



**NEWS FROM THE  
ASSOCIATION OF LICENSED MULTIPLE RETAILERS**

**COMMUNITY PUBS NEED TLC CHANCELLOR WARNED**

Britain's much loved community pubs are facing a bleak mid-winter, according to the results of a major new survey - drowning in a sea of red tape that is adding unsustainable costs, threatening business viability and endangering jobs.

The results of the survey, covering almost 2,500 outlets, are being released today by the Association of Licensed Multiple Retailers (ALMR) – a leading trade body covering the pub, bar and restaurant sector. They are being presented as a Valentines message to MPs and Government at the start of this month's Community Pub Week.

ALMR's research shows a dramatic fall in the number of community pubs – down 10% since March 2007. It also shows the average cost of running a pub has increased to 52% of total turnover. The overall managed market is down 2% over the same period, with the only growth areas being wine bars and outlets with accommodation.

ALMR Chief Executive, Nick Bish, said:

*“Community pubs are at the heart of our industry – true locals serving their community, a social space for residents and key part of the local economy. We want a clear message sent to politicians of all parties – these are pubs are vital to healthy, safe and attractive communities. They deserve to be supported and encouraged, not suffocated by red tape and driven out of business by spiralling costs. Failure to act now will see the steady decline in community pub numbers transformed from a trickle to a flood. ”*

The ALMR has set out a series of proposals designed to halt that slide and throw a lifeline to those just above the failure level. The proposals have been submitted to Ministers and MPs ahead of the Chancellor's Annual Budget Statement.

Nick Bish concluded:

*“The Government claims to be the champion of small business and better regulation, but its record on delivering meaningful support and more particularly the changes that businesses, rather than politicians, want and need is woefully inadequate. We hope the Chancellor takes this opportunity to listen and do something which would make a practical difference on the ground – that way we may all have something to cheer on Budget day.”*

**-ENDS-**

**Notes for Editors**

1. *The Association of Licensed Multiple Retailers (ALMR) is the only national trade body dedicated to representing the interests of pub, club, bar and restaurant operators. There are currently just under than 100 companies in membership, representing a quarter of all managed operators. Two thirds of these are small managed operators with fewer than 50 outlets. Around 35% of members' outlets will be community pubs.*
2. *Community Pub Week runs from 16<sup>th</sup> February 2008*



3. *The ALMR's Benchmarking Survey was carried out in March and December 2007. The total managed market fell from 11,784 to 11,522 outlets between those dates. Community pub numbers fell from 3225 to 2890.*
4. *For further information please contact Kate Nicholls on 07958 796 238 or Nick Bish on 07831 778993*

## **ALMR Budget Submission – Executive Summary**

### **Community Pubs – why are they important?**

Community pubs maintain a social centre within local communities. They are often used as alternative community centres, hosting informal meetings; drawing together local sports teams and encouraging charitable events. Last year, British pubs raised £120 million for charity. At a local level, pubs and bars contribute significant sums of money to the public exchequer and local services such as street cleaning and litter collection. They are also an important source of employment. More than half a million people are directly employed in pubs and bars and crucially 1 in 5 of all new jobs are created by the sector

### **Red Tape – the effects**

Since 1997, over 300 separate pieces of legislation have been introduced which have a direct impact on pubs and bars. 1 in 5 community pubs fear becoming uncompetitive as a result. On average, small businessmen within the sector spend 6 hours a week dealing with red tape and almost three quarters of them have had to employ extra resources to cope with its demands. With community pubs operating on significantly tighter net profit margins than other sections of the pub trade there is the risk of very real damage to the business arising from this cumulative burden of red tape.

### **How can you help?**

The ALMR has recently presented the following proposals to the Treasury as part of the annual Budget process to address this problem:

- ***A freeze on beer duty*** to offset the rising costs of doing business – SIA fees up 30%, licence fees up 7%, employment costs to rise by 4% and a 5-fold increase in gaming machine permits – and the decline in trade due to the smoking ban. *An increase in beer duty has been proposed to reduce consumption – this will hit pubs hard but will not be passed onto the consumer by supermarkets and will have no impact on consumption levels*
- ***Reform of the licensing regime*** to strip out unnecessary costs and administrative burdens – many of these were first proposed over a year ago, but failure to act has seen many community pubs face unnecessary costs and stop putting on live music and entertainment
- ***Reform Capital Gains Tax Proposals*** to sustain business investment. *The pub sector is characterised by a high number of new business starts up and serial entrepreneurs who develop and sell on concepts. The introduction of an 18% tax rate threatens this*
- ***More effective business support*** – increase the exemption thresholds for stamp duty land tax, rate relief and other small business exemptions. *At present, a business needs to be already failing before it is eligible. We need support to be directed to those businesses which could remain viable*
- ***No new stealth taxes*** on beds, eating out or road pricing

It is also time for a period of regulatory restraint. After six major changes last year – on issues from gambling to smoking – some stability is long overdue. We would urge all politicians to stop and think before reaching instinctively for more regulation.