RESTORING THE BRITISH PUB

MEASURES FOR PRESERVING THE HEART OF BRITAIN

RESTORE BRITAIN

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ACKNOWLEDGEMENTS

This paper draws from first-hand trade knowledge, recent industry reports, government announcements, parliamentary debates, and international comparisons.

We would like to thank Britain's hospitality industry, which is represented by a number of leading trade bodies: namely, UK Hospitality (UKH), the British Beer and Pub Association (BBPA), the British Institute of Innkeeping (BII), and the Institute of Hospitality.

Thanks to the following publicans, brewers, cider makers, and operators who helped with this paper:

Benjamin Burston, The Rising Sun Milland. Mark Bentham, The Bridge Inn at Michaelchurch & Escley. Meredith Williams, Verzon House, Ledbury.

Helen Thomas, Weston's Cider, Much Marcle.

Gratitude to our Restore Britain membership, who enable our work, and special thanks to those members harnessing our Policy Voter platform to make recommendations and suggestions on this important topic.

INTRODUCTION

Our Pubs are in danger. The heartbeat of Britain, they foster social cohesion, support local economies, and preserve the cultural heritage of the country itself. Those working in the industry provide far more than just pulling pints. Younger people learn social skills and have a true work ethic instilled within our hospitality sector. Pubs are the natural meeting point for the British. It is where we celebrate, commiserate, argue, laugh, and cry – a place of guaranteed shelter and company, wherever you are.

'When you have lost your Inns, drown your empty selves, for you will have lost the last of England'

- Hilaire Belloc 1912

Pubs are so much more than the social value they provide. The hospitality sector, which includes around 45,000 pubs, contributes over £93 billion annually to the British economy and employs 3.5 million people.[1] This is despite the fact that the sector groans under one of Europe's highest tax burdens, with alcohol duties among the world's steepest[2], combined with a 20% VAT rate on food and accommodation (compared to reduced rates ranging from 5-10% in Europe) and additional business rates based on often inflated property valuations. Ever-increasing employer National Insurance contributions are no help either.[3] This equates to £1 in every £3 taken over the bar going straight to the Treasury.[4] In other words, it is a financially tough time for our pubs, not even counting the additional challenges that they face. Fixed costs are elevated by soaring energy bills, mandatory pension contributions, rigid property leases with upward-only rent reviews, and compliance expenses like licensing and waste regulations, all leaving margins paper-thin if not on the cusp of vanishing altogether.

We are predicted to lose a pub a day, exacerbating rural isolation and the collapse of urban vibrancy.[5] What follows are our proposals for putting a stop to this tragic and unnecessary loss. In the long term, we would advocate for far more ambitious reforms, including abolishing business rates altogether, but what we present is a set of realistic policies that the Government could – and hopefully will – adopt.

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[1] See UK Hospitality: Facts and Stats
[2] See Insider Monkey: 20 Countries with Highest Beer Taxes in the World
[3] See PSUK: Employers' NIC increases from April 2025: What does it mean for you?
[4] See BII: Further tax pressures will result in 35% of pub operators having to close their doors
[5] See BBPA: Britain set to see a pub close every single day in 2025, BBPA warns

THE PERILOUS STATE OF HOSPITALITY

Before we start recommending solutions, it is vital to understand the six critical factors that best explain why our pubs find themselves in such a precarious position.

1. Pubs operate in large, often energy inefficient buildings that attract high property tax via National Non-domestic Rates (Business Rates).
2. VAT payments are disproportionately high compared to other forms of retail. Pubs are forced to charge 20% VAT on nearly all revenue streams, whether from food, non-alcoholic drinks, accommodation, or events. Unlike supermarkets, where most food is zero-rated (no VAT whatsoever), pubs cannot offset such costs with equivalent zero-rated inputs.
3. Lockdown-related debts are still being repaid.
4. Food and drink inflation has risen over 20% in recent years.[6]
5. Pubs need a high employee total to turnover rate, making the recent NI increases especially painful. Since April 2025, National Insurance contributions (NICs) have risen from 13.8% to 15%, and the NIC secondary threshold dropped from £9,100 to £5,000, meaning virtually all part-time staff are in scope for businesses to contribute NI. Together with the final blow of the minimum wage rising to £12.21 (an increase of 50% over the last five years), this has seen costs of employment soar.[7]
6. There is also a cost of energy crisis, which has a huge impact on profitability for the hospitality trade.

These last two issues are a severe challenge to the hospitality sector, but we acknowledge, of course, that they are affecting all businesses within Britain. As such, they call for urgent action, much of it to be undertaken on a national economic basis well beyond the remit of this paper.

The number of pub closures in Britain since 2000 is estimated at 15,800 to 16,000.[8] This represents a decline of approximately 25-35% in the total number of pubs,

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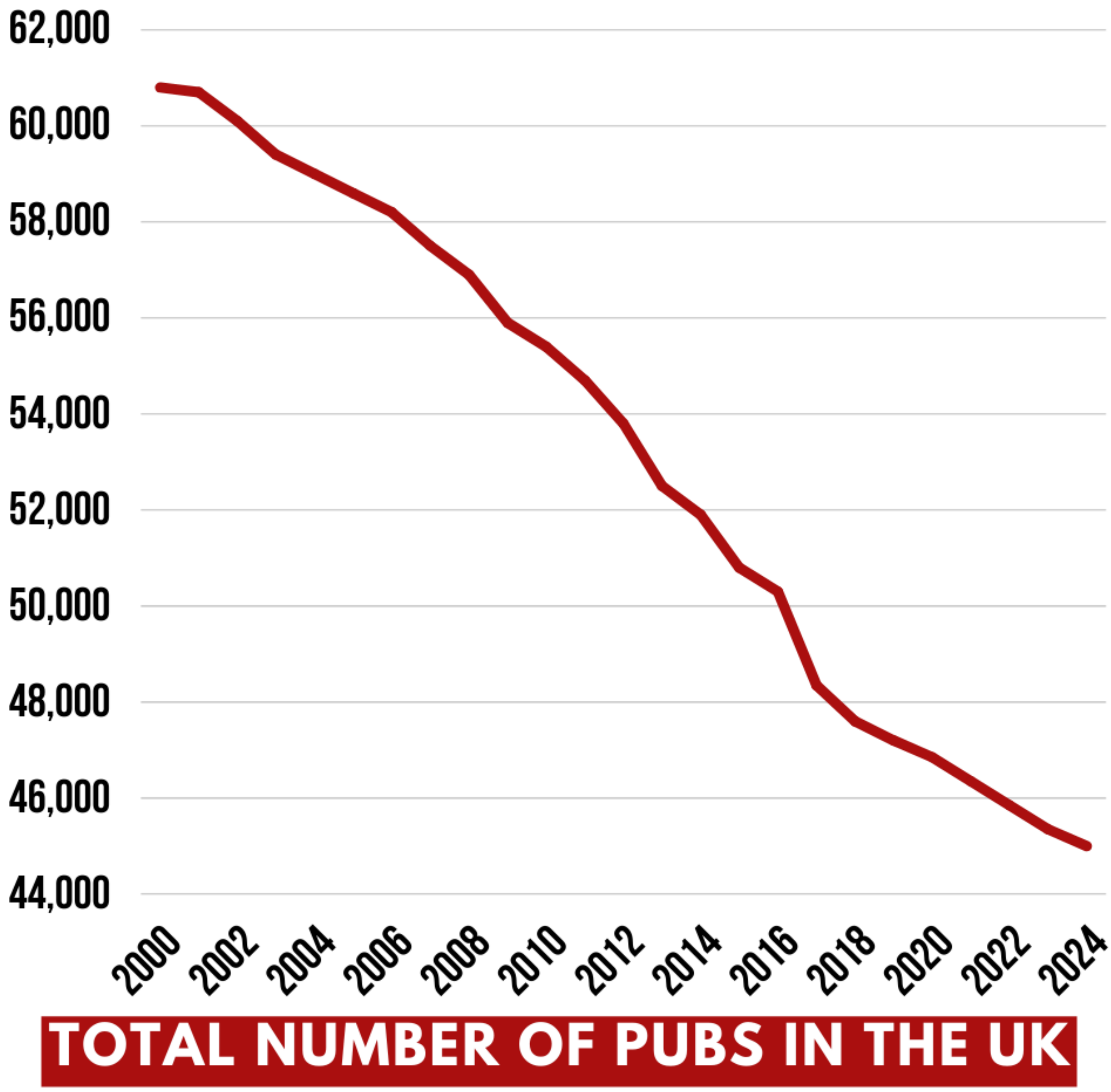
[6] See BII: Further tax pressures will result in 35% of pub operators having to close their doors
[7] See BII: Further tax pressures will result in 35% of pub operators having to close their doors
[8] See Morning Advertiser: See BII: Further tax pressures will result in 35% of pub operators having to close their doors

from around 60,800 in 2000 to about 44,000-45,000 by mid-2025.[9] Closures are defined as pubs that have been demolished, converted to serve other functions such as housing, or permanently vacated without reopening as a pub.



SOURCE: BRITISH BEER AND PUB ASSOCIATION

In answer to a written parliamentary question, submitted by Rupert Lowe MP, the Government confirmed that the Office for National Statistics (ONS) does not prepare figures specifically for pubs, but that 40,490 businesses in 'Beverage serving activities' have closed or rather been included in the 'Count of deaths of

[9] See BBPA: Pubs & Breweries in Numbers

enterprises' between 2014-2023.[10] What an unfortunate, though alas appropriate, phrase.

The count of business deaths in the 'Accommodation and Food Services' group for Q1 2017 to Q2 2025 numbers a staggering 211,950.

The breakdown of data concerning hospitality makes for grim reading:

Net Closures between 2000-2024 stood at 15,800, per BBPA data compiled in a May 2025 Morning Advertiser report. This accounts for both closures and any limited openings, resulting in a net loss of over a third of pubs.

There are alternative estimates showing more than 13,000 closures since 2000 (Company Debt report, August 2024), representing about a quarter of pubs lost.[11]

Some report more than 13,600 closures from 2000 to 2019 (BBPA, cited in House of Commons Library briefing, updated April 2025).[12]

In London alone, pub numbers have fallen from 4,455 in 2004 to 3,535 in 2024.[13]

The BBPA's 15,800 figure is the most comprehensive for all of Britain because it aggregates annual data. Recent years have seen:

2024: 412 closures in England and Wales.[14]

2023: 509 closures nationwide.[15]

2020-2025: Over 2,283 closures in England and Wales since 2020.[16]

Whoever compiles the data, the trends are unambiguous, and the news for one of Britain's finest traditions is grim.

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[10] See Written Question UIN 74479
[11] See The Insolvency Service: Company Insolvency Statistics, August 2024
[12] See House of Commons Library: Pub Statistics
[13] See SWLondoner: A thousand London pubs have closed in the last 20 years
[14] See Western Morning News: More than 400 pubs in England and Wales have either shut down or been repurposed over the past year, taking the total number below 39,000 for the first time.
[15] See The Caterer: BBPA reports over 500 pub closures in 2023
[16] See Sky News: More than 200 pub closures in six months in 'heartbreaking' trend, figures show

PUB CLOSURES: KEY YEARS[17]

Year	Pubs at Start of Year	Closures	Notes
2000	60,800	~100 (to 60,700 in 2001)	Lowest annual closures in the period.
2015	51,900	1,100	Decline due to early cost pressures.
2017	50,300	1,950	Highest annual closures; 4% drop.
2023	45,306	509	Post-COVID acceleration.
2024	~44,800	~500 (est. UK-wide)	34-50 per month in England/Wales.
2025 (H1)	~44,300	~209 (England/Wales)	8 per week; ongoing trend.

The above figures focus on permanent closures and exclude temporary shutdowns, but fail to capture all individual site closures (chain pubs).

This decline has disproportionately affected independent and rural pubs, which if anything are the most important in terms of fostering social cohesion and enriching the fabric of our nation. The loss of the village pub also has a devastating impact on our enchanting local communities.

For the pubs that remain, there are now extreme pressures that the recent UK Hospitality survey[18] has shown:

- 1/3 of all hospitality outlets are now operating at a loss.
- 3/4 (76%) have had to increase prices.
- 2/3 (63%) have reduced the hours available to staff.
- 1/3 of businesses are restricting opening hours.
- 4/10 have reduced investment.

It is clear that continued closures at this rate will annihilate a unique industry, so vital to Britain's flourishing and sense of herself.

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[17] See BBPA: Pubs & Breweries in Numbers
[18] See UK Hospitality: #TaxedOut – Budget 2025

The latest budget was presented by the Chancellor of the Exchequer, Rachel Reeves MP, as one that promised to assist the sector, but the very opposite is true. Taken together, the various changes mean that the typical community pub will see a 30% rise in rateable value and the loss of the 40% relief. Average bills are set to rise by 63% to around £6000 a year.[19]

Immediate support is needed if we are to save Britain's pubs.

[19] See Morning Advertiser: BBPA demands pub-specific biz rates relief to prevent closures

RESTORE BRITAIN'S POLICY PROPOSALS

Outlined below are Restore Britain's headline policy proposals, each devoted to addressing the many challenges identified above.

BUSINESS RATES MULTIPLIER TO BE SET AT 30P WITH AN ADDITIONAL RURAL HERITAGE EXEMPTION (I)

National non-domestic rates (NNDR) or business rates are a tax levied on most commercial and industrial properties in England (with similar but devolved systems in Scotland, Wales, and Northern Ireland). The tax is calculated by multiplying a property's rateable value (RV) – an estimate of its open market rental value – by a national multiplier set annually by the government (49.9p for small businesses with a RV under £51,000 and 54.6p for standard properties in 2024/25, rising to 55.5p in 2025/26).[20] Reliefs and discounts reduce the liability, and hospitality businesses typically qualify under the Retail, Hospitality, and Leisure (RHL) scheme. Business rates cost pubs on average £9,451.[21] A total of £490 million, up to double that of supermarkets per sq ft.

Since November 2023, hospitality businesses have benefitted from a 75% reduction in their business rates, capped at £110,000 per business. This relief, however, was always temporary, and it was later reduced to 40%. [22]

The government is introducing major changes to business rates in England. From 1 April 2026, the temporary 40% Retail, Hospitality and Leisure (RHL) relief (capped at £110,000 per business in 2025/26) comes to an end. It is due to be replaced by permanently lower multipliers for eligible RHL properties (including most pubs) with a rateable value (RV) under £500,000:

- Small RHL multiplier: 38.2p (for RV below £51,000).
- Standard RHL multiplier: 43.0p (for RV £51,000–£500,000).

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[20] See National Non-domestic rates
[21] See Morning Advertiser: Average biz rates for pubs to climb 140% in matter of days
[22] See IFA: What does the business rate relief cut mean for retail and hospitality?

This is funded by a higher multiplier (50.8p) on properties over £500,000 RV.[23]

These changes in the budget, sold to the public as ones that would not damage but *support* hospitality, have been widely criticised by the trade. Analysis prepared for UK Hospitality[24] shows that, for businesses with a rateable value lower than £51k, there will be sharp rises over the next 3 years:

26/27- up £38.6m- 13% rise.

27/28- up £110.6m- 38% rise.

28/29- up £168.5m- 58% rise.

Even with the reduced multiplier, business rates will increase by 76% for the average pub and 115% for the average hotel over three years. This falls dramatically to just 16% for distribution warehouses, used by online giants, and 4% for large supermarkets. As the report rightly points out, *"this outcome is totally contrary to the Government's manifesto commitment"* to level the playing field between the high street and online giants.

It would seem that the small independents have been forced to feel the brunt. Given that the average community pub now faces a 30% increase in Rateable Value (RV) and the loss of the vital 40% relief, this revaluation will mean a 63% rise in bills, roughly £6,000 more each year.[25] Some pubs have already seen their RVs double or even triple.

UK Hospitality has called for urgent action by increasing the business rates discount for hospitality to the full 20p permitted in current legislation, and to commit to delaying the business rates revaluation levels for hospitality businesses, and so freeze them at 2023 levels.

[23] See House of Commons Library: Business rates: the 2026 revaluation
[24] See UK Hospitality: Business rates rises to cost small hospitality businesses £318m
[25] See BBPA: British Beer and Pub Association demands pub-specific relief to save Britain's beloved locals and thousands of jobs

We spoke to BBPA CEO Emma McClarkin, who said:

"This Budget left publicans petrified and many fearing there is no way they can survive these sky-high bill increases or keep their home. The situation is so grave that it requires immediate action as the very existence of thousands of pubs is at stake. Without urgent intervention, communities will lose their pubs at an alarming rate and take with them livelihoods and jobs. A 30% pub-specific relief is the simplest, fairest and fastest way to protect Britain's locals."

We also spoke to a leading regional brewer with a small pub estate, who said:

"There must be a moratorium on any business rate rises until they can confirm a fairer system. They haven't thought this through, especially with regard to rateable values, either that or its a deliberate attack on our sector. Pubs were just not expecting this; it's not the overhaul we were looking for, they are just making it far, far worse. There will be devastation of the pub industry in 2026 if these rates changes come in."

The Chancellor has tried to package the changes announced in her budget as helpful to the industry, but nothing could be further from the truth. Restore Britain therefore calls on the government to reinstate the 40% relief and freeze the implementation of the rateable value changes.

TIERED VAT REDUCTION TO 12.5% FOR PUBS AND RESTAURANTS (WITH COMMUNITY EVENT INCENTIVES) (II)

Britain's current VAT rate is the third highest in the world, pricing out lower-income patrons and stifling spending.[26] There is absolute support from UK Trade Bodies to reduce VAT in hospitality. This would be easy to implement and was shown to work during the response to Sars-Cov-2 when 5% and 12.5% rates were introduced.[27]

Restore Britain supports the immediate reduction of VAT from 20% to 12.5% on all hospitality sales.

We spoke to Steven Alton, the CEO of the British Institute of Innkeeping, who said:

"It's the number one support that Government must implement. It will have a quantum of impact and provide the immediate shot in the arm the sector desperately needs. We have shown such resilience to get this far and the strength of the recovery post Covid shows that we can be the driver of the growth the Government says it wants to see."

There is proven evidence from our European neighbours that such a policy promises to work wonders.[28] We might also explore the possibility of tying the relief in question to community credits. This would see pubs rewarded with rebates for hosting local events, from quizzes to charity nights, to be verified via a simple app. The aim would be to revive local cohesion and stimulate social life, as France does by awarding tax credits to cafés that put on cultural events.

Working with UK Hospitality, the Campaign to Cut Hospitality & Tourism VAT prepared a thorough analysis[29] in 2022 to illustrate the benefits of a 12.5% rate:

- Jobs created over five years: 182,400.
- Jobs created over ten years: 286,850.
- Additional turnover over five years: £4.9 billion.

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[26] See UK Hospitality: Delivering growth – the impact of a reduced rate of VAT for the hospitality sector
[27] See HMRC: VAT: reduced rate for hospitality, holiday accommodation and attractions
[28] See Food Drink Europe: Temporarily reduced VAT rates for hospitality services
[29] See UK Hospitality: Impact of reduced VAT on UK hospitality & tourism - February 2022

- Additional turnover over ten years: £7.7 billion.
- Years before the British government can expect positive returns on its investment: fewer than five years.
- Net present value of fiscal gains for HM Treasury over ten years: £4.6 billion.

Our proposed cut would make pub visits more affordable, increasing footfall and saving jobs. A reduced rate will also incentivise Britons to holiday in their national home more frequently and help balance our £32bn holiday deficit.[30] Pub landlords like Mark Bentham, who runs The Bridge Inn at Michaelchurch & Escley, Herefordshire, agree. In our interview with him, he said:

"All areas of taxation need to be thoroughly reviewed with regard to hospitality; we just can't continue as things are. Rates, the cost of employment and duty have to be addressed, but an immediate vat reduction for all hospitality sales is essential if we are to survive the next 12 months. We wholly support the work of Restore Britain; we must save Britain's Pubs and quickly."

[30] See UK Hospitality: Delivering growth – the impact of a reduced rate of VAT for the hospitality sector

FREEZE AND REFORM ALCOHOL DUTIES FOR DRAUGHT PRODUCTS (WITH SMALL PRODUCER RELIEF BOOST) (IIs)

Alcohol duty is an excise tax on alcoholic drinks over 1.2% ABV, reformed in August 2023 to charge progressively higher rates based on alcohol by volume strength (higher ABV means higher duty). Rates are set per litre of pure alcohol (LPA) and uprated annually by Retail Prices Index (RPI) on 1 February (3.6% increase in 2025). The system applies across production, importation, and warehousing, with duties paid by producers and importers but passed through the supply chain on to retailers.

Draught Relief was introduced by the Treasury in August 2023 with a 9.2% rate. Restore Britain supports the SIBA proposal to increase this discount to at least 20%. SIBA research suggests this could create an extra 2,251 jobs and result in a £70 million boost to the economy.[31]

An increase to 50%, meanwhile, could result in 8,584 extra FTE jobs, a £265m boost to the economy, 70m extra pints sold, £150m from increased taxes, and £132m in employee compensation.[32]

New research by the Centre for Economics and Business Research (CEBR) shows that a 20% Draught Relief could create 2,251 additional full-time equivalent (FTE) jobs, see a £70m increase to the economy, £34m in additional employee compensation, and raise £39m for the Treasury.[33]

This would protect the 'pint culture' responsible for so much of what remains of our national cohesion, with draught sales (94.1% of all beer volumes in 2023) seeing direct savings.[34] Small producer relief has already helped small-scale breweries; to expand it further would counter import competition and foster a 'buy British' approach.

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[31] See SIBA: MAKE IT 20%: EXPAND THE DRAUGHT DUTY RELIEF TO 20% OR MORE
[32] See SIBA: MAKE IT 20%: EXPAND THE DRAUGHT DUTY RELIEF TO 20% OR MORE
[33] See SIBA: New research shows that reducing duty on draught beer could create over 8,000 new jobs
[34] See BeerToday: Key trends in on-trade beer sales

EXTENDING THE ENTERPRISE INVESTMENT SCHEME TO SUPPORT CLOSED AND FAILING PUBS (III)

The Enterprise Investment Scheme (EIS) is a government initiative that allows investors to claim up to 30% income tax relief on EIS investments.[35] This scheme provides an incentive for risk-takers to embrace some of the hazards normally associated with funding small companies. The maximum investment that investors can claim relief on in a single tax year is £1 million, which adds up to £300,000 of income tax relief. In order to qualify, an investor must retain shares in the company for three years. The Seed Enterprise Investment Scheme (SEIS) allows for relief of up to 50%, with a current limit up to £200,000 per year.[36]

As a way of incentivising private investment in closed or financially distressed British pubs, the EIS scheme should be extended to include currently operating hospitality businesses, thus supporting the hospitality sector's recovery and preserving community assets.

Special eligibility criteria should be set to pubs closed within three years or at imminent risk of closure (operating at a loss for 2+ years, which can be verified by financial statements). Other than that, the same EIS prerequisites for qualification should continue to apply: fewer than 250 employees, fewer than £15m in gross assets, and unlisted company status.

Last of all, these funds should be used for reopening, refurbishment, or business model innovation (adding food services, community events), not solely for debt repayment or asset purchase.

There is every reason to prioritise rural and underserved areas.

TAX RELIEF STRUCTURE

The EIS scheme attracts income tax relief of 30% of the investment, up to £1m per investor annually (£2m for knowledge-intensive models, if applicable).

[35] See HMRC: Apply to use the Enterprise Investment Scheme to raise money for your company
[36] See HMRC: VCM31130 - SEIS: income tax relief: introduction: form and amount of SEIS income tax relief

There is no CGT on gains after 3 years; loss relief can be claimed against income tax and the scheme could be run for as long as 15 years with review periods.

The policy would be administered by HMRC, making use of existing EIS processes with added pub-specific verification as mentioned.

There would be safeguards in place and anti-abuse rules to prevent gaming of the system, such as artificial closure to qualify. A three-year trading requirement post-investment should be stipulated.

This policy would have negligible administrative costs, but it would offer great opportunities via angel-type investors and locals who want to help their local pub survive and preserve vital community hubs and historic sites.

SUPERCHARGE BRITAIN'S PRODUCERS - NATIONWIDE 'BUY BRITISH' SCHEME (IV)

The state of Britain's pubs is also bound to be improved by a duty reduction for all small-scale alcohol producers, including breweries, cider makers, distilleries, wineries, and the like.

Such a discount would benefit producers supplying small-scale products to British hospitality outlets. This expands beyond the previous focus on draught relief by making all British-made packaged alcohol, sold to hospitality, eligible for scaled relief, leading to lower prices for British products.

Britain's existing Small Producer Relief (SPR) threshold of less than 4,500 hectolitres (hl) of pure alcohol per year should be used.[37] This aligns with the current policy for products under 8.5% ABV. So should a tapered discount similar to current SPR, starting at up to 50% for the smallest producers and phasing out as production nears the threshold. This is consistent with the prior brewery-focused costing. For higher-ABV products not currently covered, this would be a new extension.

Such a policy would support Britain's craft alcohol sector amid huge challenges like rising costs, closures, and competition. It would be a boon to the unique British offerings that our pubs love to serve. Given that small producers are often located in rural areas, it would also help British orchards (cider) and British barley farms (beer/spirits).

Last of all, it would lower supply costs for local products and may stimulate a revival of traditional British crafts. Alas, there has been a 90% decline in orchards, for instance, since the end of the Second World War.[38]

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[37] See HMRC: Check if you're eligible for Small Producer Relief on Alcohol Duty
[38] See Food Ingredients First: Cider makers call on UK government to save declining orchards

NATIONAL INSURANCE THRESHOLD LIFT (V)

The rise in Employer NIC has done dramatic damage to all British businesses, but among the worst affected is the hospitality sector.

NI changes added £3.4bn sector-wide costs in 2025, leading to 84,000 job losses by August 2025.[39] The hospitality sector could lose a further 100,000 workers as a result of the 2025 Autumn Budget.[40] A typical hospitality worker, aged 21 or older, earning the National Living Wage and working 38 hours per week, would see their employers' National Insurance Contribution rise 53.9% from £1,863 to £2,869.[41]

Drastic remedial action is needed. We propose that the government should immediately raise the NI threshold for hospitality staff from £5000 to £15,000, in effect reversing the recent employer hikes.

Hospitality also suffers under the current non-annualised NIC payment system. A seasonal worker who does just 40 hours a week over the summer holidays would have their NIC calculated as though they were earning throughout the year. No adjustments are made to account for the irregular nature of seasonal or otherwise flexible work. Making NIC annualised, as is the case with PAYE, would be a much fairer way of calculating it.

Hospitality has always been an accessible job market to young people and those who have been out of work for long periods. To help with rising joblessness figures, employers should be offered an NIC holiday of one year when hiring someone who is currently out of work or on benefits.

We spoke to Kate Nichols, CEO of UK Hospitality:

"Between 2010-2020 the hospitality industry grew 5% a year, generating 1 in 5 new jobs; 1 in 3 if you were between 18-24. It spent £10 billion a year on capital expenditure in the high street. We can be the driver of growth this country so badly needs."

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[39] See CLH News: Hospitality Sector Bears Brunt of Job Losses as Wage Costs Bite
[40] See BBC: Hospitality sector could shed 100,000 more jobs, trade body warns
[41] See UK Hospitality: Budget to increase cost of full-time employment by at least £2,500 per person

STRONGER INCENTIVES FOR HOSPITALITY APPRENTICESHIP SCHEMES (Vs)

Hospitality apprenticeships, including those in pubs and restaurants, are a vital tool for building skills in a sector suffering the stresses of staff shortages, not to mention the challenging staff turnover rate of 38.7% that the trade faces each year.[42]

Given such difficulties, hospitality businesses that invest time and energy into training apprentices should be rewarded.

Current schemes, funded via the Apprenticeship Levy (0.5% on payrolls over £3 million), offer standards like Level 2 Hospitality Team Member or Level 3 Chef, with the government covering 95-100% of training costs for small employers (under 50 staff) and full funding for under-21s from April 2024.[43] Completion rates hover around 50-60% nationally, with a government target of 67% by 2025, though hospitality often lags due to shift work and low pay.[44]

To adjust this for hospitality, we recommend the following:

- Introduce targeted incentives for completion (A) and long-term retention (B), focusing on local employers (SMEs with <250 staff, which make up most British pubs). This would be in addition to the 2025 updates (C) like the Growth and Skills Levy.[45]
- Introduce shorter durations (from 12 to 8 months minimum from August 2025), making schemes more accessible.
- To stimulate the apprenticeship scheme, the age limit of 25 should be altered to allow those of any age to qualify.

These tweaks will boost completion and retention and thereby keep newly trained, skilled staff of all ages working in local pubs.

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[42] See HR Datahub: Average Employee Turnover Rate by Industry
[43] See Department for Education: How are apprenticeships funded and what is the apprenticeship levy?
[44] See FEWeek: Apprenticeship achievement rate hits 60.5%
[45] See Ascento: What Employers Need to Know About the 2025 Growth and Skills Levy

COMPLETION REWARDS: DUAL BONUSES FOR APPRENTICE AND EMPLOYER

Upon successful completion (passing end-point assessment), provide a £1,500 one-time bonus to the apprentice (tax-free, via direct payment or student loan offset) and a £1,000 grant or tax credit to the employer. Tie to hospitality-specific standards (Levels 2-5), with bonuses scaled by level (+£500 for Level 4+). For pubs, add a 'community endorsement' requirement, like mentoring sessions verified by local groups (CAMRA/Licensing dept).

Low completion rates stem from financial pressures. Bonuses incentivise persistence. This we see in Australia, where full-time apprentices are eligible for $5,000 over 2 years in government payments and employers are eligible for up to $15,000 over 3 years, based on how much the apprentice is paid.[46]

Employers gain from productive staff while apprentices receive immediate rewards, improving mutual happiness in a low-wage sector. This supports pub vitality by upskilling for roles like bar management.

This could be administered via DfE's apprenticeship service, with digital tracking. There should first be a pilot in 2026 for 5,000 hospitality businesses.

RETENTION INCENTIVE: LOYALTY BONUS FOR LOCAL EMPLOYER STAY

After completion, offer a shared £2,500 'loyalty bonus' (split £1,500 to apprentice, £1,000 to employer) if the apprentice remains with the same local SME employer for 2 years. Verify via HMRC payroll data. For pubs, bonus ties to 'local impact' metrics (hosting community events/clubs/societies), with an extra £500 if in rural/deprived areas. If the apprentice leaves early, claw back pro-rata.

Hospitality retention is 65% post-apprenticeship, but can be higher with incentives.[47] This encourages loyalty in local pubs, reducing poaching by chains and maximising the unbroken familiarity of customers with their servers in community hubs.

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[46] See Emspire Advisory: Changes to Australian Apprenticeship Incentive Scheme Payment

[47] See Lifetime Training: Improving retention rates with apprenticeships

This policy can be integrated into the existing Levy system, with automatic HMRC checks at the 2-year mark. Launch with Hospitality Apprenticeships Week 2026 pilots, targeting 2,000 pub roles.

This proposal could be linked to further NI rebates for pubs hiring aged apprentices into management roles.

UPDATE THE PRIORITY SECTORS THAT CAN CLAIM TRAINING COSTS FROM THE APPRENTICESHIP LEVY

Commencing from April 2026, the Apprenticeship Levy is due to be renamed the Growth and Skills Levy. The strategy pledges to create a "strong pipeline" of trained workers for eight priority sectors:

- Advanced manufacturing
- Creative industries
- Clean energy
- Digital and technologies
- Business and professional services
- Life sciences
- Financial services
- Defence

Only businesses within these sectors, then, are free to avail themselves of the new Levy's training allocation perks.

We call for hospitality to be included in this core industry list, so that pubs can access the same revenue streams for vital training. Hospitality is the gateway to employment for so many. The Levy's eight priority sectors were selected with an eye to driving exports, but our need to turn around our internal economy, here at home, simply cannot be ignored.

ENERGY EFFICIENCY (VI)

In 2023, Britain reported the highest electricity prices for industrial users out of the 24 countries reporting to the International Energy Association.[48] The prohibitive cost of power in this country is a direct consequence of the Net Zero fixation pursued by recent governments. Of course, that problem lies well outside the scope of this paper. Nevertheless, drastic action is required to turn Britain, once again, into an energy powerhouse. At Restore Britain, we hope to give the matter extended treatment in future.

[48] See ONS: The impact of higher energy costs on UK businesses: 2021 to 2024

UPDATE LICENSING ACT 2003 - ALLOW REGISTERED VENUES TO SERVE 16-YEAR-OLDS (VII)

Under the Licensing Act (2003), someone aged 16 or 17 can drink (but not buy) beer, wine, or cider with a meal at a licensed premises.[49] The sale must be made by an adult, and there must be an adult present at the table (except in Northern Ireland).

We propose allowing venues to apply for a variation to their licence that would allow them to serve <4% abv draft products to 16-year-olds unaccompanied by an adult. Limits should of course be applied to the number of drinks per visit.

This policy would foster safe meeting places for youngsters at a time when there is a dire need for social cohesion. Rural teens would bond with locals and supervised city pubs are better than alleyways. Interaction with older customers and staff would build confidence.

The scheme should be promoted as a 'Youth Pint Pact' encouraging responsible, controlled, pro-social drinking, all while giving pubs themselves an additional customer base.

Local Authority Licensing Departments can issue approval and confirm venue suitability with updated requirements/training course for the Designated Premises Supervisor (DPS) on a yearly basis, tied to the current annual purchase of the property license.

Any attempts, as is being reported, to enforce even stricter drink-driving rules must also be resisted. Further curtailments would put an end to the rural pub, which are often impossible to reach without a car.

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[49] See DrinkAware: The law on alcohol and under-18s

CLEAR LABELLING OF ALL MEAT SERVED (VIII)

The hospitality industry has a patriotic responsibility to support British farming.

Pubs and farms are intertwined across the country and have been for centuries. The standard of husbandry on British farms is second to none and British farmers produce some of the finest meat in the world. Part of that quality comes from the use of humane stunning at dispatch.

As more comes to light about the use of non-stun slaughter in Britain, it is vital that the hospitality trade demands clear labelling of all meats used so that the consumer can see how the animal was processed.

CONCLUSION

Our paper, *Restoring the British Pub*, notes the tragic decline of Britain's once-bustling pub culture, so core to our community life, local variety, and national heritage. Since 2000, an alarming number of pubs have closed, disproportionately hitting rural and independent venues. This problem has only been exacerbated by recent Budget changes.

Among the worst pressures are disproportionate business rates and VAT (20% against lower EU rates), steep alcohol duties, rigid leases, and state-aggravated employment costs. Recent surveys show many hospitality outlets to be operating at a loss, in large part due to widespread price hikes, reduced hours, and curtailed investment.

In an ideal world, we would go further, abolishing business rates altogether and much more. But what we have presented is a set of realistic policies that the current Government could, and hopefully will, adopt.

To prevent further losses and foster something of a renewal, the paper proposes the following targeted policies:

- Business Rates Reform: Reinstate 40% relief, freeze rateable value increases, or introduce a 30p multiplier with rural exemptions to counter sharp rises.
- VAT Reduction: Tiered cut to 12.5% for hospitality sales, with incentives for community events; proven to boost jobs, turnover, and Treasury returns long-term.
- Alcohol Duty Reforms: Freeze/uprate draught relief (to 20-50%) and expand small producer relief to support British craft products.
- Investment Incentives: Extend Enterprise Investment Scheme (EIS) tax relief to distressed/closed pubs for reopening and refurbishment.
- Employment Support: Raise the NI threshold to £15,000 for hospitality, annualise calculations, and offer NIC holidays for hiring from benefits.
- Enhance apprenticeships with completion/retention bonuses, shorter durations, no age limits, and include hospitality in the Growth and Skills Levy priorities.

- Energy: Drastic action is suggested on energy, which will be covered in a further policy proposal by Restore Britain
- Licensing Update: Allow licensed pubs to serve low-ABV draught to 16-17 year olds (with limits) in supervised settings to foster responsible social habits.
- Meat Labelling: Mandate clear labelling of slaughter methods (e.g., stun vs. non-stun) to support British farming standards and informed consumer choice.

The British state cannot be allowed to go on making life harder for the British publican. If anything, it should honour these priceless institutions. Without pubs, this island home of ours would be far poorer.