

House of Lords Select Committee on the Rural Economy: Call for Evidence Response

Campaign for Real Ale

September 2018



**CAMPAIGN
FOR
REAL ALE**

1. Executive Summary

- 1.1. The beer and pub industry is essential to the functioning of the rural economy and a key feature of rural community life.
- 1.2. The beer and pub sector contributes to employability in rural areas; almost two thirds of brewery employees live within five miles of the brewery¹ and 42% of employees in the beer and pub industry are under 25².
- 1.3. Community pubs play a key role in social wellbeing and tackling loneliness in rural communities and therefore strong local planning policies should be in place to protect pubs from closure.
- 1.4. CAMRA urges the Government to retain and increase the current pub-specific business rate relief which is essential to the viability of many valued community pubs which make a significant contribution to the rural economy..

2. Introduction

- 2.1. CAMRA, the Campaign for Real Ale, is a consumer group with more than 192,000 members that acts as the independent voice for real ale and cider drinkers and pub goers. Our vision is to have quality real ale and cider, and thriving pubs in every community.
- 2.2. According to CAMRA research this year, there are 47,155 pubs across Great Britain and many of these are in rural areas. The National Housing Federation in its Rural Life Monitor 2017 noted that pubs are one of the three key pillars of rural community life.
- 2.3. However, pubs in rural areas are closing at a much faster rate than those in urban areas and leaving many communities without this key community service. The National Housing Federation Rural Life Monitor found that rural pubs have been closing at a rate of seven per week.
- 2.4. The production of beer and cider are also large contributors to and essential factors within the rural economy providing employment opportunities both in production and in agricultural roles, producing the raw ingredients, and preserving traditional methods and ways of life.
- 2.5. CAMRA estimates that the large majority of the UK's 500+ cider producers are small producers, making high quality, high juice content ciders and perries.

¹ <http://www.siba.co.uk/SIBAMembersSurvey2017FINAL.pdf>

² http://www.cutbeertax.com/#/jobs?_k=ghzrp5



2.6. As part of our submission, CAMRA will only provide comment on questions which we feel relate directly to the role of the beer industry and pubs in the rural economy.

3. Pubs and the Rural Economy

3.1. Pubs play an essential role in the rural economy; contributing vital services, employment opportunities, demand for local produce, and a space to socialise thereby tackling social isolation.

3.2. The Institute for Public Policy Research found that pubs boost the income of surrounding businesses by around £80,000 a year but also generate up to £120,000 worth of 'social benefit' to rural areas.

4. Breweries and the rural economy

4.1. Local brewers are key players in their local communities. 84% of the Society of Independent Brewer's (SIBA) members regard their relationship with their community as important and their members have raised thousands for local charities, with 82% of members supporting at least one charity over the last 12 months³.

4.2. As an increasing number of breweries diversify, they also provide a boost for the rural economy. This can include setting up brewery taps, visitor centres, shops, or putting on events - all of these endeavours bring tourism and trade to the local area.

4.2.1. Most breweries run a shop and a tap bar on site, a further one in seven operates a visitor centre; 10% of surveyed breweries have a shop, a tap bar and a visitor centre at the same location.

4.3. Breweries also create skilled jobs in the community – more than a third of employees live in the same town or village as their brewery with a further 30% living within five miles.

5. Question 2: Could you give examples of notable success stories and good practice in the rural economy? How might rural successes be replicated and better promoted?

5.1. The beer and pub sector has a profound and wide ranging impact on the rural economy and can provide many notable success stories.

³ <http://www.siba.co.uk/about-siba/siba-campaigns/brewers-in-the-community/>

5.2. Pub is the Hub support rural pubs in diversifying their services to become hubs for the local community and provides many examples.

5.2.1. The Grenville Arms in Nanpean, Cornwall has had a marked impact upon the local rural economy - in 2012, the village of Nanpean lacked both a post office and a village shop. The local licensee of the Grenville Arms proposed using the pub as a venue for these vital services and, after seeking advice from relevant contacts, changed the pool room into a shop selling everyday items and local produce. A post office service was then added to the counter of the shop and staff and the licensee offered training by the Post Office. This development has provided local communities with much needed services as well as reducing food miles and providing an avenue for local farms to sell their produce. It has also provided both part-time and full-time employment for local people enabling them to stay living and working in the community, as well as offering new training opportunities for staff allowing them to diversify their skills.

5.2.2. The Oyster Inn in Butley, Suffolk had been a focal point for the community since 1617 until it closed in 2012. This left the village of Butley without a pub or a community meeting place - it already lacked a village shop. After five years of being shut, Judi and Andrew Newman stepped forward to reopen the 400 year old pub - they wished to convert the derelict barn to the rear of the pub to provide essential community facilities such as a shop, a community shop, a cinema/meeting room, and a microbrewery. They received a £25,000 grant from The Prince's Countryside Fund in partnership with People's Postcode Lottery as well as £3,000 from Pub is the Hub which allowed them to complete this project. The development has had an undeniable impact on the rural economy - the village shop provides a vital service, keeps money within the community, and offers a place to buy and sell local produce. The cinema is now popular with young families, a film club has been established, and the multifunctional room is attracting local businesses for training and meetings which is further contributing to employability and general wellbeing of the village. The micro-brewery is helping to drive the overheads of the pub down by removing the margins of beer bought from other breweries; it also reduces the distance ingredients for beer need to travel and provides demand for

local produce. The microbrewery also employs and trains local people in brewing which creates a diverse range of rural jobs in the area. The Oyster Inn employs local people and has created a large number of jobs. It's also had a positive impact on social wellbeing in the village - it is reducing the carbon footprint with less car use and helping to combat isolation and loneliness by bringing the community together.

5.3. Many rural and community-based breweries have a significant impact on their rural communities and economies - 84% of breweries told SIBA that their local communities were either 'important' or 'extremely important' to them.

5.3.1. Some of these are highlighted in SIBA's Brewers in the Community report, which found that 45% of breweries that donated to good causes donated to those in their local villages or towns.

5.3.2. Langham Brewery in Lodsworth, West Sussex raised over £6,000 in the last 5 years for the local community - much of this done through their 'brewery-in-a-barn' events which feature live music, comedy, and many more charity events. Langham Brewery are the first corporate partner of the South Downs National Park Trust and are giving 5p for every bottle of South Downs Best Bitter to support the National Park's 'Mend our Way' initiative thereby investing in the local area and encouraging more people to enjoy it in a sustainable way. The brewery also provides employment opportunities for local people and uses local produce in its brewing.

5.4. In order to promote the kind of activity that has been highlighted, CAMRA supports a continuation of funding for the Pub is the Hub scheme, as well as retaining and improving business rate relief for pubs and breweries which will allow these rural pubs and businesses to flourish.

6. Question 3: How do you see the future of the rural economy? Where is the greatest potential for growth, and what might be the impact of technological and other changes?

6.1. The beer and pub sector is essential to the future of the rural economy; this can be seen via preserving rural pubs or ensuring the community-based breweries are supported.

6.2. It is clear that in rural areas employability and the retention of well-qualified (often young) people poses a problem and the beer and



pub sector offers solutions to both of these problems via the creation of jobs and cultivating communities that people enjoy living in.

6.3. Independent breweries mainly employ local people, with two thirds of the staff living within a 5 mile radius of the brewery.

6.4. It is essential that pubs, breweries, and the agriculture necessary for these to thrive are protected.

7. Question 7: What can be done to support local shops, community pubs and other rural amenities at risk of closure?

7.1. Pubs are essential rural amenities and CAMRA supports any moves to support and protect these. This need becomes greater as community meeting spaces such as village halls are struggling to survive⁴ as pubs offer one of the last places for people to meet and socialise.

7.2. Firstly, CAMRA maintains that strong local planning policies must be in place across the UK to protect pubs from change of use or demolition and ensure that planning permission will always be required in such instances. It is vital that local councils are encouraged to include these policies in their reviews of local plans.

7.3. CAMRA holds that it is essential that current pub-specific business rate relief is both retained and extended to provide pubs with the relief that they require. This ought to be a £5,000 permanent business relief rate for pubs.

7.3.1. This view is supported by 53% of those surveyed by YouGov in 2017 who believed that pubs should be given specific tax relief based on their community value.

7.4. CAMRA has supported the introduction and extension of various rate reliefs that could benefit pubs, including Small Business Rate Relief, Rural Rate Relief and the specific relief for pubs, but believes that these remain insufficient. We have also pushed for a wholesale review of the business rates system to reduce the excessive burden placed on pubs.

7.5. Under current EU rules, it is not possible to apply a differential rate of duty on draught beer, however this could be looked at when the UK leaves the European Union. A lower rate of duty on draught beer could benefit rural community pubs by enabling them to compete on a more level playing field with supermarkets.

⁴ <https://www.telegraph.co.uk/news/2017/01/02/village-halls-face-bleak-future-ageing-volunteers-dwindle/>

7.6. Further to this, CAMRA is calling on the Government to undertake an urgent review of the Pubs Code. This is because two years into its operation, POBs (Pub Owning Businesses) are continuing to exploit gaps in the legislation and operation of the Pubs Code and are not abiding by the spirit of the Code. This is having an impact on the viability of some rural community pubs. Urgent changes are needed to the Pubs Code Regulations to allow delivery of the aims of the Code as embedded in the Small Business, Enterprise and Employment Act 2015. The urgent review must be carried out as soon as is practicably possible and include a full public consultation to allow for the collection of evidence of the workings of the Code so far from TPTs (Tied Pub Tenants) and other key stakeholders (including groups representing TPTs and other industry experts).

8. Question 10: How can more young people be encouraged to stay in or return to rural areas and contribute to their communities?

8.1. In order to encourage young people to stay in or return to rural areas it is vital that there are employment opportunities available for them; with 42% of jobs in the beer industry occupied by people under 25, this industry can be part of the solution.

8.1.1. SIBA's Beer Report found that one job in brewing supports 21 others in supply and distribution: one in agriculture, one in the supply chain, one in retail and eighteen in pubs' (SIBA, 2013: 17). SIBA's members have reported to employ just under 5,000 employees, where approximately 12% are between the ages of 18-25 years (SIBA, 2013).

8.1.2. Furthermore, community pubs provide 350,000 full- or part-time jobs - this is a huge boost to the rural economy where jobs can be hard to come by. The provision of jobs in pubs allows people to stay living in rural areas rather than having to move into urban areas to seek employment opportunities.

8.2. The presence of pubs in rural areas also makes it more likely that young people will remain in their villages as this provides a much-needed space for them to socialise and meet with other young people. This is even more the case where pubs provide multiple functions by pubs that provide multiple functions such as those featuring cinema rooms or other diverse uses.

9. Question 11: What can be done to address the challenges associated with an ageing rural population, such as social isolation and social care provision? What opportunities are there for the older retired population to help support the rural economy?

9.1. Pubs play an essential role in combating isolation and loneliness, bringing communities together and supporting personal wellbeing. Whilst loneliness and isolation are not issues solely applying to the rural or ageing population, research has found that half a million older people go at least five or six days a week without seeing or speaking to anyone at all and that there are 1.2 million chronically lonely older people in the UK.

9.2. With the closure of community spaces, pubs play an ever important role in providing a shared environment for people to socialise and for community groups to meet. They are a vital community resource where people can get to know their local community.

9.2.1. The personal and social wellbeing benefits of pub-going are backed up by academic research. The 'Friends on Tap' Report was commissioned by CAMRA from Oxford University. The report found that people who identify as having a 'local' pub have more close friends and feel more engaged with their local community. On average those who had a local pub had 7.2 close friends compared to 6.0 for those who did not have a local pub and didn't regularly visit pubs. The number of social connections and close friends that people have has a large, positive impact on experiences of loneliness - and those in smaller, local pubs were likely to have longer, more engaged conversations.

9.2.2. Hosting events targeting isolation in pubs is likely to get a more diverse range of attendees than those hosted in village halls - the organisation Cotswold Friends found that moving their lunch clubs from village halls to pubs enabled their programme to rapidly expand to 11 clubs and saw attendance by men go from around 10% of all attendees to up to 37%. In 2013, they frequently only had 5 men attending the lunch clubs each month, in 2017 this had increased to 85 men per month. The move to a pub also created a more egalitarian environment with less division between staff and service users as well as being less demanding on volunteer resources. CAMRA would therefore urge the government to explicitly include pubs in loneliness strategies

and offer support for pubs wishing to set up their own events to tackle loneliness.

9.2.3. Further to this, hosting loneliness events in pubs has a positive impact on the local rural economy - by giving elderly people the opportunity to socialise and leave their homes, they bring custom to local businesses and as people become familiar with the pub through loneliness-tackling activities, they become more likely to visit independently or may have the confidence to visit other rural businesses either independently or with friends they have made at the events.

9.2.4. The government should be taking action to tackle the closure of viable rural pubs, to protect community facilities, help combat isolation and promote responsible alcohol consumption in a social setting.

9.3. A key challenge posed by an ageing rural population and a barrier to them participating in the rural economy is transport.

9.3.1. As people age, they become less mobile meaning that walking is less viable as a mode of transport and they equally become less likely or able to drive. This means it is more likely that they will become house-bound and/or isolated.

9.3.2. If the transport infrastructure, e.g. public buses running rural routes, does not enable the ageing population to get to local community facilities, then whatever activities are being put on to tackle loneliness are largely meaningless.

9.3.3. The need for rural transport to enable the ageing population to engage in the rural economy is even greater in Scotland where the drink driving limit is lower than in other parts of the UK.

9.3.4. It is vital that rural bus routes are funded and run regularly when people wish to use them; funding should also be given to schemes which explicitly provide the ageing population with rural transport such as community buses/taxis.

10. Question 15: What is being done in local government to support rural economies? How effectively do other public bodies such as Local Enterprise Partnerships operate in rural areas, and how might coordination between bodies be improved?

- 10.1. Whilst planning law in England was amended in 2017 to require developers to seek planning permission to either convert or demolish a pub, this is yet to be acknowledged in many local plans.
- 10.2. Research by CAMRA has found the two thirds of local plans in England have ‘unsatisfactory’ or ‘poor’ protections for pubs. This is despite a wealth of evidence on the social and wellbeing benefits of pubs to the communities they serve.
- 10.2.1. CAMRA urges the Government to encourage all local councils across the UK to adopt local plans that explicitly protect viable pubs from development in order to safeguard this essential feature of the rural economy.

11. Conclusion

- 11.1. The beer and pub sector are essential features of the rural economy and this ought to be recognised by the Government at every opportunity.
- 11.2. Pubs in rural areas are closing at a much faster rate than those in urban areas and leaving many communities without this key community service, CAMRA therefore welcomes tax relief for pubs to ensure that rural pubs can stay open and continue to contribute value to their communities but believes this should be extended to reflect more accurately the significant challenges they face.
- 11.3. The production of beer and cider are large contributors to the rural economy providing local employment opportunities both in production and in agricultural roles, producing the raw ingredients, and preserving traditional methods and ways of life.
- 11.4. Thank you for the opportunity to contribute to this consultation.

12. Contact

- 12.1. For further information, please contact CAMRA:

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