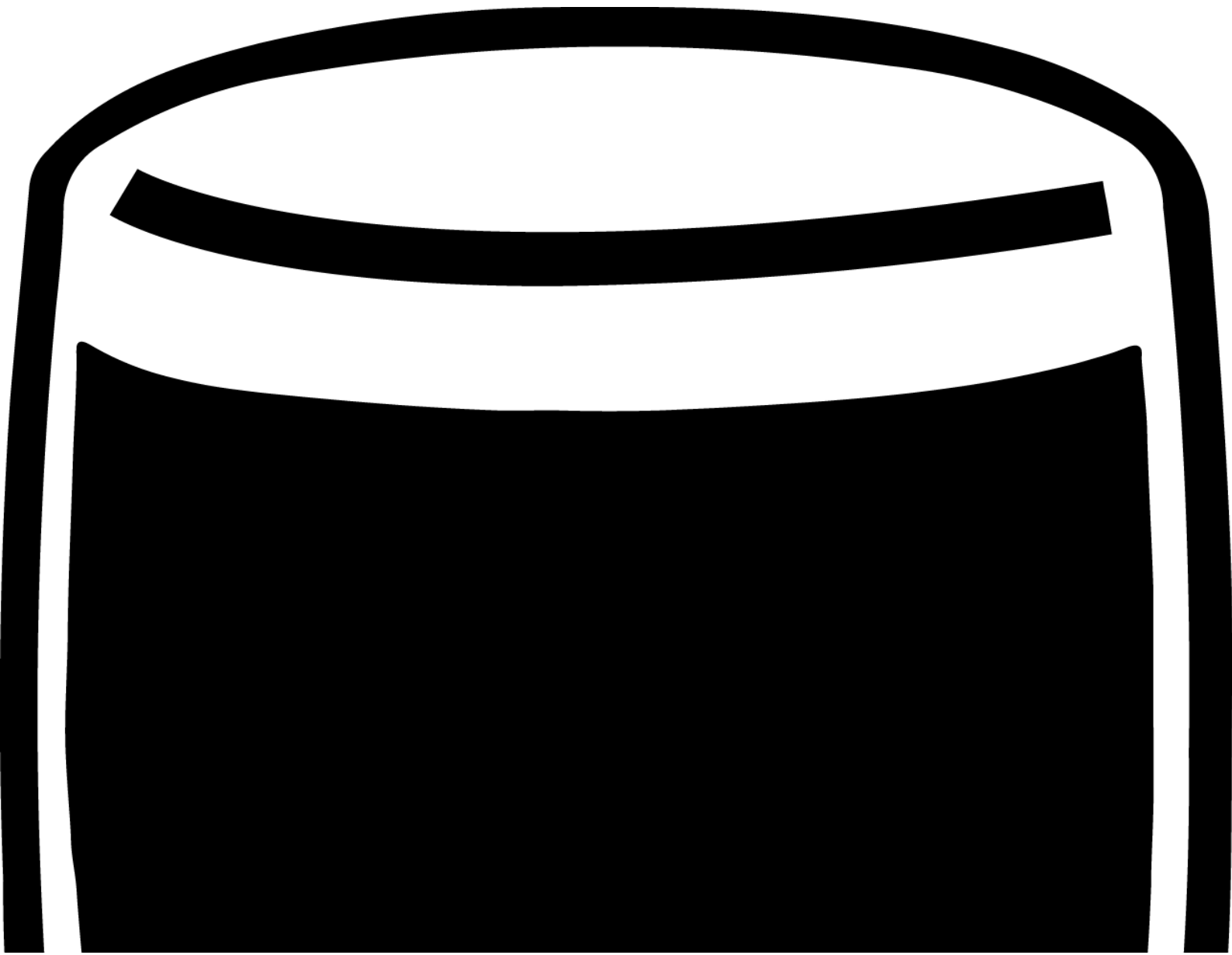


Current Issues Note 53

# Closing time: London's public houses

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April 2017



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## Executive summary

Public houses have long formed a central role in the UK social scene. However they have come under increasing pressure for survival from a number of factors. This work assesses some of the data available to understand what has been happening to the number of pubs, and employment therein, in London.

There are a number of potential data sources that could be used to assess the position of pubs in London. For the purposes of this report we have used the Inter-Departmental Business Register (IDBR) – this is a comprehensive list of businesses used for administrative purposes by central Government. However, this data is ‘restricted commercial’ and so cannot be used in a way which would allow identification of any particular business or workplace. For the purposes of more geographically detailed analysis we have thus used an alternative dataset – data from the Campaign for Real Ale (CAMRA).

Data from the IDBR suggests that the number of public houses and bars workplaces in London has fallen in all but three years between 2001 and 2016, with a 25 per cent overall decline during that period (equivalent to a *net* loss of 81 pubs per annum). By 2016 the number of pubs and bars in London stood at 3,615. Losses were seen in all but one London borough (Hackney).

IDBR data also provides information on employment in pubs and bars in London. This data shows that since 2001 employment in pubs in London has grown by 3,700 (an average of 247 per annum) to reach 46,300 in 2016. Most of this growth, however, was concentrated in the last five years with particularly strong growth in 2012 and 2015.

Taking together the trends in workplaces and employment, the average employment in pubs in London has grown from 8.8 persons in 2001 to 12.8 in 2016.

As might be expected, CAMRA data shows that central London has a high concentration of pubs, but it also shows outer London boroughs also have a large number of pubs. The CAMRA data also allows for an analysis of pub closures between 2000 and 2016 (although it should be noted that some of these will have been replaced by new pub openings). Over this period a total of 2,295 pubs closed in London – an average of 135 per annum. Many of these closures were concentrated in wards in central London and to the west and south of London. Looking at closures as a proportion of current pub stock across boroughs, Newham, Tower Hamlets, Barnet and Southwark have seen a relatively large number of closures over the last 17 years.

## **Introduction**

Public houses (pubs) have long formed a central role in the UK social scene with people using them as places to meet, eat and drink. They can be particularly important in city outskirts areas where there are not an abundance of places to socialise. This is no different in London. Indeed, given the spread of people across the capital and high rents restricting people to smaller properties with less space to socialise they can play a more pronounced role in facilitating social cohesion.

However pubs and bars have come under increasing pressure from a number of areas, including the pressure for more housing and the tax system. This note assesses available data to better understand what has happened to pubs in London. The publication begins by looking briefly at the potential data sources one could use. It then looks at data on workplaces and employment from the ONS Inter-Departmental Business Register (IDBR) before looking at more geographically detailed information and information on pub closures using data from the Campaign for Real Ale (CAMRA).

This work makes no assessment of the economic costs or benefits of observed trends but merely aims to shed light on London's cultural pub assets

## Potential sources of data

Source	Description	Regularity	Estimate of London pubs	Quality / other notes	Links
<b>Inter-Departmental Business Register</b>	IDBR is a list of businesses used for administrative purposes by central Government.	Updated continually, with snapshots taken in March each year	3,615 (2016).	IDBR only includes PAYE and/or VAT registered business although this is unlikely to be a significant issue for pubs. Businesses are classified by the main activity of the business and according to the 2007 UK Standard Industrial Classification. As such, some pubs may not be registered as pubs (e.g. hotel bars/pubs). Data is 'restricted commercial' and so cannot be used to identify specific locations	IDBR accessed via Office for National Statistics. Further information available at: <a href="https://www.ons.gov.uk/aboutus/whatwedo/paidservices/interdepartmentalbusinessregisteridbr">https://www.ons.gov.uk/aboutus/whatwedo/paidservices/interdepartmentalbusinessregisteridbr</a>
<b>CAMRA</b>	Campaign for Real Ale maintain their own pubs database based on surveys from branch members. Used for 'Good Pub Guide' and other products.	Updated continually, ad hoc snapshots available.	4,057 (March 2017)	Data is maintained by branch members, who are volunteers. Quality of data gathering may therefore vary by branch, however CAMRA aim to cover all pubs. Detailed geographic information available. CAMRA use own definition of 'pub', though dataset includes some licensed premises that fall outside of this definition (e.g. clubs, bars). CAMRA's aim is that all pubs have been surveyed within at most the past three years, although this is relaxed to five years for pubs that do not serve real ale (which CAMRA estimate is typically around 20 per cent of pubs).	CAMRA made data available to GLA following request.
<b>VOA</b>	Valuation Office Agency's operational database.	Annual	3,980 (September 2016)	Data is available at regional level. Definitions are not consistent with the SIC codes used in the IDBR, and also differ from CAMRA's definition. The most detailed classification used by the VOA are their 'Special Category' codes, which describe property usage. There are 369 such codes. The relevant ones for pubs are: 'Public Houses/Pub Restaurants' and 'Public Houses/Pub Restaurants (Inc. Lodge)'.	See table CL7L in the ' <a href="#">NDR stock of properties</a> ' sheet. Sep 2016 data available following a <a href="#">Freedom of Information request</a> .
<b>Food Standards Authority</b>	List of businesses and the result of their food/hygiene inspection	Updated continually, ad hoc snapshots available.	4,523 (March 2017)	Would only include pubs selling food. Potentially long (2 year) gap between inspections (inspection gap varies by 'risk' of premises).	FSA website: <a href="http://ratings.food.gov.uk/open-data/">http://ratings.food.gov.uk/open-data/</a> Data also available at ' <a href="#">Get the Data</a> '.
<b>Commercial datasets</b>	Several private companies provide business datasets	Many continually updated i.e. ad hoc snapshots available.	NA.	Many commercial datasets are based on publicly available administrative datasets and are supplemented with additional information largely using desk-based research but sometimes based on in-person surveys of premises.	Example: ' <a href="#">FAME</a> ' Example: ' <a href="#">Local Data Company</a> ' Example: ' <a href="#">CGA Strategy</a> '.
<b>Licensing data</b>	Datasets of licensed premises maintained by licensing authorities. In London these are boroughs.	Snapshots available ad-hoc	NA.	Figures are likely to be accurate and up-to-date since premises must pay for licenses, and boroughs must enforce licensing conditions met. May not be possible to distinguish 'pubs' from other licensed premises such as restaurants.	Specific to each borough.

## Change in the number of and employment in public houses and bars in London

The Inter-Departmental Business Register (IDBR) provides a comprehensive list of UK businesses used by government for statistical purposes. The two main sources that feed into the IDBR are the Value Added Tax (VAT) system from HMRC (Customs) and Pay As You Earn (PAYE) from HMRC (Revenue). As such some very small businesses (those without employees and with turnover below the tax threshold) and some non-profit making organisations are not included in the dataset.

The IDBR contains data on businesses/enterprises (defined as the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources) and their workplaces/local units. In some instances the business is the workplace. However, some businesses will have a number of workplaces, for example JD Wetherspoon plc will have many pubs. The analysis below is based on a snapshot of the IDBR of (a) workplaces/local units that fall under the ONS 2007 UK Standard Industrial Classification 56.30/2 'Public Houses and Bars' and (b) employment in those workplaces (comprising of both employees and self-employed).

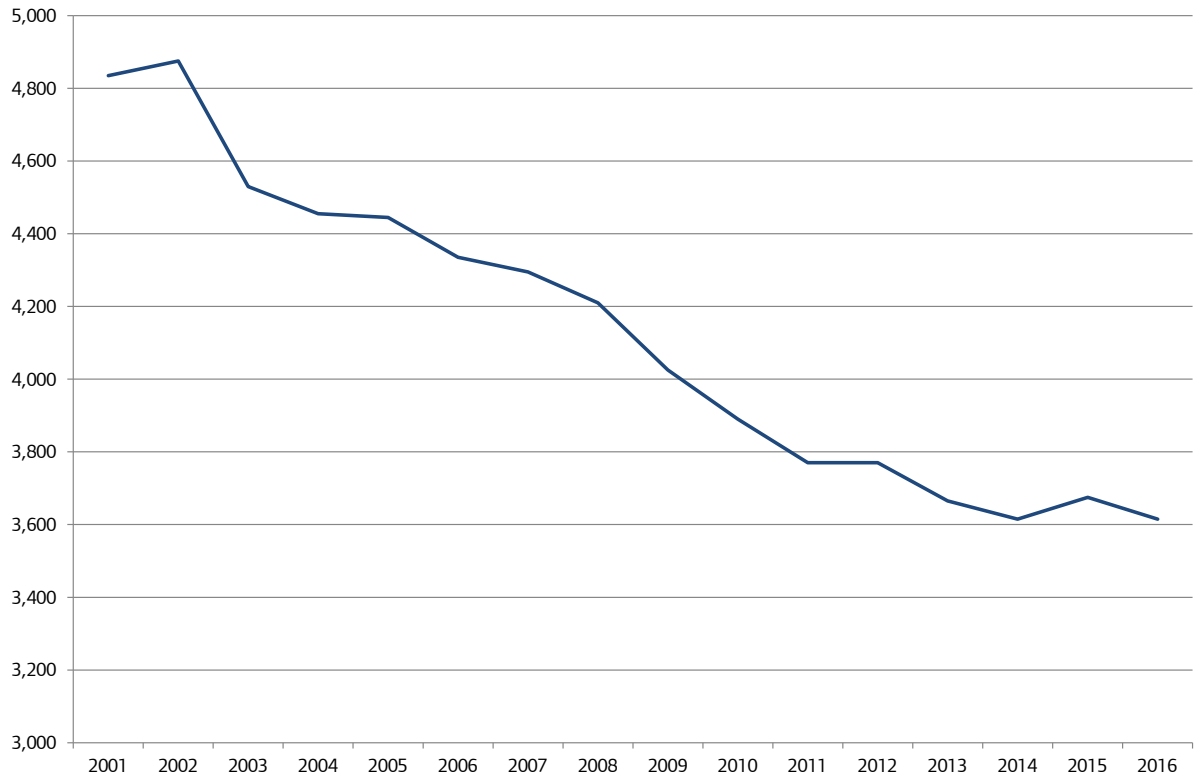
### Number of public houses and bars workplaces in London, 2001-2016

The number of public houses and bars in London<sup>1</sup> has seen a net decline in all but three years since 2001 (Figure 1). In 2001 there were 4,835 pubs in London. By 2016 this had fallen by 25 per cent to 3,615. This amounts to an average net loss of 81 pubs per annum. The largest decline was seen in 2013 when the number of pubs fell by 345. Only one borough, Hackney, saw a net increase over the fifteen years to 2016 and that increase was only marginal (3 per cent) (Figure 2). The greatest *percentage* decline was in Barking and Dagenham (56 per cent) followed by Newham (52 per cent). Other badly-affected boroughs include Croydon (45 per cent), Waltham Forest (44 per cent), Hounslow (42 per cent) and Lewisham (41 per cent). The largest *absolute* net loss in pubs between 2001 and 2016 was in Croydon, Tower Hamlets and Westminster (-75 each) followed by Camden (-70). Despite the relatively large reduction in the numbers of pubs in Westminster, the proportion of London's total in the borough grew from 10.7 per cent to 12.2 per cent – a 1.5 percentage point increase.

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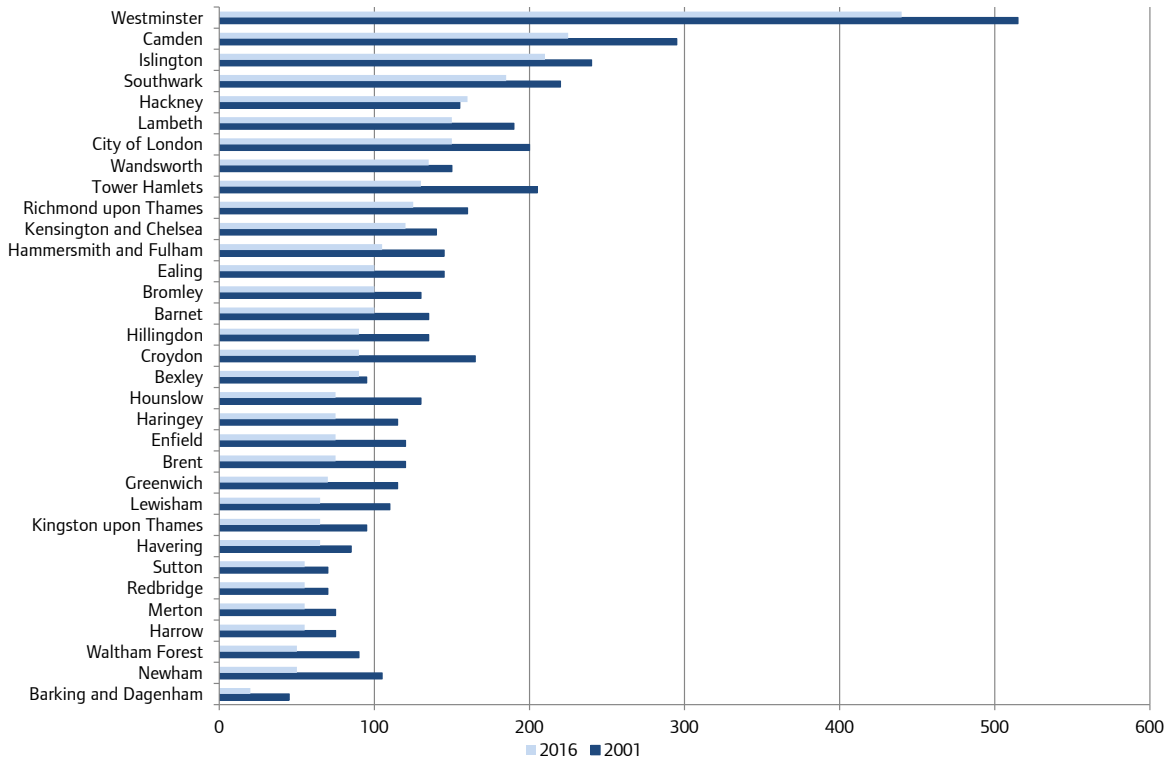
<sup>1</sup> Figures are based on estimates rounded to the nearest 5

**Figure 1: Number of public houses and bars workplaces in London, 2001-2016**



Source: IDBR

**Figure 2: Number of public houses and bars in London boroughs in 2001 and 2016**

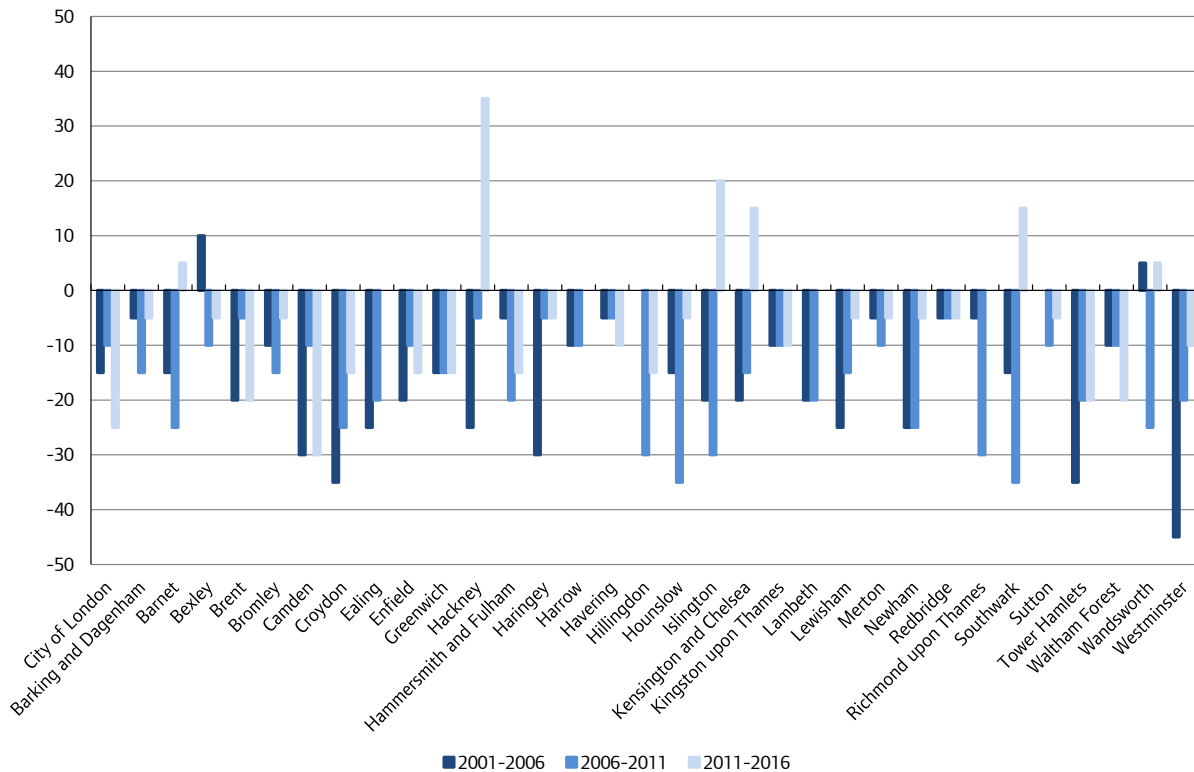


Source: IDBR



Figure 3 looks at how the net change in pubs and bars in London boroughs has changed within sub-periods of the last decade and a half. Only Bexley and Wandsworth saw growth between 2001 and 2006 with a total London loss of 500 (of which 9 per cent was in Westminster alone, followed by 7 per cent in both Tower Hamlets and Croydon). Between 2006 and 2011 (when there was a total 565 net loss of pubs in London) no borough saw growth in numbers. In the last five years, however, the rate of net loss of pubs in London declined to an average per annum loss of 31, with growth seen in six London boroughs.

**Figure 3: Change in the number of public houses and bars in London boroughs, 2001-2006, 2006-2011, 2011-2016**



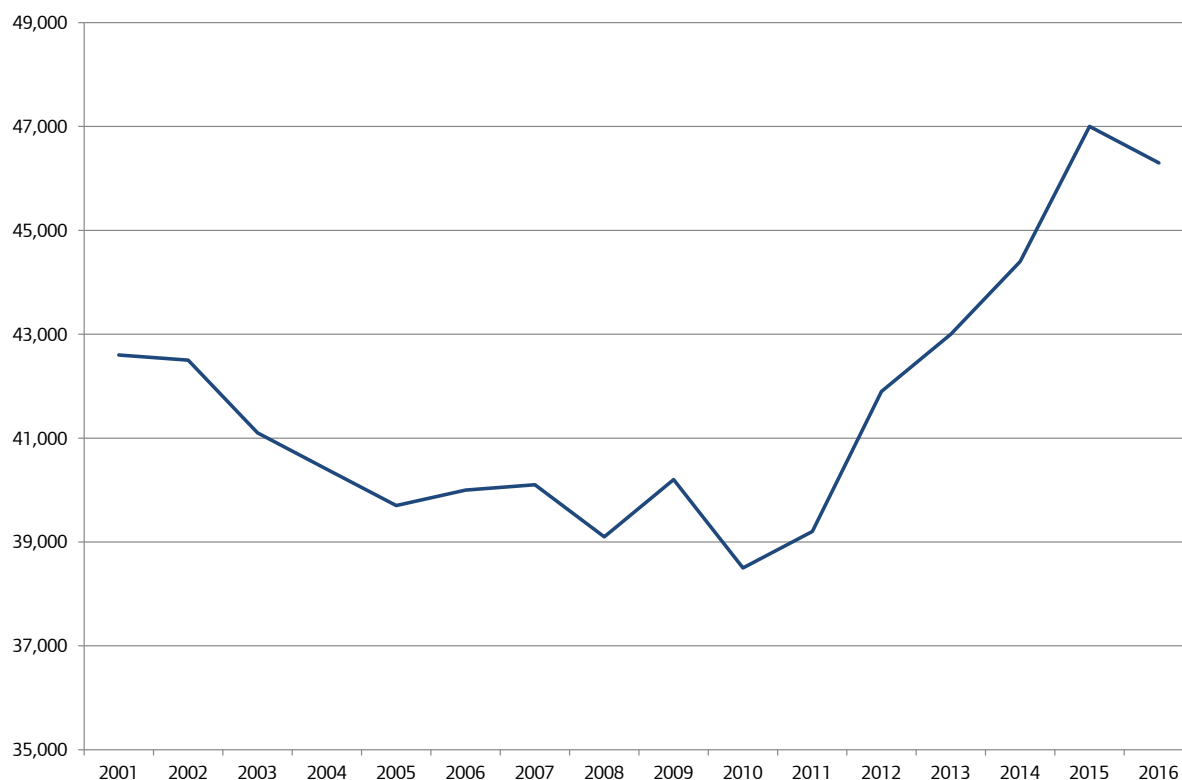
Source: IDBR

### Employment in public houses and bars workplaces

Since 2001 net employment in pubs in London<sup>2</sup> has grown by 3,700 (an average of 247 per annum) to reach 46,300 in 2016 (Figure 4). This is equivalent to an 8.7 per cent increase or a 0.6 per cent year-on-year percentage increase. However, most of this growth occurred in the last five years alone with particularly strong growth in 2012 and 2015 (when employment grew by 2,700 and 2,600 respectively).

<sup>2</sup> Figures are rounded to the nearest 100

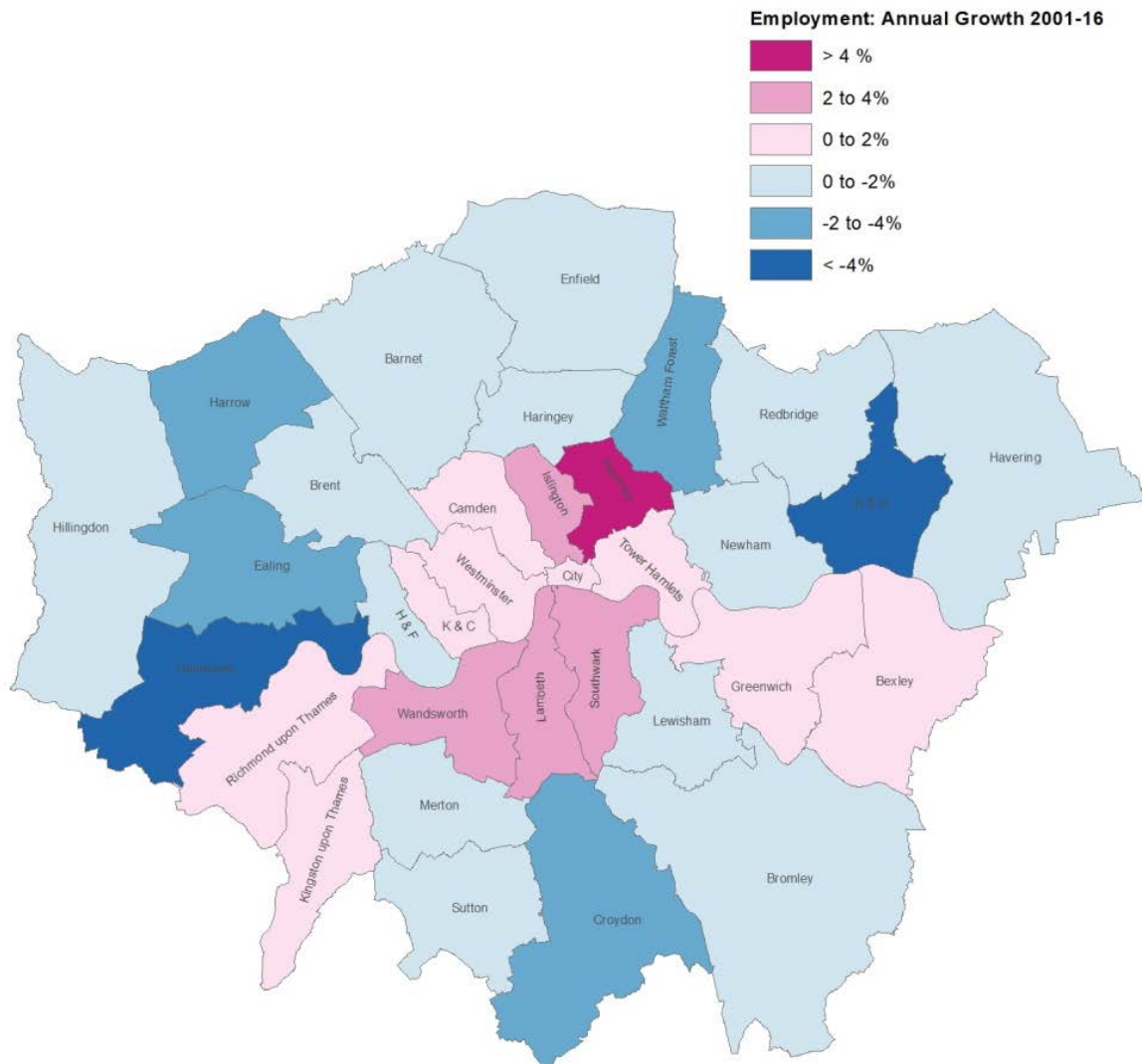
**Figure 4: Employment in London's public houses and bars workplaces, 2001-2016**



Source: IDBR

However, growth in employment in London's pubs and bars has varied significantly across boroughs - between 2001 and 2016, net employment in pubs in Hackney grew on average by 6.9 per cent per annum whilst Barking and Dagenham saw a 5.9 per cent per annum average decline. Map A shows how year-on-year percentage growth in pub employment has varied across boroughs over the last 15 years.

**Map A: Compound annual growth rate of employment in London's public houses and bars workplaces, 2001-2016**

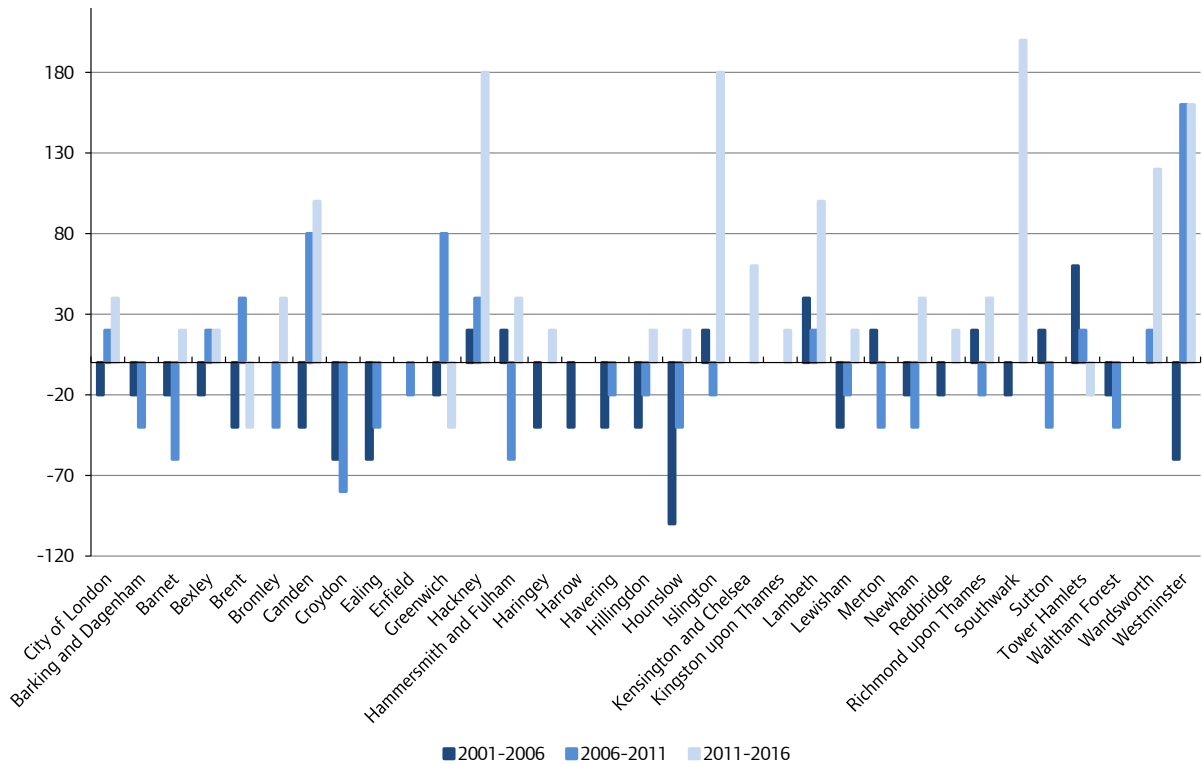


Source: IDBR

Figure 5 shows how the total numbers employed in pubs across boroughs has changed within sub periods between 2001 and 2016. Although some boroughs saw marginal growth in 2001-2006 and some growth in 2006-2011 there was much stronger growth in 2011-2016 particularly in Southwark, Hackney, Islington and Westminster.

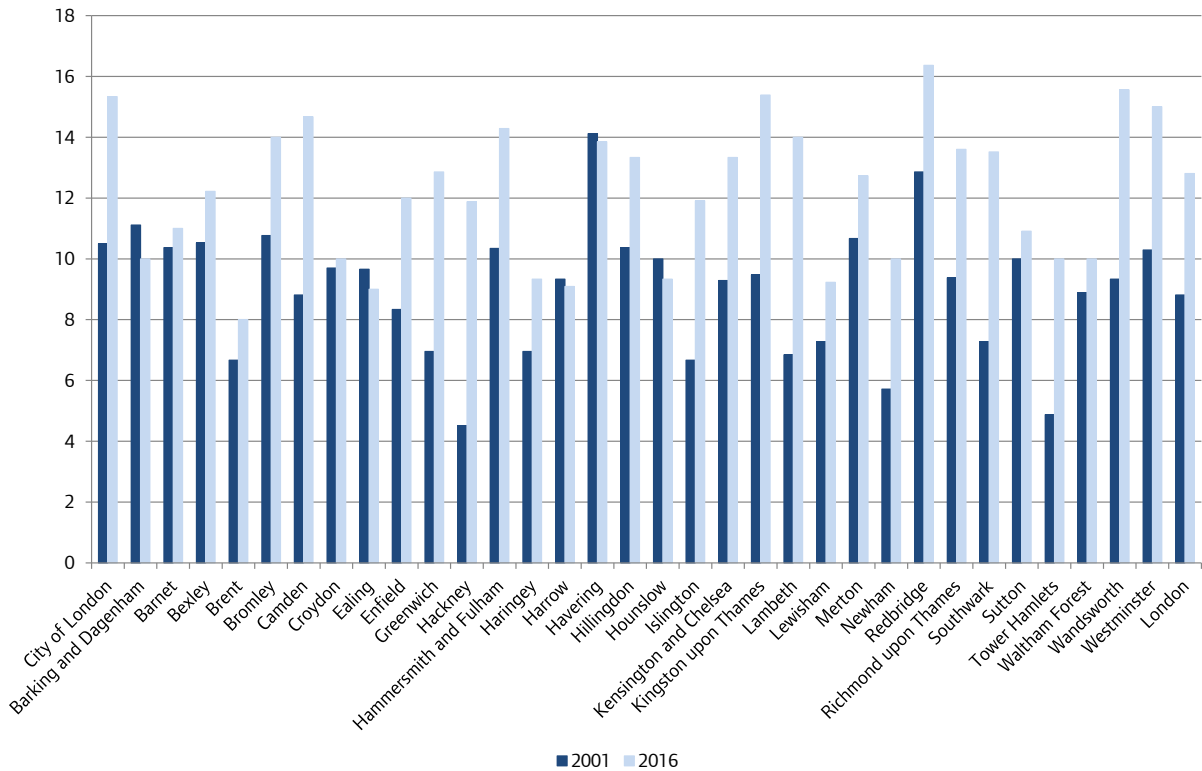
Given that the particularly strong growth in employment in pubs in London has not been matched by a growth in the number of workplaces the average employment per pub has increased from 8.8 persons in 2001 to 12.8 in 2016 (Figure 6). This trend has been seen in all but five boroughs (Barking and Dagenham, Hounslow, Ealing, Havering and Harrow) and has been particularly strong in Hackney, Lambeth, Southwark, Wandsworth, Greenwich, Kingston upon Thames and Camden.

**Figure 5: Change in the employment numbers in public houses and bars in London boroughs, 2001-2006, 2006-2011, 2011-2016**



Source: IDBR

**Figure 6: Change in average employment per public house and bar in London boroughs between 2001 and 2016**



Source: IDBR

## Location of pubs within London

All data on the IDBR are treated as RESTRICTED COMMERCIAL. This means that cuts of the data that allows for specific companies or workplaces to be identified are restricted and cannot be published. The IDBR is thus not a viable data source to map the location of individual pubs in London. For this we look at data provided by the Campaign for Real Ale (CAMRA).

CAMRA maintain a database of pubs to use for products such as their annual 'Good Beer Guide'. CAMRA aim to collect data on all pubs, not just those featured in their guides. Data is collected by members of local CAMRA branches and pubs are surveyed on a regular basis. CAMRA provided a snapshot of their data in March 2017 – all data in this section refers to this dataset.

Before setting out results from this data it is important to note some ways in which the dataset differs from the IDBR.

- CAMRA define a pub as meeting four criteria. Pubs:
  1. *Are open to the public without membership / residency*
  2. *Serve draught beer or cider without requiring food be consumed*
  3. *Have at least one indoor area not laid out for meals*
  4. *Allow drinks to be bought at a bar (i.e. not only table service).*

This definition does not match onto the SIC code 56.30/2 (which includes all bars), used in the IDBR analysis. CAMRA includes hotel bars (if they meet the above criteria), which the IDBR would normally count as hotels. It may also include gastropubs which may be counted in the IDBR as restaurants. Conversely, bars which, for example, don't serve draft beer or cider (for example, a cocktail bar) or which charge entry fees wouldn't make the CAMRA definition but are in SIC 56.30/2 and so would be included in the IDBR count.

- The CAMRA database is a list of buildings/premises not of businesses like the IDBR.
- The CAMRA database is compiled by volunteers. The IDBR is from various admin data sources.
- Pubs too small to qualify for the VAT threshold may not be on the IDBR but may appear in the CAMRA data.

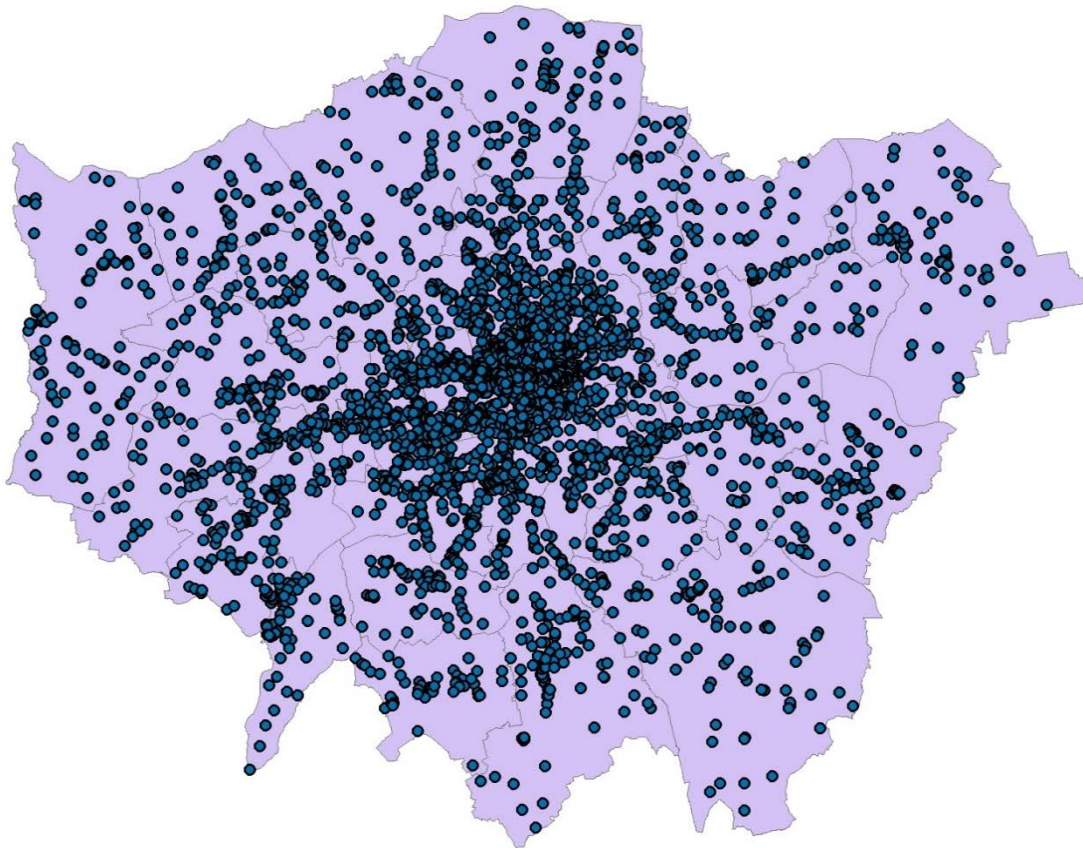
For these reasons we would not expect the two databases to produce identical estimates of pub numbers in London. However, the difference is in fact fairly small. IDBR suggests there were 3,615 pubs/bars in London in 2016, whereas the CAMRA figure is 4,057 (the CAMRA figure is 12 per cent higher).

GLA Economics analysed the CAMRA database by using the postcode information, and matching these to boundaries for London boroughs and wards. The CAMRA database includes an additional 766 open establishments in London which are licensed premises but not pubs – including clubs, cafes and hotels. These were not included in the analysis below.

### Number of pubs in London in March 2017 according to CAMRA data

As stated above, CAMRA's dataset includes 4,057 pubs in London as of March 2017. Map B shows the location of these. Unsurprisingly, pubs are clustered centrally in inner-London boroughs, although there are also many outer London areas with relatively high concentrations.

**Map B: Location of open pubs (CAMRA database, snapshot March 2017)**



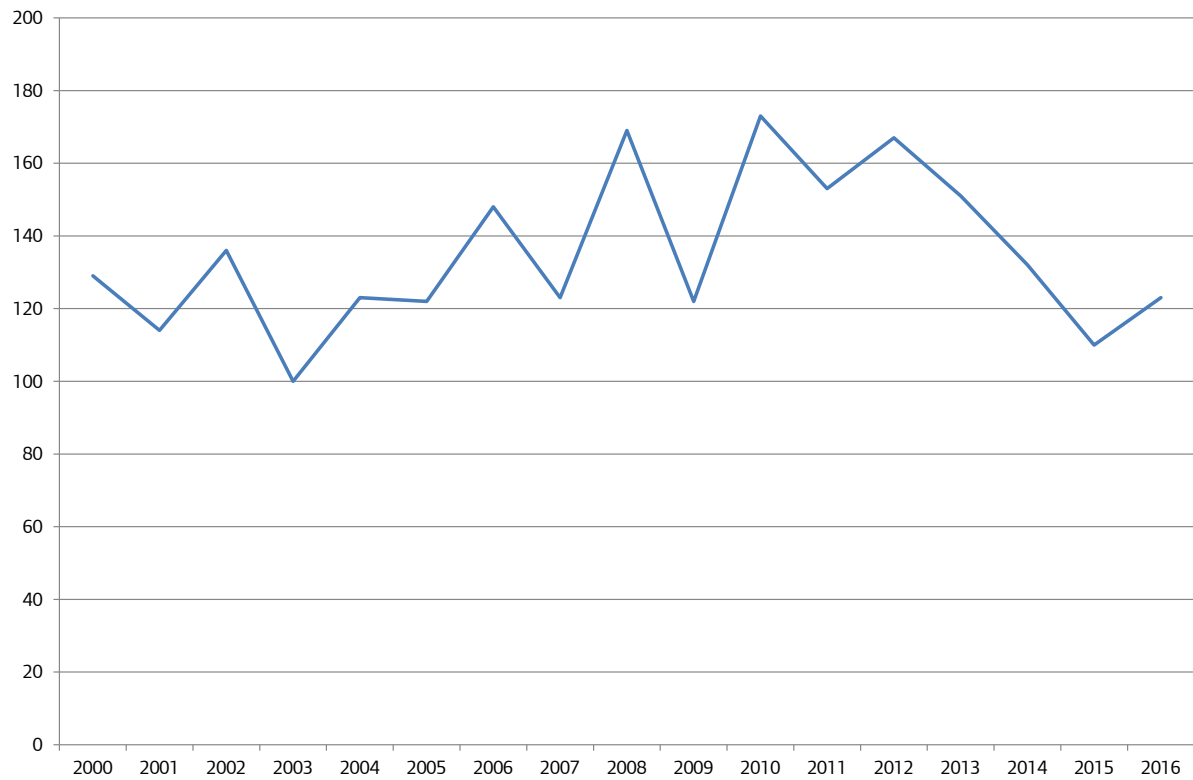
Breaking these down by borough, Westminster is the borough with the most pubs (at 459). It has almost twice as many as Camden, with the second most pubs (263). At the other end of the scale are Barking and Dagenham (with 28 pubs) and Redbridge (with 35). The median borough is Greenwich, which has 103 pubs.

**Pub closures**

Helpfully, CAMRA's database includes pubs that have closed. The majority of these include a closure date, which allows temporal analysis. Unfortunately, however, the database does not include information on when pubs opened. This means in any given historical year it is not possible to know which were open and which were closed, so we cannot evaluate net change in pub numbers year to year (i.e. *net* change taking into account both openings and closures).

Therefore temporal analysis is limited to counting the number of closures in a given year. These are presented in Figure 7, which shows pub closures in London over the period 2000 to 2016. CAMRA's dataset includes 2,295 closures over this period, at an average of 135 per year. The number of pub closures in London has been fairly steady. There was some increase (albeit with fluctuations) from 2005 to 2012, but a decrease thereafter.

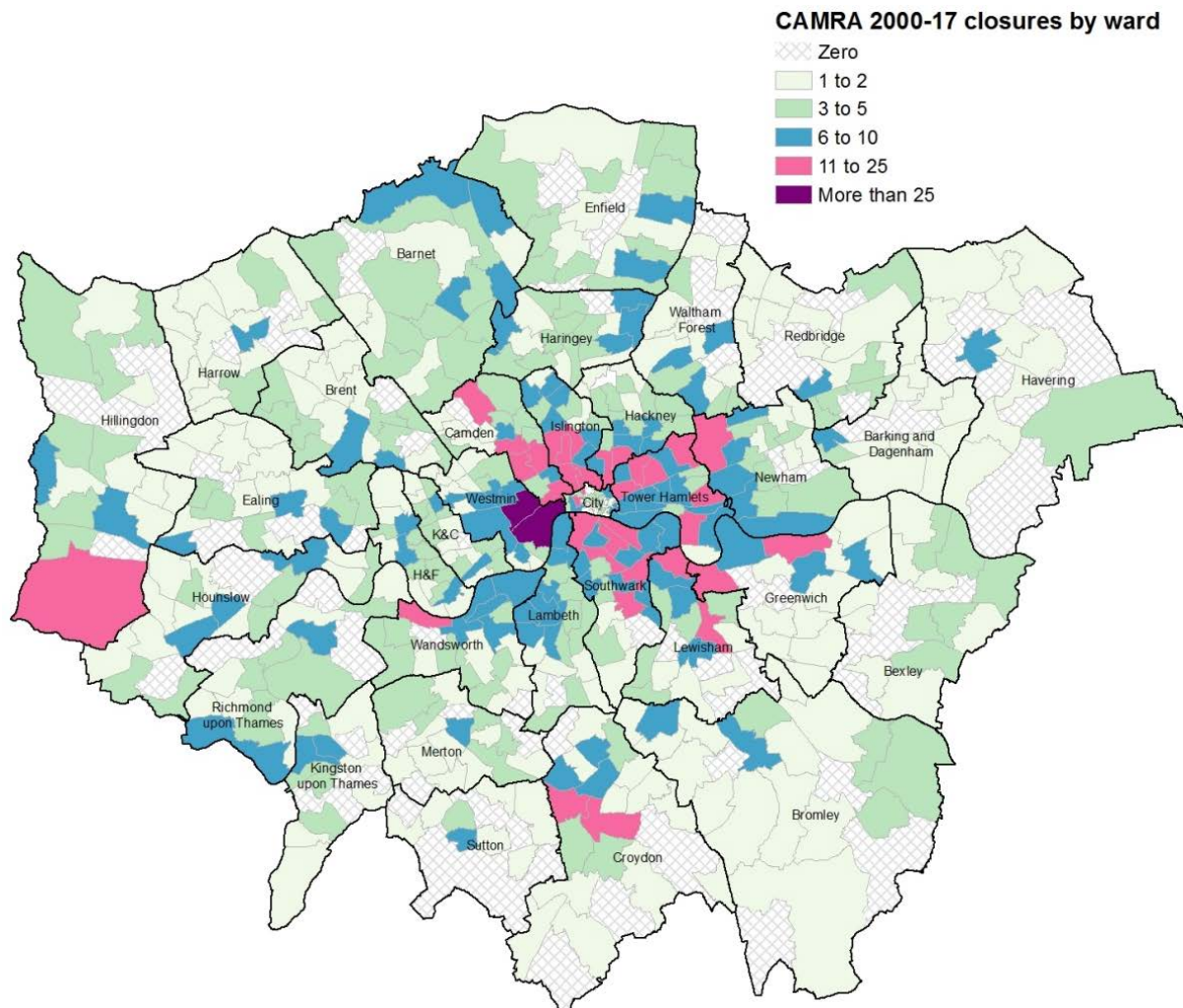
**Figure 7: Pub closures in London 2000 to 2016 (CAMRA data)**



Source: CAMRA, March 2017

The CAMRA dataset also allows for an analysis of the location of these pub closures. Map C shows the total closures by London ward over the period 2000 to 2017. The pink and blue areas have had relatively high number of closures, green and pale green areas have seen fewer closures. Cross-hatched areas have not seen any pub closures. Indeed, from the size of the cross-hatched areas, it is clear that quite a few wards of London, mainly in outer boroughs, have not seen any pub closures over the 17 year period. The map also indicates that many pub closures have been concentrated centrally, with the largest number of closures in Westminster wards. Additional concentrations of closures are in the west (Hillingdon) and south (Croydon).

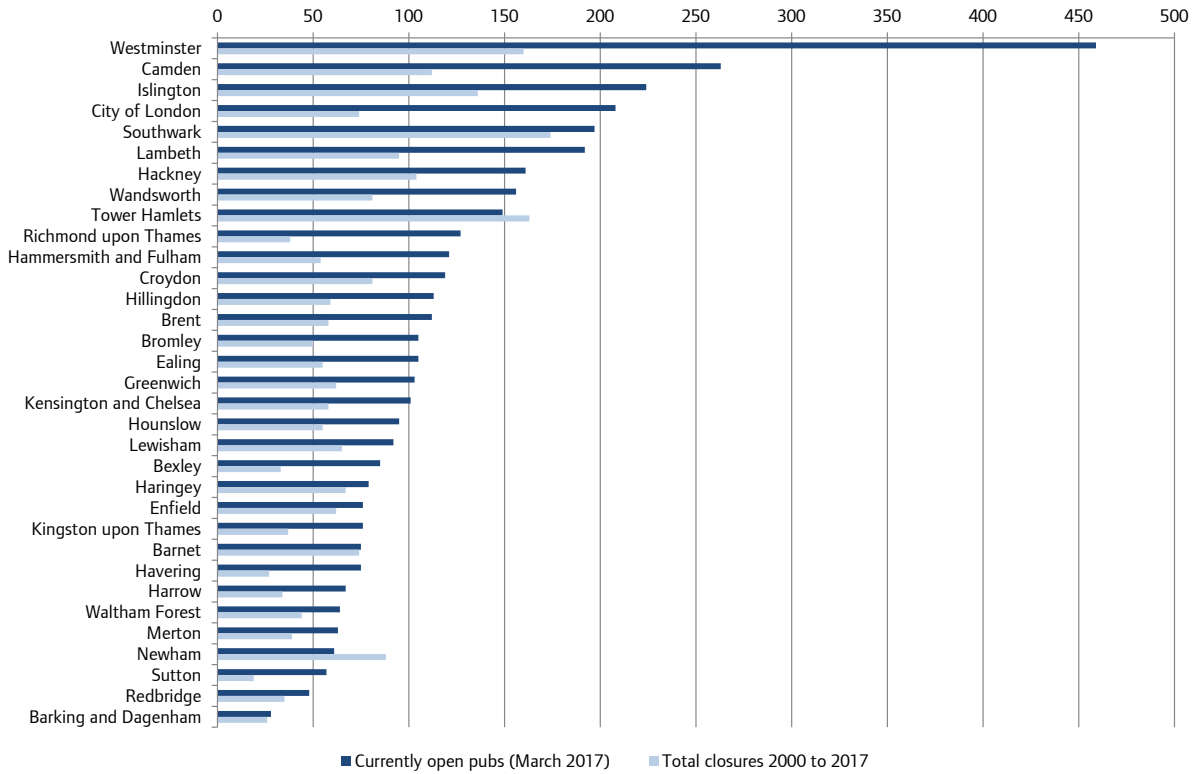
Map C: Total pub closures by ward, 2000 to 2017



To a large extent, the picture of closures simply shows the areas with the most pubs; it does not indicate a higher *rate* of closure per se. Therefore it is useful to place this geographical picture in some context. As outlined above, we cannot show net closures, or, with this dataset, closures as a percentage of the relevant historical pub population. As an alternative, Figure 8 compares the number of closures over the 17 year period to the number of pubs currently open in each borough. A few boroughs are notable. Westminster has few closures relative to its large current pub stock, whereas Newham, Tower Hamlets, Barnet and Southwark are boroughs with large numbers of closures relative to their size of pub stock.



**Figure 8: Number of pubs currently open (March 2017), and the number of pub closures over period 2000-17, by London borough. Boroughs are ordered by the number of current pubs**



Source: CAMRA, March 2017.

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