



INFORMATION | July 2008

Economic impact of public smoking ban

Smoking was banned in all enclosed “public” places, including every pub, club and bar, in England on July 1st, 2007. One year on, how has the ban affected the hospitality trade, including bingo halls and casinos? Here are just a few of the reports that have appeared in the national and regional media:

NATIONAL

20,000 pubs in danger

Contrary to most predictions before the ban was enforced last summer, the smoking ban has had a devastating effect on pub trade. When the ban came into effect on July 1, 2008, polls were claiming that up to 80 per cent of all adults were more likely to visit a pub. But hardly any of that horde of new customers has materialised - while regulars have vanished. Research by the magazine *The Publican* shows that only one in three licensees have attracted new customers since the ban. And at least 78,000 bar staff has been sacked because of a drop in business caused directly by the ban, according to the trade magazine *Morning Advertiser*.

The People, 29/06/08

British pubs closing at fastest rate ever

Some two percent of all city pubs have closed in the last six months, whilst food-led country pubs with outdoor facilities for smokers are reaping the benefits. The British Beer and Pub Association (BBPA) believe the increase in pub closures to 30 a week - nearly four every day - comes down to a number of factors. These include the smoking ban, the economic credit crunch, increased beer prices and temperamental weather conditions. According to a survey carried out by the association, 1,409 pubs closed during 2007, a sharp increase on previous years. Pub numbers were down 216 in 2006 after a fall of 102 in 2005.

Sky News, 27/06/2008

Trade down at half of pubs in first year of smoking ban

A survey of 1500 licensees has revealed that more than half of licensees have seen trade drop since the smoking ban was introduced throughout the UK. A majority pinpointed the credit crunch as being the main reason for a fall in trade. The smoking ban was second, followed by budget hikes on alcohol tax, the rising cost of raw materials and last summer's poor weather. Councils were also blamed for refusing permission for outdoor facilities.

The Publican, 26/06/08

Fewer Britons visiting pubs after ban

Two out of three consumers have decided to drink at home rather than in pubs since the introduction of the smoking ban in public places, reports a new nationwide survey.

Morning Advertiser, 09/06/2008

Two million adults say no to pubs

Two million adults are going out to pubs and bars less as a result of the smoking ban, according to new research by consumer analyst firm Mintel. 22% of people surveyed felt the smoking ban had negatively affected their social lives.

Caterer Search, 01/02/2008

ENGLAND

Premium Bars & Restaurants' profits down

The smoking ban has contributed to Premium Bars & Restaurants' (PBR) annual profits being "slightly below expectations". The Living Room and Bel & The Dragon operator said overall group like-for-like sales for the period to June 9, 2008, were down 5%, costing in excess of £1m in lost profit, as food sales growth failed to compensate sufficiently for high, single digit drinks declines and rising costs.

The Publican, 17/06/2008

No smoke but ire for Kent club owner

"The smoking ban has stopped people socialising," says a Ramsgate nightclub owner who is closing her venue due to loss of trade. "People are staying away in droves because there is no atmosphere in a venue when constant breaks to smoke mean there are more people outside than in."

This is Kent, 17/06/2008

Pocklington pub to close

Rob Bird had been landlord at The Square in Pocklington for nearly two years but has handed the keys back to the brewery. He attributed receding trade on the smoking ban, questioning why people would want to stand outside in the cold to enjoy a pint and a cigarette.

Pocklington Post, 17/06/2008

North-west hit hard by pub closures

More than 60 premises in five East Lancashire districts are now boarded up, as this heavily industrialised region of the north-west has been hit by a rising tide of pub closures. British Beer & Pub Association says the figures were way above national closure rates.

Morning Advertiser, 12/06/2008

Pub in Hanley 'killed' by smoking ban

The Hawkesmore Inn, a traditional pub in Hanley, closed for the final time at the weekend because of falling takings. Landlady Lisa Gascoigne said: "On the average Saturday night, we would take about £1,000 to £1,200 and regularly have about 60 to 80 people in. After the smoking ban our takings have dropped to virtually nothing, and we can make just £100 on a Saturday night now. All our regulars were smokers. Since the ban they have left and not come back."

The Sentinel, 10/06/2008

String of pubs in East Lancashire 'driven to the brink'

A staggering 58 pubs in East Lancashire which are now boarded up, derelict or turned into new developments - including 17 in Burnley, six in Pendle, and four in Rossendale.

Lancashire Telegraph, 29/05/2008

Mass sell-up of Cumbrian pubs

About 80 pubs are currently for sale in Cumbria – with 12 on the market in Carlisle alone, a local newspaper investigation has found. The smoking ban, along with the credit crunch, rising costs and duty rises, have all negatively impacted the future of pubs in the area.

The Publican, 29/05/2008

Shock ending for Scarborough nightclub

A Scarborough club has become the latest nightspot to close in the town – with the loss of more than 20 jobs. "I think this closure was inevitable as so many places are shutting down. There has been new competition in Scarborough and this, combined with the smoking ban, has not helped," said Brett McMann who worked at the club for 15 years.

Scarborough Evening News, 27/05/2008

'Uncertain future' for 200-year-old pub

One of Hull's most famous pubs, the historic Minerva Hotel, may be forced to close before celebrating its 200th birthday next year. Landlord Tony Roberts blamed the smoking ban as one of the main reasons behind a drop in trade, and worries that the pub's chances have not been helped by two other recent closures of locals the Oberon and the Heritage.

Yorkshire Post, 27/05/2008

Marston's profit falls 13% on pub smoking ban

Marston's plc, the pub owner and brewer that sponsors England's national cricket team, said first-half profit dropped 13 percent after the indoor-smoking ban hurt bar sales and the company paid more for barley, food and energy. "These results confirm the trend of polarization in the industry between good managed pubs with strong food offerings and those tenanted pubs under severe cost pressure," MF Global analyst Christopher Gower wrote.

Bloomberg, 23/05/2008

'Pub crisis' in full swing

A recent study by the British Beer and Pub Association shows urban pubs have been hardest hit, with a reported 2% of all urban pubs closing in the past six months. This is believed to be a direct consequence of the smoking ban introduced last summer, as pubs without an outside area for smokers lose out to those with a garden.

Western Daily Press, 21/05/2008

Pub chains suffering as patrons 'go walkabout'

Regent Inns, the British pub and comedy club operator, has seen its shares fall by almost 90% this year. One of its most popular chains, the Australian-themed Walkabout pubs, has been hit hard by rising competition, increased costs, and the introduction of the smoking ban.

The Guardian, 17/05/2008

"We've lost it all. This has bankrupted us"

"Last July everything crashed. The smoking ban and the bad weather really hit us," landlord Peter Marsden said through tears about the forced closure of the Tandem at Waterloo. Marsden and wife Sue remortgaged their home and invested tens of thousands of pounds into refurbishing the pub and putting up a smoking shelter. After months of poor trading, he appealed to Enterprise Inns, which owns the pub, for help but it was not enough to keep the place afloat.

Huddersfield Daily Examiner, 17/05/2008

Saving Enterprise

Pub group Enterprise Inns, which operates about 7,500 tenanted pubs across England and Wales, says it plans to convert to a tax-efficient property trust. Similar moves from other pub companies are expected as they face the toughest trading environment in decades. Almost four pubs a day are closing due to struggles with the smoking ban, rising costs and retail competition.

Guardian, 08/05/2008

Smoking ban sends Punch Taverns reeling

Punch Taverns, Britain's largest pub company, announced today a 24% in first-half profits as the smoking ban and a crash in consumer confidence kept drinkers at home.

The Times, 24/04/2008

'Smoking ban putting clubs at risk'

Social club bosses have set up a meeting with their MP to voice concerns at the effect the smoking ban has had on their trade. "We knew the ban would have an impact, but nobody predicted it would be this bad," said John Denholm, secretary of the Hartlepool Clubs' Constitutional Association.

Hartlepool Mail, 18/04/2008

Luminar offloads 26 nightclubs

One of the UK's largest night club operators, Luminar Leisure, has sold 26 sites to Cavendish Bars at 19p each – the latest sign that the smoking ban is having a grave effect on the late-night leisure market.

Leisure Opportunities, 17/04/2008

Lincoln pub will close

The Portland Arms in Portland Street shut its doors this month. Landlord Phil Seed says takings were 50% down since the smoking ban was introduced last July. It is the fourth pub to close in just two months. Mr Seed and his partner Annette Bannon have not drawn a salary from the pub since November last year. "When we leave at the end of the month we will have nowhere to live," said Mr Seed.

Lincolnshire Echo, 09/04/2008

Landmark pub no more

A landmark pub in Nuneaton which has stood for more than 200 years has closed, with publicans pointing to the negative impact of the smoking ban. It stands almost opposite the Gala Bingo Hall, which closed down at Christmas, also affected by dwindling custom after the ban.

Coventry Telegraph, 02/04/2008

Pub trade 'in death throes'

More than one pub a month is closing in Shropshire because of tougher licensing laws and restrictions imposed by the Government, experts say. The figures from CGA Strategy Ltd, a leading trade research and consultancy company, show a total of 17 pubs closed in Shropshire last year. In the same period only three pubs opened.

Shropshire Star, 22/03/2008

Wetherspoons fumes over smoking ban

High street pubs chain JD Wetherspoons PLC revealed that the company's six-month profit dropped by 16% after the government introduced a ban on smoking in pubs. Shares in the company also fell 6% cent. Wetherspoons has blamed the smoking ban for declining bar sales as smokers stayed away, eroding margins and profits.

Daily Telegraph, 07/03/2008

WALES

Workingmen's clubs face last orders

Last orders may soon be called at workingmen's clubs across Wales because the smoking ban is dragging down business. Landlords say bar takings have nose-dived in the last year because regulars are turning their backs on the clubs. Instead they are choosing to drink at home where they can smoke in peace. Jim Harrison, secretary of the Working Men's Club and Institute Union's Monmouthshire branch, said more needed to be done to accommodate for smokers – or else they will continue to be driven away.

Wales on Sunday, 29/06/08

Wrexham nightclub to close

Wrexham's longest established nightclub had been a mainstay for the town's revellers since it was opened by proprietor Bob Scott nearly 20 years ago. Mr Scott decided not to renew the lease after a slump in the industry he related to more drinkers spending evenings at home since the smoking ban.

Flintshire Standard, 30/04/2008

Welsh pubs report ban is bad for business

John Price, Welsh secretary of the Federation of Licensed Victuallers Associations (FLVA), said 17 pubs and three clubs in the south Wales valleys had closed since the smoking ban. "My trade has gone down by 40%," said Mr Price, who runs the Bush Hotel in Clydach Vale. "I've lost my elderly regulars. They buy in their drink from the supermarket and stay in front of the television. You can't expect the elderly to go outside in the cold to smoke."

BBC News, 02/04/2008

Smoking ban has hit trade, says LVA

Six months after the introduction of the smoking ban in Wales pubs have lost up to 20% of their trade, according to the Licensed Victuallers Association (LVA). The group, which represents pub operators across Wales, says some businesses are on the brink of closure, while others have already gone to the wall following the ban's introduction. The LVA say there is little optimism that trade will eventually return to its pre-ban levels as pubs are now regarded as hostile territory by smokers. John Price, secretary of the LVA in Wales, says his pub, the Bush Hotel, in Clydach Vale in the Rhondda, said, "I have lost 17% of my takings. I was in a meeting of the LVA for Wales and some of the pubs have dropped by 22%. There are four on the brink. There are a lot of elderly people who won't come out now because they don't want to stand in the rain."

Western Mail, 12/10/07

SCOTLAND

Scottish pubs suffering two years since ban

A total of 350 pubs have closed in Scotland since the smoking ban was introduced two years ago today. The number, from CGA research, is double the amount predicted by the Scottish Licensed Trade Association (SLTA) at the outset. The Scottish Beer & Pub Association admits recent closures have been caused by effects of the smoking ban.

The Publican, 26/03/2008

'Don't become a licensee', warns Scot pub trade boss

The pub industry's much-publicised problems including the smoking ban mean Scots should not to join the trade, says Paul Waterson, chief executive of the Scottish Licensed Trade Association.

Sunday Herald, 19/04/2008

Bingo and pub firms feeling the heat of Scots smoking ban

Two leisure groups reported trading had been hit in Scotland since the implementation of the smoking ban, one of which resulted in job cuts. Rank said it had to cut 200 jobs at its Mecca Bingo clubs across the UK. Similarly brewer and pubs owner Greene King said like-for-like sales in Scotland were down 2.4% because of the smoking ban.

The Scotsman, 02/09/2006

Effects of the ban on pubs, 'worse to come'

The Scottish Licensed Trade Association surveyed 365 members and said 46% of licensees reported a drop in visits by regulars since the smoking ban came into effect on 26 March 2006, while only 5% reported an increase.

BBC News, 23/08/2006

NORTHERN IRELAND

'Bleak outlook' for NI pubs

A year on from the smoking ban, Stephen Kelly, chief executive of the Federation of the Retail Licensed Trade Northern Ireland, said he expects the country to lose seven per cent of its pubs over the next two years. Figures released earlier this year revealed that sales have dropped 7% since the ban. 93 pubs and bars closed between 2005 and last December, the figures also showed.

The Publican, 30/04/2008

WORKING MEN'S CLUBS

Bleak future for working men's clubs

The Gorse Hill Working Men's Club in Swindon closed abruptly this month. Two other clubs - Wescott Place and Purton Working Men's Club - are suffering a decline in trade because of the smoking ban and competition from supermarkets selling lower priced beer.

This is Wiltshire, 29/05/2008

Smoking ban is the "nail in the coffin"

Dennis Willmot, who has run the Bell Inn in Finedon for 39 years, says he has lost nearly 50% of the pub's custom in the past year as a direct result of the smoking ban. "The day of the traditional British pub is finished. It has been killed. The smoking ban has been the nail in the coffin."

Evening Telegraph, 17/05/2008

Trade hit by smoking ban

"Without a doubt our trade has been hit by the smoking ban. Our members now have to go and stand outside on the pavement if they want to have a cigarette. Plus they can buy beer dirt cheap from the supermarkets. It's a real struggle."

Christine Midwinter, working men's club manager, This is Wiltshire, 29/05/2008

'Clubs are a dying culture'

The smoking ban and increased legislation has badly hit some social clubs in South Tyneside. Club officials met with their local MP to ask the government for assistance to ensure a future for working men's clubs.

Shields Gazette, 14/04/2008

BINGO HALLS

Birmingham bingo hall to close its doors

Gala Bingo in Great Barr is pointing to the smoking ban as seventeen jobs will be lost when the bingo hall closes its doors. Bingo Association representative Steve Baldwin said: "The industry has seen a significant number of clubs close – 37 in 2007. Jobs are being lost and communities are losing a key social service." Bingo is one of the UK's most popular leisure activities – more than 8.5 million people play bingo and 17,000 people are employed.

Birmingham Mail, 17/06/2008

Smoking ban hurts Rank

Maidenhead-based Rank Group says the ban, which came into effect in July 2007, has deterred some former customers from going into its Mecca bingo halls. According to the firm, attendance in England and Wales fell by a whopping 13 per cent during the 17 weeks to April 27, compared with the same period in 2007.

999 Westcountry, 08/05/2008

Smoking ban closes only cinema on the island

Cinema-goers face a 40 mile journey to see a film now that the only cinema on the Welsh island of Anglesey, the Empire, has closed its doors. It was actually a diminished interest in the ground floor bingo hall, not cinema, which led to the Empire's closure. Owner Gareth Jones said: "Our profit went down 30% after the smoking ban came in, so that contributed towards it. It is a great shame as there are very few entertainment venues on the island."

BBC News, 02/04/2008

Gala to close bingo halls

Gala Coral is the latest bingo operator to close a handful of its clubs after the smoking ban and new gaming laws ravaged the number of punters. The company, which owns 169 clubs, has closed down five of its worst-performing sites, including West Granton in Edinburgh, Winton in Bournemouth and Bedminster in Bristol.

This is Money, 10/02/2008

Falling numbers at Mecca bingo halls

Rank's Mecca bingo halls have reported their 14 Scottish outlets were suffering from falling admissions. The first anniversary of the Scottish smoking ban has delivered a hefty 10% drop in attendance at leisure group Rank's bingo halls. Since the ban was introduced on March 26, 2006, like-for-like sales north of the Border were down by 17%.

The Scotsman, 04/05/2007

CASINOS

UK Casino industry must hedge its bets to survive

Genting Stanley, the UK's largest gaming operator, says the industry will have to modernise if it is to recover from the "torrid" year it had in 2007, when the smoking ban dealt a severe blow to profits. Like the pubs sector, casinos have been forced to invest in catering to counter the dramatic fall in revenues triggered by the smoking ban. A number of smaller casino operators are likely to close as the industry struggles to cope with the new environment.

The Scotsman, 15/06/2008

Stanley casinos hit by huge profits slump

The owner of Stanley Casinos today reported a huge slump in profits after its British business was hit by the smoking ban and spending slowdown. He reported that since the smoking ban the amount spent on slot machines tumbled as gamblers head outside for a cigarette break.

This is Money, 29/05/2008

Pubs to lose on gaming firm

Inspired Gaming, which operates fruit machines and betting terminals, has revealed earnings from amusement machines in pubs have been severely affected by last year's smoking ban. Inspired has announced it would withdraw from the pubs sector, a move that will cost up to £20m.

The Times, 25/05/2008

31 jobs lost as Bristol casino closes

Triangle Casino of Bristol is being shut by owners Genting Stanley blaming rises in gaming taxes, the smoking ban and the ban of high-jackpot machines for the decision.

Evening Post, 15/05/2008