

ACRE Briefing Pubs – the situation and their future in rural areas

Purpose of the Briefing

- To provide a summary of the current situation in respect of pubs in rural areas
- To highlight good practice, innovation and solutions including by Rural Community Action Network (RCAN) members

Introduction

In June 2009, an alliance of the National Housing Federation (the membership body for housing associations), the British Beer and Pub Association and the Rural Shops Alliance (representing their respective sectors) projected that 54 rural pubs could close every month if trends continue. The reasons for this situation are outlined later. The coalition called for action from Government to help bring about this decline.

Within this concerning situation there are many examples of activity taking place that is benefitting pubs in both rural and urban communities. At the heart of this work has been [Pub is the Hub](#). Operating since 2001, it seeks to support pubs to be the focal point of community services. It encourages pub owners, licensees and their local communities to work together to support and retain local services by, where possible, bringing services into the pub itself. Much of this work is taking place in rural areas.

Pub is the Pub has been a catalyst for small local groups by helping licensees support their local needs; being concerned with what they have lost or are about to lose and wanting to keep or bring back the local services. It has strong echoes of the work undertaken by [The Rural Community Action Network](#) (RCAN), the collective name for the 38 Rural Community Councils throughout England, their eight regional bodies and their national umbrella ACRE.

Context – closures, campaigns and community action

As stated the present situation is stark with the current recession hitting pubs particularly hard.

- in 2009 the Federation of Small Businesses reported that 670 pubs had closed during the previous year
- over the same period the [British Beer & Pubs Association](#) reported that 24,000 jobs had been lost
- in 2009 the Daily Telegraph reported that there is a risk to a further 60,000 jobs across the trade
- one in eight pubs was predicted to close by 2012 (British Beer and Pub Association, 2008)

In 2009 research conducted by The Institute of Public Policy Research (ippr) identified many factors responsible for pub closures:

- the fall in alcohol consumption due to the recession
- the change in the composition of local communities, which has reduced the number of pub 'regulars'
- British society's changing tastes and interests, with more people drinking wine - not a staple of the pub trade, and spending money on other leisure activities such as restaurants
- beer prices rising much faster in pubs than alternative outlets, especially when compared to supermarkets.
- pub operators face rising costs with increased beer prices and the financial impacts of changes in legislation

[Pubs and Places: The social value of community pubs, ippr, 2009](#)

Along with Pub is the Hub, other key sector bodies, most notably CAMRA (The Campaign for Real Ale) is working to reverse the situation. CAMRA's work included publishing guidance to the trade, pub owners and public, including [a guide on how to protect pubs from closure](#) which draws on the experience of communities saving their pubs from closure.

As the Pub is the Hub and CAMRA work implies and the ippr report specifies, rural pubs are extremely important in the role they play at the heart of rural communities. The ippr research of 2009 identified a range of functions including:

- being the main place for people in a community to get together and meet
- injecting an average of £80,000 into their local community each year
- having very little of the anti-social behavior linked to pubs within residential and rural areas
- holding a wide variety of local community events which improve the quality of life
- and has been shown, increasingly hosting a range of important services like post offices and shops

[Pubs and Places: The social value of community pubs, IPPR, 2009](#)

How services in rural areas are being saved and improved through the role of local pubs

The following section highlights initiatives that are taking place in pubs nationally, in respect of improving services in rural communities. A number of those outlined had the involvement of the [Rural Community Action Network](#) (RCAN).

The following two initiatives were part of a project to help pubs and their local community develop new or out-reach services and facilities such as the siting of a shop or post office in the pub premises, the development of a community meeting room or arts and craft workshops. In Lincolnshire mainly capital grants of up to £10,000 were available to most communities (with a population of less than 3000) where there was only one pub.

- **A village shop** - The Black Cow, Dalbury Lees, Derbyshire
Dalbury Lees village has no shop and the nearest was located five miles away. The landlords having run simple over the counter retail services in the pub in the past, felt that there was scope to extend the services into a separate shop located within the building. This was achieved by converting a storeroom and selling the produce through a hatch in the pub into a lobby area where customers are served. The initiative has been well supported and it has helped make the village more sustainable and supports local businesses through the produce sold.

- **Healthy school meals** - Blacksmith Arms, Rothwell, Lincolnshire

After being approached to supply school meals from one local primary school, the landlord of the Blacksmith's Arms realised the plan had potential, but to make it pay he would need to supply several schools. After identifying other schools, a catering unit in the pub was set up to supply nutritious school meals to the stringent standards required. The business now supplies 300 meals daily to five local primary schools, employs six people all of which were parents at the schools and previously unemployed. In addition the use of local suppliers has improved economies of scale and the positive publicity has benefited the rest of the pub's business.

- **Rural post office** – Mussel Inn, Down Thomas, Devon

Three years after it lost its post office a new service was established in a small disused garage next to the pub. Key players were the pub company, the post office, Devon Rural Renaissance and the parish council. The new service has had a beneficial impact on the pub's business and reduced the need for villagers to travel to Plymstock.

- **Social enterprise** – New Inn, Shipton Gorge, Dorset

Shipton Gorge is a village that had already lost its school, two shops and a post office and when the pub was under the same threat the community came together to act. In doing so they formed a 'not for profit' company, raised funds and took on the lease from the brewery. Following a lengthy refurbishment and further funding from Defra the pub was reopened. It now holds coffee mornings, a lunch club and other events supporting life in the community.

You can find more details about these and other case studies on the [Pub is the Hub Website](#)

What is the future for rural pubs?

The position of pubs (nationally and in rural areas) and their communities appears bleak if the current situation of closures and job losses continues. RCAN supports communities being empowered to bring about change for their communities but to enable this to happen additional action is required.

The report by ippr, on the social value of community pubs, stated that the current policy framework is flawed and its 2009 research identified three changes that need to take place if pubs were to enjoy a brighter future:

1. Requirement to move away from blanket regulation and increased taxation of pubs so that smaller community pubs, such as those in rural areas, should not take on those burdens and should be supported and incentivised to extend their role in the community.
2. Action is needed to make the cost of alcohol in pubs cheaper in comparison to off license sales such as in supermarkets. Ippr argued that it is these 'off sales', away from pub are hazardous because the consumption of the alcohol cannot be monitored.
3. Current policy fails to recognise that many pubs are more than just a business and perform important community functions which if lost can have a serious impact on community life.

As a result of these proposals, ippr made several recommendations to provide '**greater support for the majority of well run community pubs**' which is summarised below:

- **Business rate relief** – should be set at 50% where pubs are local community hubs
- **Eligibility for third sector finance** – with some pubs being able to apply to become Community Interest Companies and apply for loans to develop the community side of their business
- **Reform planning law** – to provide greater protection for community pubs. In the absence of legal reform, local authorities should be encouraged to use powers within the Sustainable Communities Act to help them preserve pubs as local amenities
- **Buying pubs** – existing tenants given the first option to purchase 'for sale' outlets
- **Minimum price for unit of alcohol** – to enable responsible selling and fair competition between the pub and off-license trades (supermarkets)
- **Beer duty** – there should be a ban on increases during times of escalating pub closures
- **Rebalance relationship between large pub companies and their tenants** – including the way tenant landlords are tied to particular beers
- **Diversification** – pubs need to develop their business according to consumer demand
- **Training and development** – there needs to be a strong culture of developing staff and managers

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