

Pubs and Brewing in Scotland



The Scottish pub plays a vital role at the heart of local communities across the country, providing numerous social benefits whilst also playing a major role in our economy, both locally and nationally. In today's world, amid the rapid growth of online retail and services, we are witnessing a significant reduction in community spaces for real-world interaction. Few communities haven't suffered the loss of a bank, post office or other facility which once played a central role in the area it served. The loss of these services highlights the importance of our pubs, and the need to protect and invest in the sector.

As a sector we face many challenges, from changing consumer habits, to recruitment shortages and the pressures posed by taxation that disadvantages our sector. We welcome, and indeed rely on the support of policy-makers to protect, promote and strengthen our industry, and hope that progress can be made this year on issues of pressing concern such as business rates reform. We also ask that any new regulations or legislation which might impact our sector be carefully considered, with the voice of the pub sector heard clearly in Holyrood and beyond.

We also stand ready to rise to these challenges ourselves as a sector, and are committed to ensuring that Scottish pubs can continue to innovate and adapt to deliver world class food and drink, in relaxed, welcoming and friendly environments. Some of the measures we are introducing to support Scottish pubs are outlined overleaf, and I would be delighted to discuss these with you in person.

Brian Davidson

Brian Davidson
President



FAST FACTS

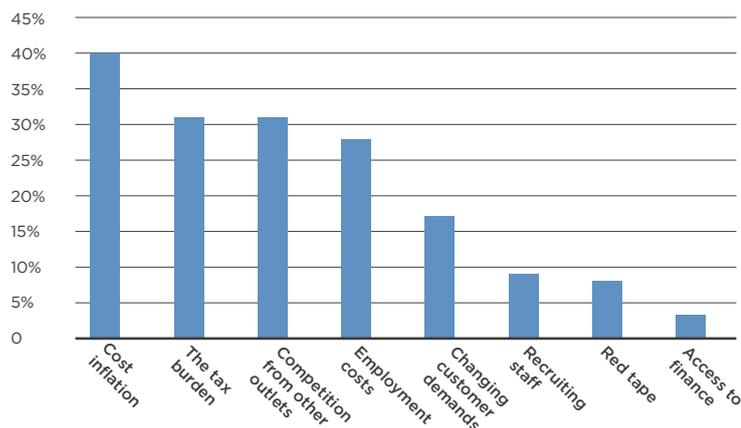
- 4,559 pubs**
- 132 independent breweries** compared to just 52 in 2011
- 52,000** people and support the employment of another **15,000**
- 49%** of people say their local is the social centre of their community
- £1.66 bn** overall contribution to the Scottish economy
- £780m** in wages
- £176 million** spent on capital investment per year
- £950 million** tax contribution
- 7 out of 10** people dine in a pub when they visit Scotland

Pubs under Pressure

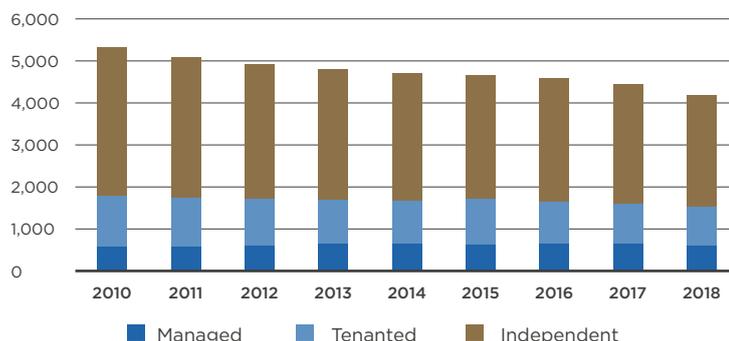
Challenges such as increasing wage costs and a greater tax burden, are among the key concerns for publicans identified in our forthcoming "State of the Nation" study of the pub industry in Scotland.

In recent years, the pubs sector has seen a significant increase in premises closing. In 2010 there were 5,304 pubs in Scotland with just 4,559 in 2018. This is a 14% fall in 8 years with an average of 1.8 pubs closing per week over this period.

BIGGEST ISSUE FACING PUB BUSINESSES



PUB NUMBERS BY TYPE IN SCOTLAND



Supporting Scotland's Pubs: Industry Initiatives



Over the course of the next year the SBPA and its members will be undertaking a range of initiatives to further develop and support the pub sector in Scotland, including:

1. STRENGTHENING AND PROMOTING TENANT RIGHTS THROUGH THE CREATION OF A SCOTTISH PUBS GOVERNING BODY

We commit to reviewing and promoting the industry-leading Scottish Code of Practice. Launched in 2016, it expanded on existing protections in place under a Code of Practice that had been in operation on a UK-wide basis for a number of years. It gives our tenants and lessees extensive rights, including access to Scottish arbitration panels and procedures where disputes arise, overseen by a newly created Scottish Pubs Governing Body. We will promote the Code and ensure all tenants are fully aware of their rights and are informed of these prior to signing new or extended contractual agreements and are regularly reminded about their rights through their Business Development Managers. We will continue to seek views from stakeholders on further enhancements.

2. SUPPORTING SCOTTISH COMMUNITIES

Pubs should be at the centre of community life and can provide essential local services which may struggle in the face of closing post offices and other services upon which communities depend. Subject to a firm business plan, we will encourage and provide funding towards 'Pub is the Hub' pilots in Scotland, where pubs host community services such as post offices, local shops, tourist information and other important local organisations and activities on their premises.

3. OFFERING TENANTS GREATER FLEXIBILITY TO SELL LOCAL BEERS & ALES

We commit to give our tenants more opportunity to sell locally-sourced cask ales and craft beer in tenanted and leased pubs, through a range of measures. We will continue to support the innovative Society of Independent Brewers Beerflex scheme, as well as providing tailored solutions to individual tenants. This will allow access to a broad range of Scottish beers and help to support independent Scottish brewers by providing routes to market. This will introduce even greater flexibility and choice to current and future tied pub agreements across the sector.

4. FUNDING THE RESEARCH AND PUBLICATION OF AN ANNUAL INDEPENDENT "STATE OF THE NATION" REPORT ON THE SCOTTISH PUB SECTOR

We commit to fund and publish an annual report into the Scottish Pub Sector, which will include up-to-date data and analysis of the key challenges facing licensees and businesses. This will offer real and valuable insight into the industry and identify emerging trends. This will be shared with policymakers and stakeholders for open discussion.

The Scottish Beer & Pub Association (SBPA) is the leading trade association for brewers and pub companies operating in Scotland. For more information about the work of the SBPA or to know more about the economic impact of pubs and brewing in your constituency/region, please contact:

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