide relief during tough economic times.

In the winter, in response to rising energy and cost-of-living costs, many pubs across the UK stepped up to provide “warm spaces” for their local communities during the colder months^{10,11}. These pubs transform their spaces into inviting havens where people can escape the cold. These pubs often extend special deals, such as affordable meals and unlimited hot drinks, to make patrons feel comfortable, welcomed, and relieved. Beyond just providing physical warmth, food and drink, these initiatives have given people a chance to reconnect with old friends, make new ones, and take part in a range of activities and groups, centred around these spaces. Pubs as warm spaces not only alleviated the financial strain of personal energy-use costs for residents but also combatted the emotional toll of winter isolation. Activities ranging from walking groups, craft sessions, board games, music and performances, and exercise classes have all added to a sense of community spirit.

“A place to see family, where the community converges at Christmas Eve and New Year’s Day. A place where vulnerable people can get warm and enjoy social interaction.”

– YouGov/Localis survey response

10 Pub is The Hub (2023) – Community hot-spots

11 British Beer and Pub Association – Pubs providing vital warm spaces in freezing weather but remain under threat from unfair energy contracts

The energy crisis and social tariffs

The growing issue of fuel poverty has triggered calls for the re-introduction of social tariffs for energy, particularly as the nation recovers from a harsh winter where energy costs skyrocketed. Organisations like Age UK and Citizens Advice have been fervent in their advocacy for such a measure. Age UK's research indicates a distressing number of elderly citizens have been cutting back on essential heating due to crippling costs, which are now typically around £2,500 per year¹². Similarly, Citizens Advice, backed by a coalition that includes consumer groups, Energy UK, and personal finance expert Martin Lewis, suggests the introduction of a social tariff by 2024 as a long-term solution for managing energy bills¹³. They propose targeted financial assistance, based on real-time data from HMRC and energy suppliers, that could help more than 12 million homes on low incomes, potentially reducing their bills by over £350.

In the context of supporting the pub sector, a social tariff could indirectly have a positive impact. The scenario painted by Age UK, where individuals sought warmth in public spaces, extends to pubs, particularly those in rural or remote areas that serve as community hubs. Moreover, pubs themselves, operating on increasingly tight margins, can stand to benefit from an adapted version of social tariffs, aimed at small businesses. This could make a significant difference in ensuring their survival, given the deepening cost-of-living crisis. However, it should be noted that while social tariffs receive backing from various quarters, they are not yet formalised in the government's current plans, causing concern among advocacy groups and observers alike.

¹² Age UK (2023) – What are social tariffs and why do we need them?

¹³ Citizens Advice (2023) – Social tariff now essential in era of high energy bills

In many rural areas, where traditional services and amenities have declined considerably, pubs have become pivotal community hubs, providing food, warmth, shelter, and an array of diversified services. They have responded to cost-of-living challenges by forming collaborative partnerships with local third-sector organisations and mutual support groups. Pub is The Hub is a non-profit organisation working diligently to help British pubs diversify in this way, especially in the face of rising cost-of-living. The organisation's emphasis on community services has also sparked the 'Join INN – Last Orders for Loneliness' campaign, aimed at alleviating loneliness by strengthening community bonds and reaching out to struggling residents¹⁴.

The role of pubs as a hub for community action against challenging times is greatly imperilled, however, by the impact of the crisis on their ability to function as viable businesses. Soaring energy costs, as well as inflation across the supply chain and the subsequent impact on the disposable income of potential customers, have placed many pubs in an extremely precarious position. For many publicans, the job is more challenging in 2023 than even during the heights of the pandemic¹⁵, with the Guardian reporting that over 150 pubs had closed by April¹⁶. Typifying the situation, a pub in Middlesex was refused an extension on its energy supply in 2023 due to concerns from the energy provider E.ON, which assessed the entire UK hospitality sector as being too high-risk for investment¹⁷. Urgent calls for governmental measures, like energy bill support, beer duty freezes, VAT cuts, and specialised financial support, have been echoed across the sector. Yet, recent financial statements have largely sidestepped the industry's needs, sparking calls for more robust relief measures.

Community-owned pubs have also emerged as vital in combatting the cost-of-living crisis by fostering social capital and community resilience locally. By functioning as community-based enterprises, these pubs aid in socio-economic community development, creating projects that address local needs and challenges. Born out of collective efforts, typically in the face of pub closure, this model strengthens local social and economic relationships, requiring trust, collaboration, and community commitment. Typically, after a pub's closure, a

14 Pub is The Hub (2020) – The social value of pubs and publicans providing services in their communities: Initial report 2020

15 Sky News (2023) – Running a pub is now 'worse than it was during COVID'

16 The Guardian (2023) – 'We can't carry on': over 150 pubs have shut this year as energy bills soar

17 Morning Advertiser (2023) – E.ON boss: sector too 'high risk' to invest in

group proposes a community development project, leveraging existing strong bonds to rally local support and raise funds for the pub's revival.

By doing so, these community-owned pubs enhance both bonding and bridging social capital, creating a sense of belonging and unity. The COP model underscores the potential of communities to harness their resources and collaboratively address socio-economic challenges, thereby strengthening social cohesion and capital amidst the ongoing cost-of-living crisis. Nevertheless, it is important to note that community-owned pubs are themselves a response to the failure of local pubs as business, and only make up a small fraction of total pubs in the UK – a long-term view of the UK's social infrastructure assets must therefore support the industry as a whole, particularly in efforts to diversify of the kind supported by Pub is The Hub, as well as reinforcing routes for community ownership, along with ongoing operational support.

TESTIMONIAL #3: CORE CITIES GROUP

“The pub is vital to the social and economic lives of all our cities. Our historic city centre pubs, for example Newcastle’s Crown Posada or Glasgow’s Sloans, are world renowned and give visitors a fascinating insight into the atmosphere, history and culture of our places.

Our cities are also famous for their nightlife and the modern pub is a vital part of our visitor economy, bringing people from across the UK for legendary nights out in places like Manchester’s Northern Quarter or Bristol’s Harbourside.

The role pubs play outside our city centres is often understated. A pub in a city neighbourhood like the community run Gardener’s Nest in Neepsend in Sheffield or the Fighting Cocks in Birmingham’s Moseley Village, often acts as a social hub. At a time when more and more pubs find themselves under threat thanks to the rising cost of living, it’s vital that we do all we can to help them flourish.”

– Will Mapplebeck, Public Affairs Manager, Core Cities UK



CHAPTER TWO

The value of pubs: economy

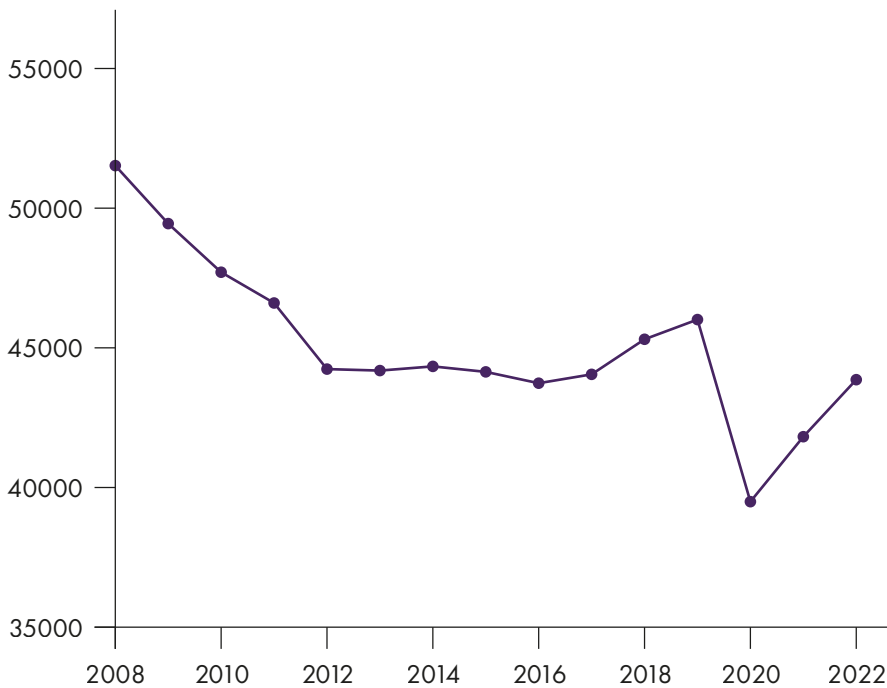
Undergirding the role of pubs in society is a sizeable economic contribution. Publicans play an important role in the national economy as vendors, taxpayers, employers and as anchors in town centres and high streets. Beyond these impacts, the kind of diversification and social support functions described in the last section provide additional economic boosts through maximisation of social value.

“Pub is The Hub and Social Value Engine estimate that, across the suite of projects Pub is The Hub have supported, an investment of £1 in a given project returned between £8.98 and £9.24 in additional social benefits.”

2.1 National impact

Figure 6. Beer sales in the United Kingdom

Hectolitres sold, 2008-2021



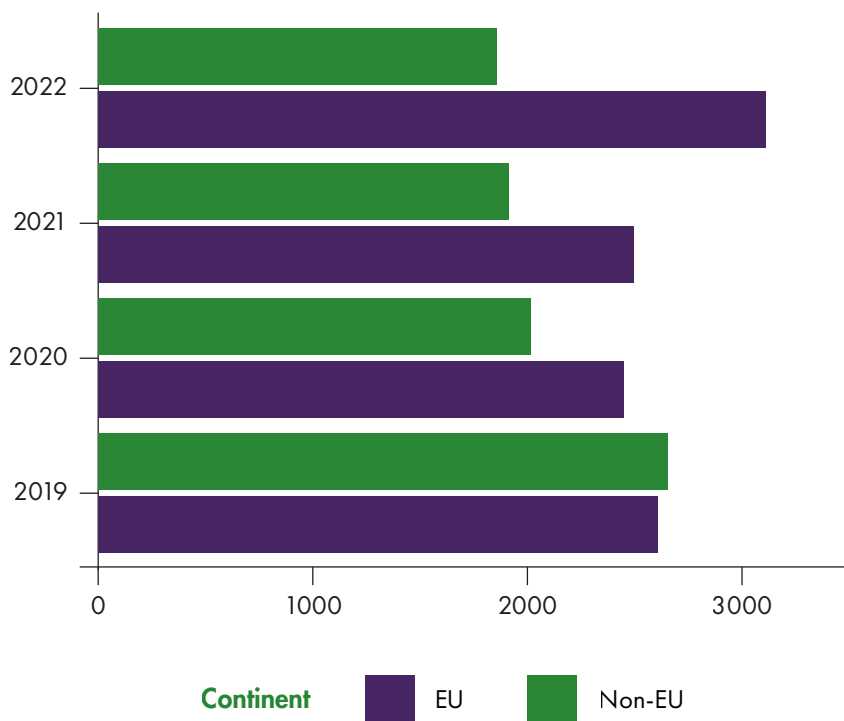
Source: BBPA

The impact of pubs in strictly economic terms is considerable. In addition to the direct impacts of employment from pubs to the breweries that support them, there are indirect effects amassed along the supply chain as well as induced effects caused by the expenditure of the wages paid across the beer and pub sector. Taking all this into account, the beer and pub industry – from the brewing to the serving of beer – supports around 936,000 jobs. Many of these jobs, particularly at the service end, provide important sources of part-time income for young people across the country, with nearly half of the approximately 268,000 under-25s employed in the sector working part-time. Beyond these starter jobs, many pub businesses now offer a structured development and career path for young people towards management roles. This employment amounts to around £14.3bn a year in wages.

British beer is also a valuable export, with 13 percent of domestic production being exported in 2022 – a 36 percent increase from 2000. In fact, exports of beer have grown even as national alcohol consumption has fallen over recent decades. In terms of tax revenue, the sector generates around £15bn for the Treasury, including around five percent of all national VAT receipts and £4.6bn in excise duty. All this activity across the economy totals, through direct and indirect impacts, to a Gross Value Added of around £26bn.

Figure 7. UK Beer Exports

Thousand hectolitres, 2019-2021



Despite the magnitude of these various effects across employment, exports and taxation, there is cause for concern across the sector. Tax revenues from alcoholic drinks fell by three percent in the year ending 2022, a reflection of the squeezed disposable income of the public. While exports remain reasonably robust, the domestic market is under severe pressure from reduced consumer demand and rising costs – which force higher prices at bars in a vicious cycle which is particularly damaging to smaller businesses¹⁸. These economic headwinds represent a threat to the jobs supported by the sector.

18 Frontier Economics (2023) – Impact of recent economic trends on pubs and breweries – a report produced for the BBPA

The beer and pub sector in central government

Given the social and economic importance of pubs to Britain, it is unsurprising that a ministerial role for the sector has often been a feature of central government. The role of a Pubs Minister has seen varied prominence and responsibilities, largely contingent on the government of the day and the pressing issues facing the sector. When instated, the Pubs Minister has been the point person for engaging with stakeholders and advocating for pub-friendly policies. Notably, this role received heightened attention during crises that hit the industry hard, such as the 2008 financial crash and the COVID-19 pandemic—two periods that saw specific MPs given the role of Pubs Minister.

However, the role is no longer distinct, with responsibilities primarily folding into the ministerial role of Small Business, Consumers and Labour Markets in 2021—a position with a notably broad and wide-ranging remit. This broad portfolio covers everything from labour markets and trade to hospitality, nightclubs, and pubs. Moreover, the inception of the Hospitality Sector Council, a collaboration between government and industry leaders, in 2021 has brought a multi-stakeholder approach to managing challenges within the sector, with responsibilities for advising on and overseeing the implementation of a broader Hospitality Strategy.

Many in the hospitality industry have determined this inadequate and a petition for a dedicated Hospitality Minister was launched in 2021. The government's response, however, underscored the extensive interdepartmental effort that already exists, citing ongoing work between the Departments for Business, Energy & Industrial Strategy and Digital, Culture, Media & Sport. Thus, despite the unique challenges of these sectors and scale of their economic contributions, the government's strategy for representing and accounting for pub and broader hospitality industries is to take an interdepartmental approach with responsibilities stretched between various departments and the Hospitality Sector Council—who have recorded minutes as recently as March 2023. These efforts do not, however, fully account for the uniqueness of the local pub as a British institution, nor for social infrastructure role of pubs, which reaches beyond their economic impact.

2.2 Local importance

The beer and pub sector is a significant contributor across the country, but with regional variation in extent. In London, the estimated 105,154 jobs supported by the beer and pub industry through direct, indirect and induced employment amounts to around 1.7 percent of all employment. In Wales, the 53,955 jobs supported by the industry is almost four percent of total employment¹⁹.

The importance of sustaining the industry is thrown into sharp relief by these numbers, which are a reminder that, at local level, the impacts of inflation and energy costs on pubs is felt by many more than just punters and publicans.

Pubs are also disproportionately economically important in deprived areas – previous Localis research has shown how the value of both wages and total GVA of the beer and pub sector is greater in the most deprived areas of the country than in the least. This is in addition to the increased importance of pubs as social infrastructure in deprived areas, where a lack of social capital assets is also linked to poorer economic outcomes.

The charts below show how different elements of the economic impact of pubs breaks down to English regions and the devolved nations.

¹⁹ Beer and pub industry jobs estimated by Oxford Economics (2019) and cross-referenced with the December 2019 Workforce Jobs data from the ONS for percentages

Figure 8. Jobs supported by the beer and pub sector

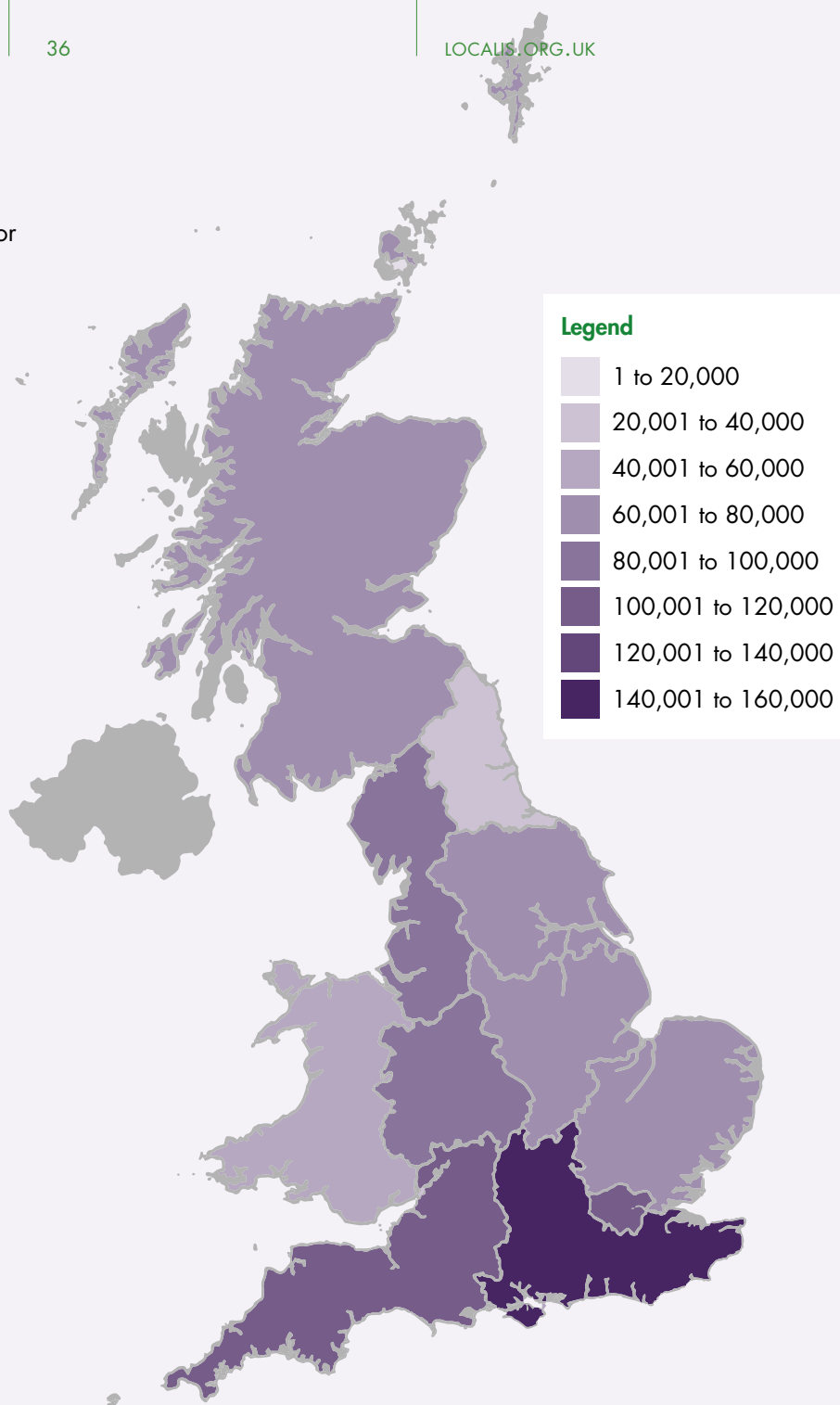


Figure 9. Regional GVA of the Beer and Pub Industry

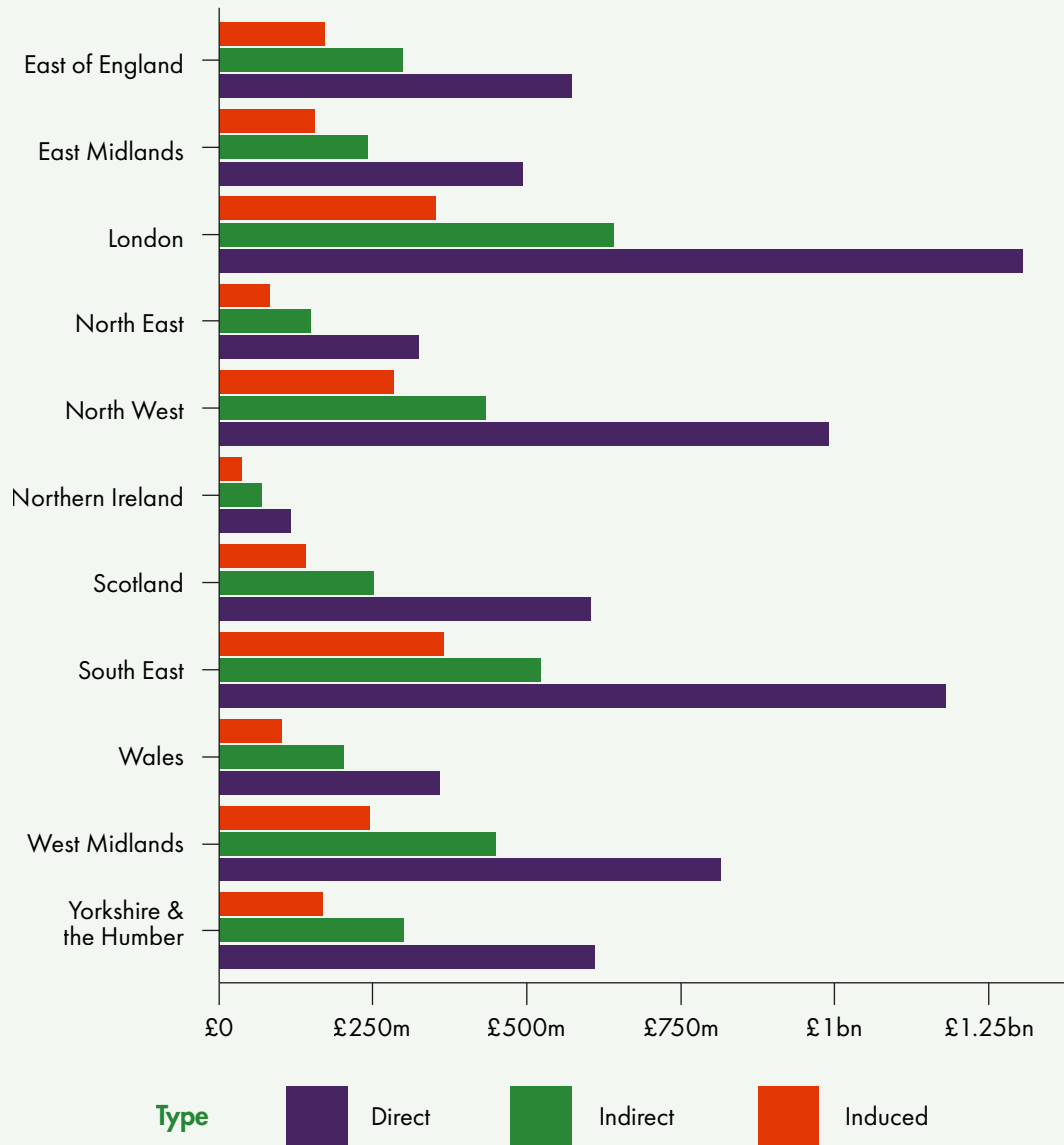
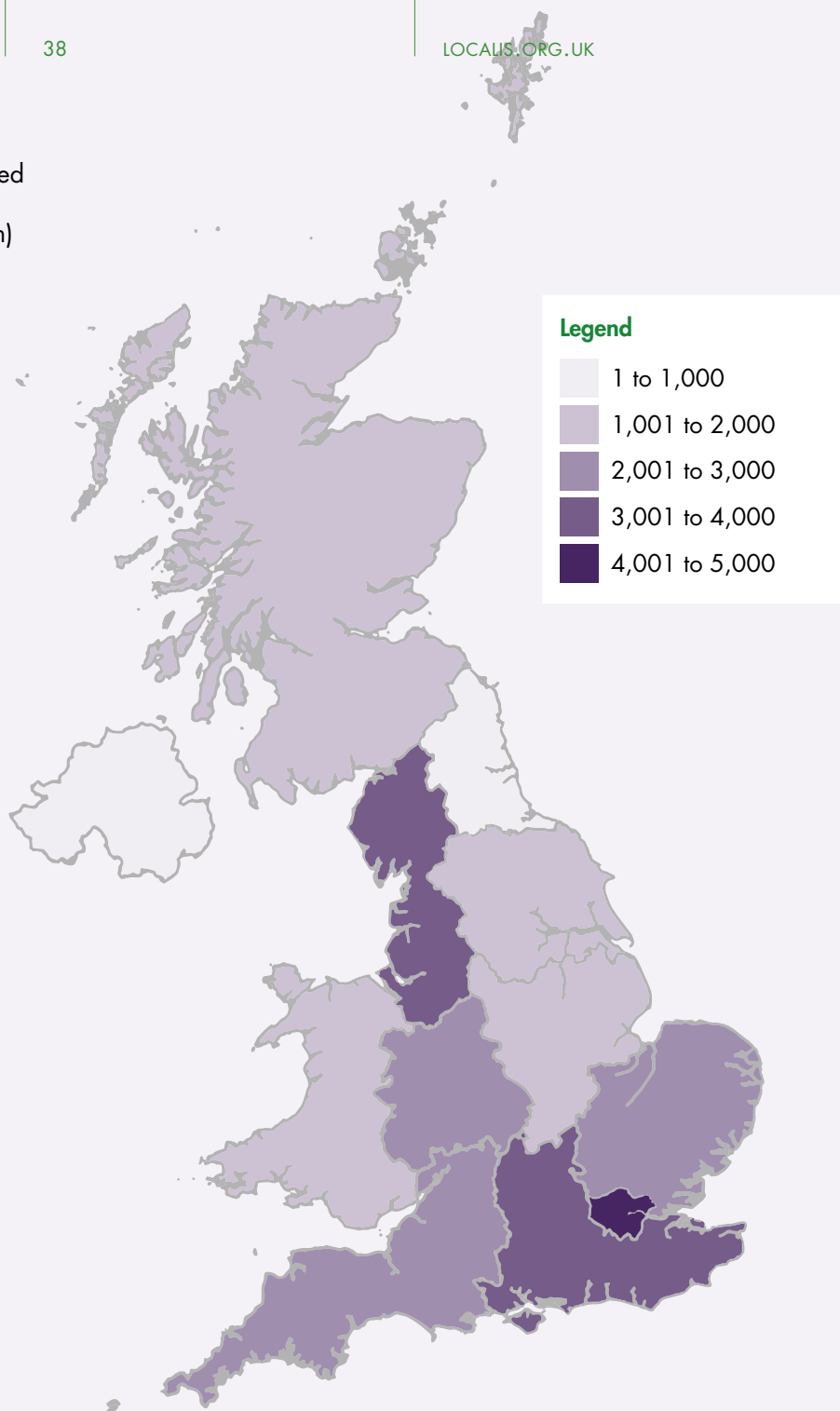


Figure 10. Combined GVA from the beer and pub sector (£m)



TESTIMONIAL #4: LOCAL TRUST

“For eleven years Local Trust has been supporting communities across the country to improve their neighbourhoods through the Big Local programme. This experience has highlighted to us that social infrastructure – community places and spaces – is not just nice to have but essential to achieving better outcomes, particularly in the most deprived or ‘left behind’ neighbourhoods.

This is backed by research which shows that individuals living in communities with a strong base of social infrastructure have better outcomes across all key metrics including employment status and health.

Local pubs can be one key component of that critical neighbourhood-level social infrastructure. They can provide a space where people can come together and offer a base for community activities and events, particularly in areas without multipurpose community centres or hubs. Most importantly, they provide familiarity, friendship, identity and a sense of connection.

Over recent decades we have seen both the disappearance of neighbourhood pubs across the country, but also a new recognition of the value they can bring. Aberfeldy in Poplar, East London provides an illustration of the difference a community-orientated pub can make in an area. In a neighbourhood that had seen the loss of local pubs and other places to meet as the area was subject to large scale redevelopment, the Big Local community came together to establish the Tommy Flowers Pub in a disused florist shop. Over the last five years, it has become an essential hub, providing space for activities and engagement bringing together the whole community.”

– Matt Leach, Chief Executive, Local Trust

2.3 Social value

Social value is a metric showing how much a pound spent on something returns in benefits for society. Pub is The Hub, working with the Social Value Engine, have researched the value of diversification projects for pubs. The underlying motivation for these projects is the decline in numbers of key services such as post offices, libraries, village stores and leisure centres across the country and particularly in rural areas. The distinct local circumstances faced by pubs seeking to diversify their offer speaks to the different effects that economic factors both domestic and international have had in different parts of the country – with Pub is The Hub funding diversification projects from library services to village stores and travelling theatre to arts and craft classes.

Pub is The Hub and the Social Value Engine estimate that, across the range of projects Pub is The Hub have supported, an investment of £1 in a given project returned between £8.98 and £9.24 in additional social benefits. This demonstrates the latent potential of pubs which is wasted when publicans are forced into focusing solely on subsistence – into ‘survival mode’ – by external conditions far beyond their control. The possibilities for expanding the role of resilient pubs as a simple and established route to boosting local social infrastructure must be further explored by central and local government, with the potential social value returns on investment weighted against the costs of support for the sector.



CHAPTER THREE

Case studies: value in action

Pubs provide value beyond their role as purveyors of food and drink throughout the UK. This section highlights some examples of the activities supported by pubs and the value of pubs to local communities through the lens of seven pubs from across the country. The publicans we spoke to had experience ranging from many years in the pub trade to more recent licensees.

3.1 Overview of case studies

The pubs talked to for this project were:

- **The Beeswing Inn in East Cowton, North Yorkshire**, run by Beth Robinson, winner of PubAid's Community Pub Hero award which has been raising money through its annual music festival since 2013.
- **The Butchers Arms in Bishop's Itchington, Warwickshire**, run by Brian and Selena, who recently took it upon themselves to revive the local carnival after a six-year absence.
- **The Crown & Anchor in Manchester city centre**, run by Danny Watson, which acts as a hub for sports, tourism and community in a bustling urban centre.
- **The Eagle in Gosport, Hampshire**, run by Jeanette Thomas, a local resident who took on the pub after learning that it might otherwise be closed for good, which operates a weekly charity quiz night.
- **The Lamb Inn in Newhall, Derbyshire**, run by Becky Barnett, which provides hot meals and food packages to local residents struggling with the cost of living.
- **Whifflet Arms in Coatbridge, North Lanarkshire**, run by Stacey Gallagher, which recently raised the funds for multiple public defibrillators in the area.
- **The Wonder in Enfield, London**, run by Charlotte Smithson, which last year launched a local community activity day on St. George's Day.

Across the pubs interviewed, there was clearly an acute awareness of the impact of the current cost-of-living pressures both on members of their community and their own businesses. There was general agreement among those landlords who had seen both crises that the current situation, for both residents and publicans, is of more urgency and peril than even the COVID lockdowns of 2020-2022 – although the extent to which the pubs themselves are struggling depended somewhat on location and business model. Some pubs we spoke to were deeply concerned, even pessimistic, about their ability to stay afloat in the current climate. For others, strong local customer bases and a reliable tourist trade were cited as reasons for cautious optimism in the face of strong economic headwinds, however the precarity caused by rising energy costs remained a concern.

Most of the pubs we spoke to had made changes to their business in the past few years to adapt to a shifting landscape – with an enhanced food offer being the most common response to post-COVID reality. Anxieties over the long-term sustainability of the pub consistently dovetailed with concerns for the wider community among our case studies. All of our interviewees were in some way providing additional social value, from fundraising activities to the direct provision of help to the community in the form of food or emergency medical supplies. These activities bring with them a sense of mission, and there was a strong determination felt across the case studies that the current crisis must be ridden out to avoid the loss of prized local institutions.

3.2 Prevailing themes

Across our seven case studies, some prevailing themes were evident, which resonate with the overview of research on the sector laid out in section one. These were:

- Combatting isolation
- Supporting local causes
- Reflecting local culture
- Bringing local business together
- Supporting community through generations

Combatting isolation

A clear prevailing theme across all our case studies was the role played by pubs in providing a bulwark against loneliness for the local population. It was repeatedly highlighted throughout the interviews that pubs provide a place to socialise for local residents who otherwise might not have many interactions over the course of a day. This is particularly true for the elderly, especially the elderly and single, who will visit the pub for a conversation as much as they will for a drink or meal.

At The Lamb, although food parcels and meals are provided during regular charity events, older residents also come in to donate and speak to people. In Whifflet Arms, the formation of different social groups within the pub such as a 'Monday Club' provides an example of how the pub functions as a real-world social network for regulars. What begins as a single commonality – being in the pub at around the same time on around the same day – turns into genuine friendship.

This impact of pubs applies to staff as well as customers. The beer and pub sector is a significant employer across the country, and at the frontline of the industry are individuals whose role can often expand far beyond the serving of food and drink. Publicans spoke to us about long-serving members of staff who have worked through multiple different management teams and formed strong bonds with members of the community. Younger members of staff learn valuable social skills from the customer-facing nature of the industry, whereas older part-timers can rely on pub work to provide the underlying benefits of interaction alongside the obvious benefit of wages. At The Wonder Enfield, the part-time staff has included working mothers who see the job as both a form of additional income and a way to socialise outside of parenting.

Supporting local causes

For all of our case study pubs, there was a feeling that, whether through fundraising or direct engagement, pubs have a responsibility to support causes that are important to the local area and to local residents. Sometimes these causes are general issues which affect everyone in society but are felt as a priority locally, sometimes they are direct responses to specific absences in local service provision or the area's cultural offering.

The Eagle supports mental health charities because of an acknowledgement of the universal nature of the cause, whereas The Beeswing raises money for palliative care due to the experiences of the landlady's own family, which highlighted to her the lack of facilities in the local hospital. While the standard of care was excellent, the lack of individual, family rooms for those on palliative care stuck out, so the pub began its annual 'Cowtonbury' music festival, which has over the past decade raised over £190,000 for the local hospital. This has helped to provide a garden within the hospital grounds and a family room for palliative care, with further plans to provide hospice suites using the funds raised.

Some pubs use either their own assets or their fundraising power to directly plug gaps in local service provision. The landlady at The Lamb began the pub's journey into food provision by responding to a local resident posting online advertising free food parcels, asking if they would like to use the pub as a warm space in which to do so. The pub is now used regularly to provide for residents who are struggling, often providing a hot meal cooked in the pub's kitchen, served with a hot or soft drink and without the need to provide any information beyond name and a local address. At Whifflet Arms, a conversation between regular customers about the lack of local facilities to aid people in cardiac arrest

resulted in enough money being raised for three defibrillators which can be placed strategically around the local area. Such efforts and endeavors represent examples of communities coming together to support one and other that would be far more difficult, if they could be done at all, without the institution of the local pub.

Reflecting local culture

Part of the role of a successful local pub is to provide a reflection of the local area and its residents. This can be done in a very literal way – at The Eagle, when the pub was taken over by current management after some years of decline, a return to the ethos of a community pub was shown by replacing the pictures of eagles displayed on the wall by the previous operators with a gallery of the regulars' pets. In other places, local culture is shown through the pubs' allegiance to local sports. At The Crown & Anchor, the pub's dual role as a city centre business and a local pub is brought together by sport, which is extremely important to both the resident population who are the pub's regular trade and to tourists looking to sample an authentic Manchester experience. In this sense, the pub's reflection of local culture also makes it an ambassador for the city and wider British culture.

The events held by The Wonder and The Butcher's Arms both aimed to provide a local cultural boost using the pub as the locus for activity. At The Wonder, St. George's Day was chosen as a holiday which often gets overlooked nationally but which had the potential to bring the local community together, utilising the pub's large garden space. As the only pub in the village, The Butcher's Arms is a crucial social and cultural hub, and the restoration of the carnival was a matter of great local pride. The carnival had stopped operating in 2017 due to the high costs of local road closures making the event financially unviable. After the COVID-19 pandemic, the pub's management felt that an event was needed to bring the village back to life and resolved to restore the carnival. After forming a committee of local residents, with support from the parish council, the event was brought back in 2023. These events show how pubs can be catalysts for local culture, bringing residents together and showcasing pride of place.

Bringing local business together

The case studies also show how pubs can act as loci for action from a broad range of local businesses. In general, pubs generate value for local businesses through their purchasing and their role as anchors of high streets and town

centres. In events like the ones put on by some of our case studies, this role is enhanced further. Both The Butchers Arms and The Beeswing rely upon the support of local enterprise to put on their events. For the annual festival, The Beeswing are supported by local tradespeople who provide their services in setting up for free or offer a day's labour as a prize for one of the events. The Butcher's Arms restoration of the local carnival was supported by local businesses, and corporate backing was even secured through a local resident working at a large company who was able to secure a partnership. This is in addition to the various businesses like caterers and retailers who benefit from the events themselves.

Supporting community through generations

The pub as an intergenerational social adhesive was an idea that arose in several of our case study interviews – indeed, some of our interviewees recalled drinking as 18-year-olds in the pubs they now manage. Both Whifflet Arms and The Crown & Anchor find themselves as cross-sectional representatives of the community they serve, with customers spanning from teenagers to the very elderly.

A unique feature of pubs is how a single space can be used by multiple age groups for multiple purposes at the same time. While younger people might go to the pub for a few drinks before heading out for the evening, or to meet up together in large groups, for many older people the pub is used more as a place to stop in for one or two drinks and a few conversations with fellow patrons or with staff. On some occasions, such as days with major sporting events involving local teams, the purposes of all age groups come together. Whether in the same space doing different things or united around a common cause, the pub as a physical space where groups across generations can coexist will only become more valuable as technological innovations and changing working practices lead to an increasingly disconnected society.

UNDER 25?

IF YOU ARE LUCKY ENOUGH TO LOOK UNDER 25 YOU WILL BE ASKED TO PROVE THAT YOU ARE AGED 18 OR OVER WHEN YOU BUY ALCOHOL.

IF YOU ARE UNDER 18 YOU ARE COMMITTING AN OFFENCE IF YOU ATTEMPT TO BUY ALCOHOL.

25

BUTCHERS ARMS

ITEM	PRICE
1/2 Pint	£1.50
1 Pint	£2.50
2 Pints	£4.50
3 Pints	£6.50
4 Pints	£8.50
5 Pints	£10.50
6 Pints	£12.50
7 Pints	£14.50
8 Pints	£16.50
9 Pints	£18.50
10 Pints	£20.50
11 Pints	£22.50
12 Pints	£24.50
13 Pints	£26.50
14 Pints	£28.50
15 Pints	£30.50
16 Pints	£32.50
17 Pints	£34.50
18 Pints	£36.50
19 Pints	£38.50
20 Pints	£40.50
21 Pints	£42.50
22 Pints	£44.50
23 Pints	£46.50
24 Pints	£48.50
25 Pints	£50.50
26 Pints	£52.50
27 Pints	£54.50
28 Pints	£56.50
29 Pints	£58.50
30 Pints	£60.50
31 Pints	£62.50
32 Pints	£64.50
33 Pints	£66.50
34 Pints	£68.50
35 Pints	£70.50
36 Pints	£72.50
37 Pints	£74.50
38 Pints	£76.50
39 Pints	£78.50
40 Pints	£80.50
41 Pints	£82.50
42 Pints	£84.50
43 Pints	£86.50
44 Pints	£88.50
45 Pints	£90.50
46 Pints	£92.50
47 Pints	£94.50
48 Pints	£96.50
49 Pints	£98.50
50 Pints	£100.50



Brian and Selena at The Butchers Arms,
Bishop's Itchington

CHAPTER FOUR

Policy prescriptions

The research for this report has shown repeatedly that pubs are far more than local businesses. They are anchors of rural villages and urban high streets, powerful agents of social cohesion and, for some, lifelines against isolation and loneliness. The economic and social rationale for supporting the sector through tough times is clear, it is important that help is provided but also that this help is well considered and with a long-term view.

4.1 Areas to address

Looking across the issues faced by publicans in 2023, policy prescriptions fall into three groups:

- Providing emergency support.
- Joining up thinking.
- Long-term planning.

Emergency support

In the immediate context of energy price surges and inflation across the economy, the first order for policy should be to establish a mechanism by which pubs are protected from the worst of the crisis, as a matter of preserving vital social infrastructure assets and safeguarding jobs. As this report has detailed, the impact of pub closures can be outsized, going beyond the loss of a local business and impacting lives through the loss of a space which acts as both a bulwark against isolation and an adhesive for social cohesion.

While community buy-back of local pubs is a valuable route to preservation, it should not have to come to this in cases where a viable business has been brought down by successive economic shocks. The beer and pub sector needs support to stem the flow of closures already caused by the cost-of-living crisis. The impacts of the cost-of-living and energy price surges are particularly acute in deprived areas, where rising energy costs combine with greatly restricted disposable income in a toxic mix for publicans. Targeted support is needed to help these businesses, where otherwise viable business models are imperiled by external economic shocks, with a disproportionate impact on community wellbeing. Beyond this immediate issue, attention must be turned to the question of a regulatory framework which can support the long-term role for pubs in social wellbeing and economic growth.

There is also a need to recognise and encourage the social diversification of pubs, as supported by Pub is The Hub, through policy. Across the country, an increasing number of pubs are branching out to act as local public services, from post offices to community centres to, as described in one of our case studies, food banks. While grants are currently available for such activities via Pub is The Hub, greater support and reinforcement from government could lead to social benefits far beyond the economic costs when applied to those diversification projects which directly serve the local community. A simple way to do this would be through funding local councils continuing to provide support through the business

rate system. Pubs pursuing diversification for social benefit should receive partial rebates on business rates, to support the sector whilst also boosting the public service offer of the areas in question.

Joining up thinking

Part of the problem with devising a policy mechanism to support pubs facing closure due to the economic environment is the multiplicity of policy areas which the sector touches upon. As businesses charged with excise duty and VAT, as well as local business rates, the department most directly related to the wellbeing of the sector is the Treasury. As local institutions, however, particularly in their capacity as major employers, there is also a clear interest for the Department of Levelling Up, Housing and Communities in the wellbeing of the pub sector. The fact that the role of 'the local' is often reported to increase in importance in rural areas also brings the institution of the village pub into the purview of the Department for Environment, Food and Rural Affairs. Finally, the new Department for Energy and Net Zero also has a stake, with energy supply costs currently the biggest threat to the sector, as well as the significant investment required to reach net zero emissions.

There is great potential value in placing a single, accountable figure within government to pull these threads together and give voice to the commonly held view that pubs are of great importance to our country and make a positive impact in their communities. A Pubs Minister has previously existed as a relatively low-profile role in DLUHC, with a Hospitality Minister also previously sitting in the former Department for Business, Energy and Industrial Strategy. A more significant, unifying role is necessary – one which acknowledges the multifaceted and unique role played by pubs across the UK. The Minister for Pubs would act as a point-of-contact and advocate for the sector, promoting not just the economic importance of pubs but also their immense social value. Regardless of which department the role was seated in, the position should be afforded status as a Minister of State, and cross-governmental liaison would be essential.

Long-term planning

From the COVID lockdowns to the even more severe impact of sharp energy cost rises and concurrent inflation, the past half decade has been immensely challenging for the pubs sector. Given the social and economic importance of the sector, there is a clear need to move from a war footing to a more proactive attempt to support our nation's pubs. While short-term support is undoubtedly needed in the sector, what is called for in the long-term is a strategy for shoring up this vital social infrastructure against future shocks and creating a tax and regulatory framework which enables the sector to grow its already sizeable economic contribution. This strategy should be drawn up by a team working across government and interfacing with the beer and pub sector – from industry bodies to independent pubs – alongside the third sector, which holds a wealth of expertise in pubs and their role in communities. A cross-departmental task force should be convened by the new minister to examine current threats to the sustainability of the pubs industry and identify pathways to prosperity for the nation's cherished locals.



Cowtonbury at The Beeswing Inn

4.2 Recommendations

- **A cross-government taskforce on the future of the British pub.** A long-term strategy is needed to determine a sustainable tax and regulatory framework and measures that can help the sector thrive in the coming decades and ensure that its pivotal role in society is not lost.
- **Emergency fund for energy bill support.** Government should establish a fund to provide energy bill support for pubs in deprived areas, in a manner similar to the 'social tariff' on household energy bills argued for by organisations such as the Citizen's Advice Bureau. More broadly, government must ensure all pubs have access to fair and reasonable energy contracts.
- **Business rates rebates for diversifying pubs.** Government should fund local authorities to provide partial business rebates for pubs which diversify to take on socially valuable roles, such as those providing 'warm spaces' or food banks. Pub is The Hub estimate that there is potential for 1,000 pubs to diversify over three years, with required funding as little as £4,000 per pub. Financial support could be given to Pub is The Hub to quickly fund these grants.
- **A new, revamped Minister for Pubs role with cross-departmental remit.** The role of Minister for Pubs, last prominently occupied in 2017, should be reinstated as a Minister of State and given a brief to work across departments to support the pub trade.



Becky Barnett at The Lamb Inn in Newhall

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