

‘It’s going to get worse’: Pubs could be forced to close due to soaring energy prices

Energy price increases of more than 300% are in danger of forcing pubs and brewers across the UK out of business in the coming months, industry leaders have said.

Unlike domestic customers, who are facing an 80% increase in average bills in October, businesses operate without any sort of regulated price cap, with some pub owners saying they are struggling to even find suppliers willing to power their venues when contracts come up for renewal.

Now the bosses of six of the UK’s biggest pub and brewing companies have signed an open letter to the government urging it to act in order to avoid “real and serious irreversible” damage to the sector.

Greene King, JW Lees, Carlsberg Marston’s, Admiral Taverns, Drake & Morgan and St Austell Brewery want extra help for an industry also facing big increases in wholesale food and drink prices.

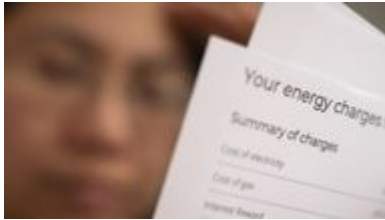
Nick Mackenzie, chief executive officer of 2,700-strong group Greene King, said one tenant has seen their energy bill jump £33,000 for the year.

He said: “While the government has introduced measures to help households cope with this spike in prices, businesses are having to face this alone, and it is only going to get worse come the autumn.

“Without immediate government intervention to support the sector, we could face the prospect of pubs being unable to pay their bills, jobs being lost and beloved locals across the

country forced to close their doors, meaning all the good work done to keep pubs open during the pandemic could be wasted.”

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The bosses, who sit on the board of British Beer and Pub Association (BBPA) have demanded the government implement an urgent support package that effectively caps the price of energy for businesses.

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A government spokesperson said: “No government can control the global factors pushing up the price of energy and other business costs, but we will continue to support the hospitality sector in navigating the months ahead.

“That includes providing a 50% business rates relief for businesses across the UK, freezing alcohol duty rates on beer, cider, wine and spirits and reducing employer national insurance.

“This is in addition to the billions in grants and loans offered throughout the pandemic.”