



UK Independence Party

PUB AND SMOKING POLICY

Pubs and Beer

1. UKIP would **cut duty / taxes on traditional draught beers** such as real ale, ciders and some lagers. UKIP would also **allow landlords to write off promotional costs for traditional beers** through pub posters, beer mats and give aways, against tax.
2. **UKIP will investigate the pricing structures used by the breweries**, particularly their captive markets for bulk packaged wholesale goods and the cost of sales to supermarkets, through **a Royal Commission into beer pricing**. This pricing makes the cost of wholesale prices, from tied sales from a pubco or even independent wholesalers, more expensive than some retail beer can prices in supermarkets. UKIP will insist on reduced differentials and a fairer balance in beer pricing between on and off trade beer sales, which have risen from a pub to shop price ratio of 2:1 to a ratio now of 7:1ⁱ

For example, an 80 pint reusable keg of Stella Artois is quoted at the cheapest rate of around £95 plus VAT (around £115 inclusive), and an on tie rate bought from a pubco of around £135 plus VAT (around £155 inclusive) for landlords, whilst 80 pints Stella is available at around £40 in Sainsburys retail, and beer reported to have fallen to 22p a canⁱⁱ. These price differentials, along with the smoking ban, have contributed to a slump in the average profitability of pubs by almost 15% over the year to March 2008, with 10% operating at a loss of with zero profitⁱⁱⁱ.

Pubs also provide a responsible and controlled drinking environment, and that 'booze drinking' is a limited phenomena in community pubs, in contrast to street drinking and a trend to 'tank up' on cheaper booze at home before going out to pubs and clubs later in the evening, with all the attendant social and public order problems.

3. **UKIP would cut business rates and taxes on community pubs**. UKIP tax policy already proposes to replace Value Added Tax with a Local Sales Tax (LST) at the same rate, but where some of the proceeds (around 5%) would be paid direct to the local council by those collecting the tax. In addition, UKIP would return business rates from national (UBR) to local control. This would give the local authority more control over its own funds, and allow the council to cut business rates on important community pubs (not just single, rural pubs of small rateable value as now), and/or to direct its own resources to assisting these pubs in recognition of the important role of pubs to social cohesion, community activity including sports and charitable activities, and to local employment, village shopping and meeting facilities
4. **UKIP would reduce both EU derived regulations, and UK regulations and controls**, and tone down enforcement regimes, involving variously licences, permits, certificates, surveys, reports, audits, contracts, procedures, assessments and

policies^{iv}. This would free up landlords/managers and reducing costs - allowing more time for the marketing of the pub/club and the organising of promotions

5. UKIP would help finance nationally the excellent '**Pub is the Hub**' initiative, which assists pubs in diversifying and encouraging social enterprise, such as dry cleaning drop off points, prescription collection points, post offices, newsagents, libraries, bakers, IT training, and providing local public conveniences. UKIP believes this initiative should be extended to non-rural pubs.
6. UKIP would **support pubs and clubs through planning policy**, reflecting viability, accessibility and the community value of existing facilities. UKIP would also allow the designation of established pubs for pub use only in local plans, to avoid closure and conversion into other uses, where there is a strong local desire to retain pubs
7. **UKIP would support pub landlords through its law and order and policing policies.** UKIP is pledged to doubling prison places over 10 years to allow for stricter sentencing, and to investing in more policemen and women. We will free them of arbitrary central targets and direction, replacing these by priorities set by democratically elected police boards who will make the police responsible to the communities they serve. UKIP recognises the substantial impact the drugs problem has on pubs, with an increase in violence, intimidation, harassment and drug related incidents, and would support initiatives such as additional policing and dedicated drugs teams to assist landlords.
8. **Remove local authorities from the licensing process.** These powers should not be held by politically motivated bodies. The licensing authorities should be the local bench of magistrates (Justices of the Peace), the appeals process would act as normal going through Crown courts. UKIP believes that this will depoliticise the industry and put decision making back into the hands of independent bodies.
9. If staff are staying on site, such as migrant labour, UKIP would allow **a deduction from the minimum wage to reflect the value of the free accommodation** provided (this may have to be valued by an independent local valuer) to save on the rise in pub operating costs.
10. UKIP would **work with Sky TV to provide a fairer, non-monopolistic pricing structure**, including discounts and price negotiations, for entertainment costs, which presently can cost even small pubs almost £1,000 a month (incl VAT), and are not just determined by high rateable value (which smaller, rural pubs suffer from in particular). UKIP would encourage greater competition from overseas satellite broadcasters, and would seriously consider a reference to the Monopolies Commission of the charging structure for Sky licences.

Pubs and the Smoking Ban

1. Whilst UKIP does not like prohibitions and bans in general, UKIP does recognise that the smoking ban has been popular amongst certain groups, such as families and those wishing to eat out in pubs. However, UKIP believes that a more common sense solution is needed: MINTEL shows that people are becoming more trapped in their homes and go out less: 22% of people feel the ban has disrupted their socialising and 16% less or some 2 million adults go out less.

UKIP believes the smoking ban should be made more flexible, and that some exceptions should be made possible - in short, 'That the Landlord should decide', to allow those pubs and clubs very seriously damaged by that ban to make alternative arrangements for smokers within agreed guidelines. UKIP is deeply concerned at the loss of 39 pubs a week (for last 6 months of 2008, up on 36 previously and equal to 6 pubs a day closing), many of which can be blamed on a fall in takings of 8 to 10% due to the ban, and the fall in AWP (Amusement with Prizes) Machines takings by 20%. ^v

2. UKIP would amend the smoking ban to allow pub landlords - freehold, tenanted/leased and managed - and club managers **to provide contained and ventilated 'smoking rooms' within pubs and clubs**, where customers desire it, and the landlords or pub companies wish to invest in such a facility. This proposal brings benefits in reducing noise and intrusion from outside smoking areas in this proposal, and the risk for landlords/managers of sizeable fines levied by local councils.
3. Where it was not possible, desirable or affordable to construct contained smoking rooms, UKIP would give pub landlords and club managers the **right to declare their pub or club 'all smoking' (or 'all non-smoking')**, as long as there were clear warnings and notices outside the building highlighting this status.
4. **UKIP supports the continued use of patio heaters** for outside and smoking area use and firmly opposes moves by the European Parliament to ban them on environmental grounds, despite the fact that their impact is negligible compared with other emissions^{vi} UKIP recognises patio heaters are valuable in retaining business from customers who smoke, rather than forcing them to stand out in the cold and rain, or to buy cheap supermarket beers and stay at home.

ⁱ Jonathan Neame, CEO of the Shepherd Neame Brewery in evidence to the All-Party Parliamentary Beer Group, report October 2008.

ⁱⁱ Morning Advertiser 15.11.07

ⁱⁱⁱ Morning Advertiser poll 3.4.08

^{iv} Federation of Licensed Victuallers Association statement

^v British Beer and Pub Association figures quoted by All-Party Parliamentary Beer Group October 2008 report

^{vi} See: European Parliament Report on 'an Action Plan for Energy Efficiency: Realising the Potential' 2008