

Pubs may have to close for good without more energy bill support, industry bosses warn

Many pubs and breweries across the UK will be forced to shut their doors for good unless they receive further energy support, industry bosses have warned.

In a new report by Frontier Economics, produced for the British Beer and Pub Association (BBPA), calculations showed energy bills returning to their regular rate after the government's bill relief scheme ends in March would put pubs and brewers at a loss of 20% on average.

It showed energy costs are the biggest threat to their viability and "would be even more lethal" when the relief scheme ends.

This comes on top of cost inflation across other parts of their businesses, including on food and drink, key commodities and wages.



Gemma Gardener, who runs The York Hotel, a pub with rooms in Morecambe, said: “Not only are our energy bills extortionate, but our supplier has also added on extra unexpected charges outside our standard rates as well, from a £2,000 installation fee to doubling our daily hire charge unexpectedly.

“We have tried to switch suppliers but been rejected, and the only reason we’re able to keep going is because our pub company is helping us through.

“We’re struggling with our bills but so are our customers as well, and so we’re being squeezed at both ends.

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Emma McClarkin, chief executive of the BBPA, said: "A long-term guarantee that energy costs and contracts will be fair and reasonable come the spring cannot come soon enough for our pubs and brewers.

"This report demonstrates the unique position our sector finds itself in, vulnerable to cost inflation across the entirety of its supply chain and acutely conscious of declining consumer

confidence and wanting to avoid increasing prices for struggling customers.”

Sustained pressure

Tim Black, associate director in Frontier Economics’ retail and consumer, said: “Recent economic shocks of [COVID](#), Brexit and the war in Ukraine have put sustained pressure on businesses.

“Our analysis shows the pub & brewery sector is facing a combination of surging costs – primarily energy but also raw materials and wages – and falling demand, as consumers reduce their spending in the face of severe cost-of-living pressures.

“While there are different impacts across businesses and uncertainty on the outlook, the underlying economics of the sector makes absorbing these shocks incredibly difficult – and some firms will struggle to survive.”