



news release
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Pub closures climb towards six a day as Government plans to hit sector with more than £300m of extra red-tape this year

A record 39 pubs a week are closing in Britain, up on the 36 closures a week in the first half of 2008, according to new figures compiled by CGA Strategy for the British Beer & Pub Association (BBPA).

The figures are released on the day Parliament debates the Government's proposal for a new mandatory code of practice in the Police and Crime Bill, which, in their own costings, they say will cost the industry more than £300 million this year alone.

"With pubs closing at a record rate and job losses escalating, it is truly staggering that the Government is proposing to hit the sector with a £300 million bill for extra red-tape this year alone" said Rob Hayward, Chief Executive of the BBPA. "In fact, the Government openly state they believe that their new regulations will lead to more pub closures and job losses.

Pub closures are a clear demonstration of the extreme financial and economic pressures facing the sector. At this time of deepening recession and rising unemployment, the Government should be actively looking at ways to support the community asset of the pub. They should not be introducing legislation that will condemn more pubs to closure and put more people out of work."

It is incomprehensible that the Government not only seems to be so unconcerned about the loss of more pubs and jobs, but is introducing laws that they admit will make the problem worse. 44,000 have been lost across the sector in the last couple of years and 59,000 more jobs will go unless action is taken."

Thirty nine pubs a week closed in the last six months of 2008, an increase on the 36 a week (5 a day) that closed in the first half of last year. In total 1,973 pubs shut up shop in 2008, 40 per cent higher than the 1,409 closures reported by the BBPA in 2007.

"Government is piling further pressure on pubs by escalating the regulatory and tax burden", added Mr Hayward. "Our Axe the Beer Tax Save the Pub campaign shows widespread and growing public support for our call to lighten the load. Local people see their local pubs closing and are concerned about the loss of a hub for social and community life. Government should now listen to the voices of people and pubs and back away from this unnecessary regulation and abandon its planned tax escalator, which will increase beer taxes by 40 per cent over the next four years."

It is community pubs that are most at threat. Suburban pubs are closing at the rate of 19 a week, town centre pubs at 8 a week and rural pubs at 13 a week. Britain's pubs are now

closing almost ten times faster than in 2006 (four a week) and nearly twenty times faster than in 2005 (two a week).

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Notes to Editors

1. The pub closure figures are compiled by CGA Strategy for the British Beer & Pub Association.
2. Figures are net and include new pubs that are opened.
3. The Second Reading of the Police and Crime Bill, which contains proposals for a new mandatory code of practice for the pub sector, is to be debated in Parliament on Monday 19 January
4. The costing of £300 million for the impact of the mandatory code on the sector in this year alone is contained in the Government's regulatory impact assessment that accompanies the Police & Crime Bill. The costs comprise £178 million of turnover loss to the sector; £116m for compulsory qualifications; £3.1m for 125ml wine glasses and £12m for changing spirits measures. A range of other proposals in the code are as yet uncosted by the Government.
5. The Government admits that the costs for the regulation may be much more than £300 million – "There will be a cost to the alcohol industry of complying with the additional conditions that are likely to be imposed on them...., there is the potential for this cost to escalate significantly", Page 11, Regulatory Impact Assessment.
6. The Government states that the mandatory code will lead to pub closures and job losses – "However, we recognise that in the short run, there is the potential for significant transitional costs including job losses and the closure of small businesses. This effect will be further assessed as the content of the code is drawn up", Page 23, Regulatory impact Assessment.
7. The British Beer & Pub Association is the UK's leading organization representing the brewing and pub sector. It's members account for 98% of the beer sold in the UK and own nearly two thirds of Britain's 56,000 pubs.