

# THE IMPORTANCE OF PUBS IN SHAPING COMMUNITY COHESION AND SOCIAL WELLBEING IN RURAL AREAS OF ENGLAND

Final report prepared for the  
British Academy\*

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# THE IMPORTANCE OF PUBS IN SHAPING COMMUNITY COHESION AND SOCIAL WELLBEING IN RURAL AREAS OF ENGLAND

## EXECUTIVE SUMMARY

1. This report documents the findings of research conducted on the impact of pubs on the levels of community cohesion and social wellbeing in rural areas of England. By using data gathered from secondary sources and interviews with representatives of the beer and pub industry, the study measures the effects generated by pubs on social engagement and involvement within rural parishes of the country.
2. Pubs in England and the UK have experienced a significant decline in the past two decades, with many businesses closing every year at a depressing rate. The decline appears to have been even more significant in the period between 2008 and 2013, possibly as a consequence of the recent financial crisis.
3. The decline of pubs can be explained by a variety of causes and factors that affected, and still affect, the pub sector since the introduction of the Beer Orders by Parliament in 1989, which brought a separation between pubs and breweries that traditionally owned them. The Beer Orders also determined the rise of pub-chains mainly dedicated to retail, known as pubcos. Nowadays, pubcos still have a significant presence in the pub industry and run pubs as solely profit-focused businesses.
4. The changes in the ownership structure, which saw a sharp decrease in the number of privately or family managed pubs, brought changes in the marketing strategies pursued by pubs with regard to customers. Many pubs ceased their traditional beer-oriented vocation and started to develop into different types of businesses.
5. A constant decrease in alcohol prices in off-licenses and supermarkets as well as the significant expansion of home-based entertainment devices has also had an impact on customers' choice and on the attractiveness of pub nights.
6. These factors are even more significant in explaining the decline of pubs in rural areas. Rural pubs usually serve smaller catchment areas compared to urban pubs, and are further penalised by spatial remoteness and reduced availability of transport services, which magnify the effects of drinking and driving regulations.
7. Many village and rural pubs tried to react by expanding their offer and focusing upon the provision of good quality food and local beers. This variation has indeed permitted the survival of several businesses in the countryside, but has also altered their target customer, by attracting more tourists and occasional visitors than villagers and local residents.
8. This study focused on pubs operating in rural parishes in England, defined as communities or parishes with no more than 3,000 individuals, situated at least five miles (or 10 minutes' drive) from towns or larger parishes counting 5,000 inhabitants or more. According to this definition, 2,769 out of a total 10,457 parishes in England (about 27%) were selected for the study.
9. Data related to services, facilities and amenities available for the study were gathered from datasets supplied from the Survey of Rural Services (SRS), conducted by the Countryside Agency in 2000. Information related to population and other socio-economic indicators, such as size of population, employment and levels of qualification were extracted by the 2001 Census. This exercise generated a dataset related to a population of 1.72 million and comprising about 175 variables.

10. Since the SRS ceased in 2000, and the Countryside Agency was disbanded in 2009, the authors identified seven local authorities, in which the collection of data across rural parishes was conducted between 2009 and 2011 by using the SRS questionnaire as a platform. As a result, a smaller dataset comprising information about 293 rural parishes was compiled and used for the longitudinal analysis, incorporating information from the 2011 Census.
11. An index encompassing three main aspects, including: civic engagement, volunteering activities, and leisure activities, was created and used as a proxy for socio-economic activity. The authors investigate the hypothesis of whether the presence of pubs in rural areas is linked to higher levels of socio-economic activity first in Northern England, where the majority of rural parishes were concentrated, and then in England.
12. Results of the linear and multivariate estimation models for the composite dimensions of community cohesion, identified as proxies for social cohesion and infrastructure endowment respectively, confirmed that the presence of pubs is positively and significantly associated with both dimensions of community cohesion used in this study.
13. In particular, models highlighted a high degree of complementarity between the presence of pubs and social events and activities occurring in the parishes. In contrast, a weaker relationship was found between pubs and infrastructure endowment. This suggests that pubs are more strongly aligned with promoting social aggregation through community events e.g. a local rugby or football match, than those merely associated with the presence of infrastructure e.g. presence of sport halls.
14. Results were confirmed for parishes in both the macro-areas examined (Northern England and England). Interestingly, parishes characterised by a lower number of pubs showed lower levels of community cohesion. However, while a general trend towards a higher number of pubs and higher levels of community cohesion seems to rise from the analysis, the dynamics regarding an optimal number of pubs remain unclear.
15. The presence of community infrastructure was also found to be positively and significantly associated with pubs, although not in all cases. This finding can be attributed to the fact that community infrastructure is more likely to experience time lagged effects due to endogenous factors.
16. The longitudinal analysis, conducted on a small sub-set of parishes whose data were collected in two distinct time periods (2000 and 2010), confirmed that the positive association between pubs and levels community cohesion and well-being expressed in the areas examined is maintained over time.
17. The authors conducted ten interviews with representatives from the British beer and pub industry (4), small businesses (3) and policymakers (3). The interviews served to explore the outcomes of the econometric analysis and to further examine issues affecting the pub industry with regard to the decline of rural pubs in England.
18. Interviewees confirmed the stressful situation experienced by businesses operating in the market, with some indicating the rise of pubcos as a major cause for the decline of rural pubs. A recent re-balancing in the market structure, with a decrease in the number of 'tied pubs' and a growth in the number of 'freehouses', was mainly seen as a positive trend, although main concerns were still expressed in relation to the business model applied by pubcos.

19. The rise in taxation and alcohol duties was identified as another major cause of distress in the industry. While responses appear to indicate that changes in the level of taxation may help the pub industry, a significant difference in prices between on-license and off-license still remains. This situation does not favour pubs in general, and represents a major threat for those businesses operating in rural areas characterised by reduced catchment in terms of custom.
20. Reduced catchment areas and spatial remoteness were also indicated as main obstacles preventing rural and village pubs from benefiting from the significant growth registered by micro-breweries in England and the UK, whose numbers passed from about 100 to 1,200 between 2000 and 2012. In particular, responses gathered from interviews indicated that even breweries operating in rural areas were mostly targeting urban and town centres for purchasing pubs and using them as retail points.
21. Changes in planning regulations were advocated by interviewees in order to preserve pubs and to impede changes and alterations of their building premises, avoiding conversion into other business purposes or private dwellings. A formal definition of 'community pubs' within business classifications would help to legislate in favour of these businesses and to design ad-hoc rate relief schemes, identified as important instruments for supporting pubs and other businesses in rural areas.
22. Moreover, interviewees suggested that better communication between industry organisations, Government and local authorities would help in designing policies and regulations affecting the sector and to implement them in a more effective and efficient manner. It would also bring advantages for all businesses operating in the local supply chain, with wider positive effects for local communities.
23. Some interviewees expressed concerns about worrying trends in rural areas related to drinking at home, which is becoming more popular given the less affordable prices and lack of valid transport alternatives. The combination of these and other factors is having a significant impact on rural communities and poses considerable threats in terms of health and wellbeing, particularly in smaller communities, where there are reduced opportunities in terms of socialisation and engagement.
24. Finally, interviewees regarded the decline of pubs in the English countryside mostly as an economic failure, simply because these businesses are failing to attract enough custom in order to survive. However, they also recognised the significant costs associated with the vanishing of pubs in terms of community cohesion, health and wellbeing in rural areas, expressing the urgency to protect the positive effects these places have on the areas they serve.

**Table 2.1: Changes in the number of pubs in the UK and England 2000-2007**

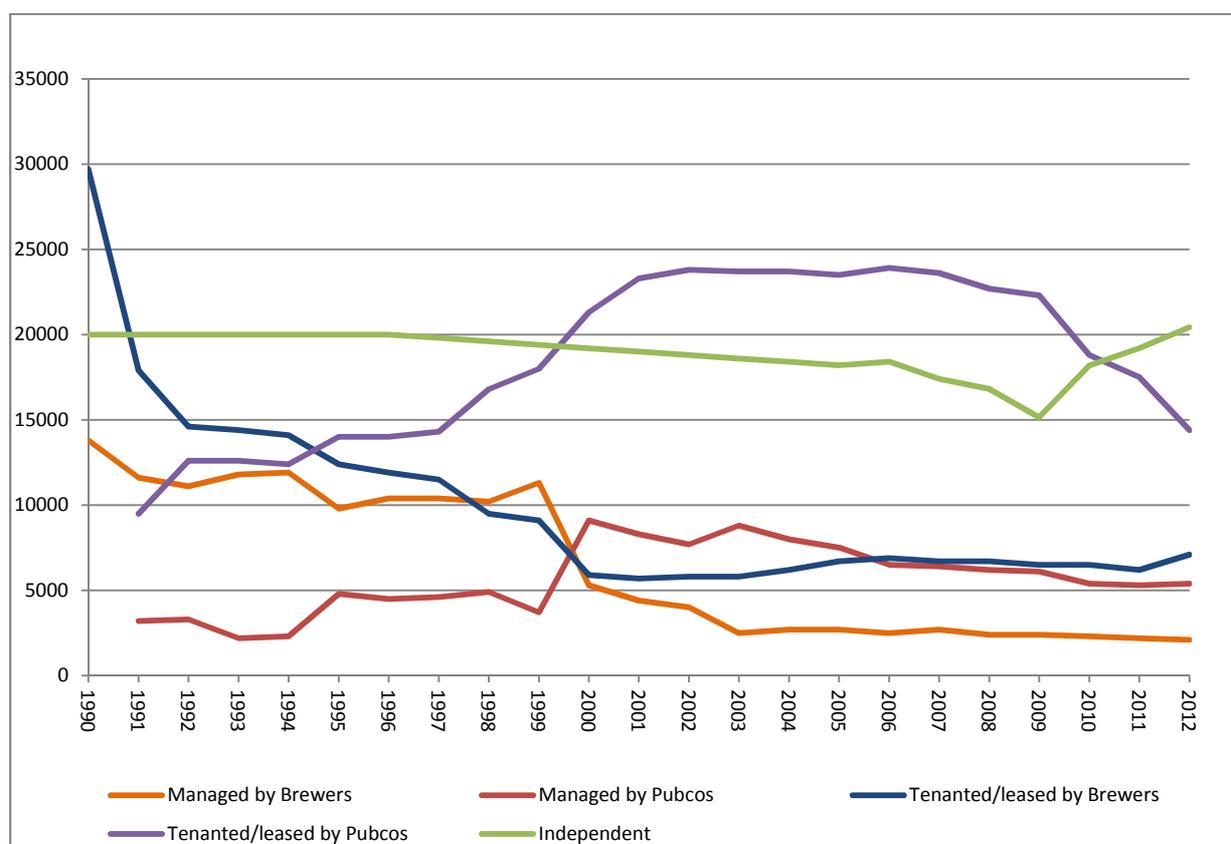
Type of pubs (UK)	Year				Difference 2000-2007	Percentage (Year 2000 base)
	2000	2002	2005	2007		
Independently owned	29,717	28,676	27,086	27,131	-2,586	-8.70%
Tenanted pub	10,878	12,817	14,057	14,069	3,191	29.33%
Managed pub	12,749	9,807	9,869	9,444	-3,305	-25.92%
<b>Total</b>	<b>53,344</b>	<b>51,300</b>	<b>51,012</b>	<b>50,644</b>	<b>-2,700</b>	<b>-5.29%</b>

Type of pubs (ENGLAND)	Year				Difference 2000-2007	Percentage (Year 2000 base)
	2000	2002	2005	2007		
Independently owned	23,602	23,213	20,797	20,954	-2,648	-11.22%
Tenanted pub	8,604	12,072	13,032	13,014	4,410	51.25%
Managed pub	11,562	9,014	9,033	8,711	-2,851	-24.66%
<b>Total</b>	<b>43,768</b>	<b>44,299</b>	<b>42,862</b>	<b>42,679</b>	<b>-1,089</b>	<b>-2.49%</b>

Source: Authors' calculations from data gathered from ONS 2008 (NOMISWEB - Annual Business Inquiry)

**Figure 2.1: Number of pubs in the UK 1990-2012 by type of ownership/management**



Source: BBPA 2013

Figure 3.2: Map of rural parishes investigated in this study (in green, n=2,769)

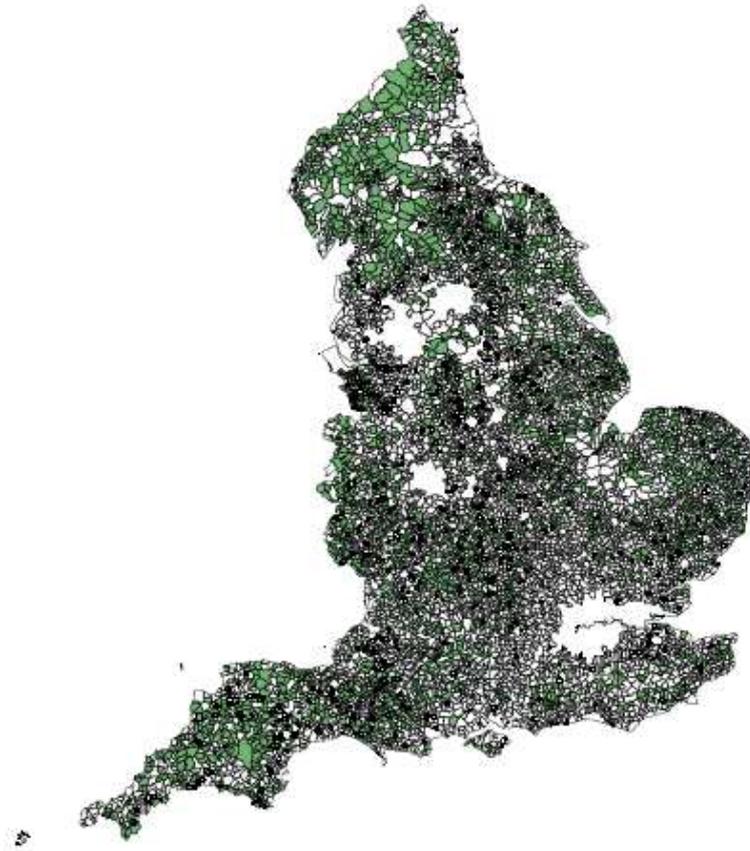
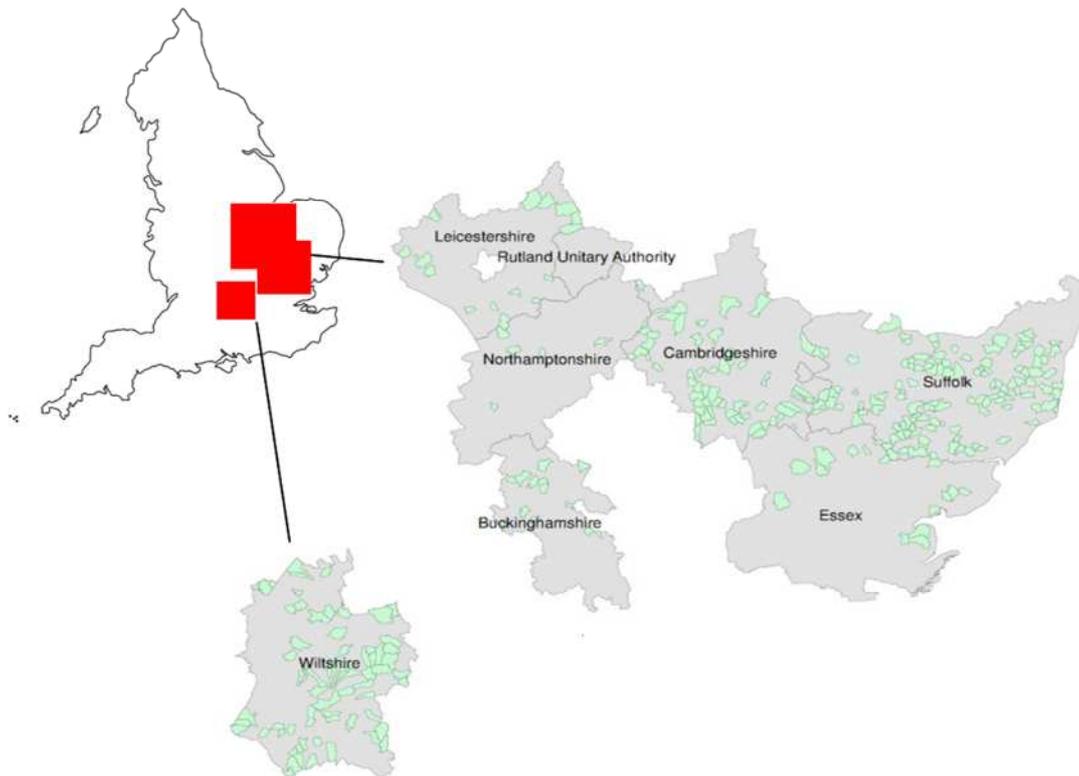


Figure 3.3: Map of rural parishes identified for the longitudinal analysis (in green, n=293)



**Table 4.1: Variables used for investigating Community Cohesion**

Dimensions of Community Cohesion		Variables Considered <sup>a</sup>
Community Events (EV)		Place of Worship (WOR) Community Centre (COM) Bowling Green (BOWL) Football/ Rugby Matches (SPORT) Art/ Music Events (ART.MUS)
Community (INF)	Infrastructure	Swimming Pool (SWIM) Cricket Pitch (CRICKET) Tennis Court (TENNIS) Playing Field (PLAY) Sports Hall (SP.HALL)
Community (FF)	Food Facilities	Farm Shop (FARM) Restaurant (REST) Café (CAFÉ) Takeaway (T.AWAY)

Note: <sup>a</sup>All variables used in the study were binary categorical variables

**Table 4.11: Matching parishes used in the longitudinal analysis (count)**

County	Parishes surveyed in 2000 <sup>a</sup>	Parishes surveyed in 2010 <sup>b</sup>	Matching Parishes 2000-2010 <sup>c</sup>	Census Population 2001 <sup>d</sup>	Census Population 2011 <sup>d</sup>
Buckinghamshire	117	154	13	8,989	8,867
Cambridgeshire	194	240	59	41,171	42,738
Essex	172	15*	15	18,596	19,851
Leicestershire and Rutland	120	114	15	12,095	13,373
Northamptonshire	133	55	6	3,466	3,065
Suffolk	254	345	117	62,008	64,064
Wiltshire	148	324	68	37,174	38,576
<b>Total</b>	<b>1,138</b>	<b>1,232</b>	<b>293</b>	<b>183,499</b>	<b>190,534</b>

<sup>a</sup>Source: total counts from SRS 2000; <sup>b</sup>Source: total counts from local surveys provided by RNs and Local Authorities;

<sup>c</sup>Counts are solely related to matching rural parishes according to definition provided by Cabras and Reggiani (2010)

<sup>d</sup>Source: ONS 2001 and 2011 Census Data

\*Source provided matching parishes only