

The Impact

With lockdown restrictions being lifted from 19 July we look back at a truly horrific past 16 months and ask micropub owners up and down the country how they have fared, improvised, survived, and how they see the future.

Alex Wright reports

The pub industry has been decimated by the Covid-19 crisis.

No fewer than 2,000 pubs have shut their doors for the last time; 2.1 billion pints worth of beer sales have been lost; and £8.2bn in trade has been wiped out, according to the British Beer & Pub Association (BBPA).

Added to that, 87 million pints of beer have had to be wasted since the pandemic started at a cost of £331m, the BBPA claims.

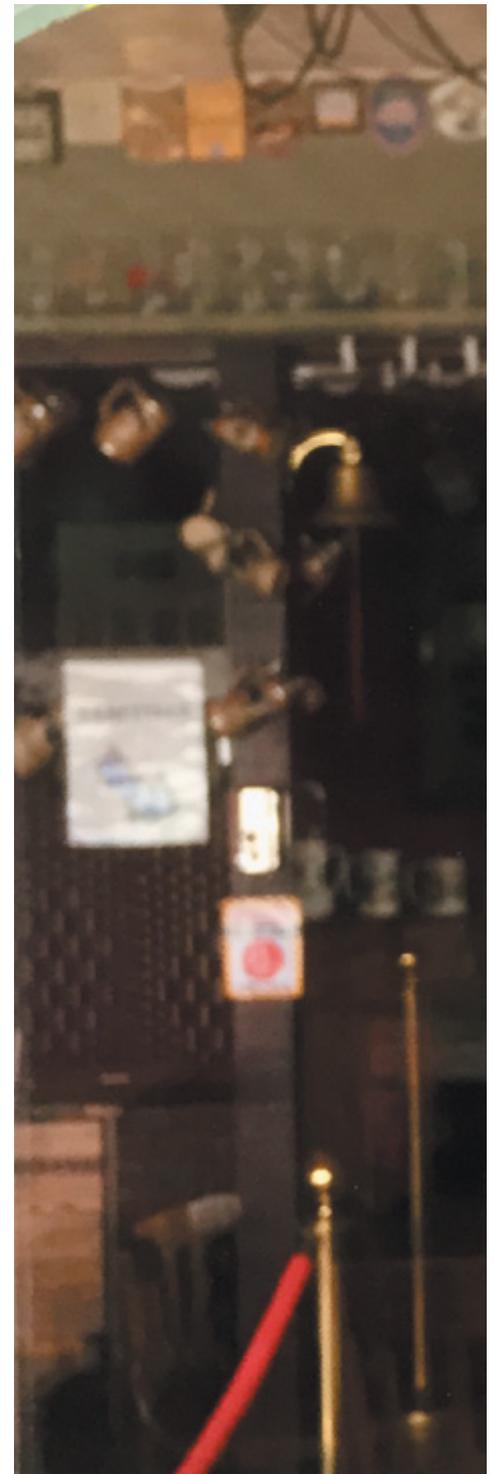
It's not just pubs that have suffered: breweries have borne the brunt of the fallout with 200m fewer pints of craft beer brewed in 2020, the Society of Independent Brewers has revealed. The number of breweries has also declined by seven to 1,816 – the first time the number has fallen since 2008, according to the 2021 Good Beer Guide.

Writing in the guide, chef and restaurant owner Tom Kerridge said: "These figures are an early indication that all is not as it should be following a difficult year with lockdown restrictions and social distancing measures. While every sector across the UK has felt the burden of Covid-19, brewers and pubs have taken the brunt of the impact."



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Emma McClarkin,
chief executive, BBPA



of Covid



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Tom Kerridge
chef and restaurant owner



At the same time, pub operators have had to outlay vast sums, with businesses having spent £285m alone to get ready for reopening outside on April 12th, said the BBPA.

“Sadly, we still haven’t seen the full extent of the damage yet and won’t do for some time until things really do go back to normal,” said the BBPA’s chief executive Emma McClarkin. “And by normal, I mean a return to what life was like pre-Covid.”

But it hasn’t all been doom and gloom. Some pubs have taken the opportunity to improve their facilities during lockdown, while

others have benefitted from Government financial assistance in the form of local grants, small business loans and the furlough scheme.

Micropub Magazine spoke with several pub owners from across the UK about how they have fared over the last 15 months and their view on the sector’s future.

Fine timing

Phil Cooke and Alison Taffs opened **The Hop Inn** in Hornchurch, Essex in December 2019. While some may have viewed opening just before a lockdown as a negative, Taffs



“We had only just established ourselves. But we were fortunate in that in the first couple of months of trading we were busy and managed to build up a following of locals, and beer and cider aficionados”

Phil Cooke, The Hop Inn

Phil Cooke and Alison Taffs outside The Hop Inn in Hornchurch, Essex

believes the time that they were open for was invaluable.

“We had only just established ourselves,” said Taffs. “But we were fortunate in that in the first couple of months of trading we were busy and managed to build up a following of locals, and beer and cider aficionados.”

Then the first lockdown hit in March 2020 and because the pub was able to operate as an off-licence, it switched to a take away service with an online shop using click and collect. Due to being deemed an essential retail service, it was allowed to stay open with

the necessary safety measures in place.

Customers continued to come and get their fresh ale as the pub focused on extending its range of Belgian beers, ciders and wines. Because there was no other drinks specialist in the area, the business was able to carve a niche for itself.

As a former store, the micropub also lent itself to being used as a shop front. That enabled it to switch relatively easily between a drinks shop during the various lockdowns and a pub when restrictions were lifted.

However, under the most recent lockdown restrictions, the premises was unable to open at all, so it moved to a delivery model. In the meantime, Cooke and Taffs took over the lease of the neighbouring shop, a former dog grooming parlour, which they redeveloped and opened for take aways in April this year.

“We called it The Hop Shop and it’s the little brother to The Hop Inn,” said Taffs. “After realising that we had a market for craft beer and wine drinkers, we wanted to cater to their needs, offering a highly-personalised service and advice.”



↑ Cask 'n' Keg, Colne, Lancashire

“

The last 15 months have been nothing short of terrible. Everything was stop-start – one minute we were open and next we had to shut – I just couldn't make any money”

Gordon Paterson, Cask 'n' Keg

Like many micropubs, the pandemic had a devastating effect on business for the **Cask 'n' Keg** in Colne, Lancashire. It only reopened on May 17th after seven months of closure.

The pub has capacity for 50-55 people, but because of restrictions, even when it was allowed to open during the pandemic, it could only take 20 at most.

On the plus side, however, during lockdown, owner Gordon Paterson was able to refurbish the bar and put a grid around the window to prevent thieves, as well as being the grateful recipient of

a Government grant and small business loan.

“The last 15 months have been nothing short of terrible,” said Paterson.

“Everything was stop-start – one minute we were open and next we had to shut – I just couldn't make any money.”

After forking out around £15,000 on expenses, with no room for negotiation on rent from the council and utility bills, Paterson said that the business has just about broken even.

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↑ The Butterfly Collector, Barry, Vale of Glamorgan

“
In Wales, we have
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Gareth Slattery,
The Butterfly Collector

Another micropub which had its capacity slashed in half from 50 down to 24 was **The Butterfly Collector** in Barry, Vale of Glamorgan, run by Gareth Slattery. But thanks to support from the locals and no competition, the pub has continued to pull in a good trade, even when it was restricted to just take outs and home deliveries during the first and second lockdowns.

“In Wales, we have been shut down for longer than other parts of the UK,” said Slattery. “But during the time we have been allowed to be open, we have been full.”

Lengthy closures

The Needle & Pin, a family business in Loughborough, Leicestershire, has also only traded as a pub for two of the last 16 months. After shutting in mid-March last year just before the first lockdown, it reopened in September before closing again at the end of October.

When the pub was open, capacity was reduced to 32-36 people, down from 60 when normally full. However, owner Sean O’Neill made sure that anyone who wanted to book a table for one or two wasn’t turned away, meaning that the number was often well below that.

“We saw the direction of travel on both occasions,” said O’Neill. “Our view is that the public’s safety is always our No1 priority, and our customers are our friends and if anything were to happen to them, we could never forgive ourselves.”

Instead, O’Neill pivoted the business, operating a home delivery service from day one of lockdown. He also took the decision to cut back on bringing in casks to avoid waste.

“When all is said and done, our trade is around 40% down on a normal year,” said O’Neill. “Being

able to keep delivering to people's homes has been an advantage, but because we are now having to compete with supermarkets on price, our margin is down significantly; on the plus side the support we have received from Government in terms of grants and the furlough scheme has been immense."

O'Neill has also been fortunate in that he has been able to offset lost sales against his main import business, which was largely unaffected during the pandemic. That has enabled him to protect cash flow and pay his suppliers and staff on time without having to borrow money.

Customers have been kept engaged through online quizzes every Sunday and bingo evenings during the first few months of the first

lockdown. The pub also hands out free goody bags with cake with deliveries on Thursday and Friday. "We have to support our local community wherever we can," said O'Neill. "They have been so supportive of us during this extremely tough period that it's only right we give something back to them."

Every week, O'Neill has compiled and published a stock list via email, the pub's website and Facebook. He then took orders, sent out invoices and delivered to the door, receiving payment by BACS.

"It's a very basic system, but it works well," said O'Neill. "Customers are used to paying online and as a business we avoid the additional fees incurred by credit card payments."

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Sean O'Neill, The Needle & Pin

↓ The Needle & Pin, Loughborough, Leicestershire



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↑ Closed: The Engine Room, Callander, Perthshire

“Some brewers have also switched from casks to selling cans and kegs direct to the customer, which we can’t compete with on price. So, it’s a question of whether they are going to go back to casks when we return to normal or not”

Nigel Baker, The Convivial Rabbit

The Convivial Rabbit in Dorchester, Dorset, was also closed more often than it was open over the last 16 months. However, the biggest challenge for owner Nigel Baker has been sourcing the beer his customers want as many brewers do not have their full ranges available yet.

“Some brewers have also switched from casks to selling cans and kegs direct to the customer, which we can’t compete with on price,” said Baker. “So, it’s a question of whether they are going to go back to casks when we return to normal or not.”

The lockdown has proved a death knell for Ian Hunter, owner of **The Engine Room** in Callander, Perthshire, however. After a year of no trading, he decided to pull the plug.

“It was a profitable business, bringing in more than £15,000 a year,” said Hunter.

“After being closed for a year and considering how difficult it was to get up and running in the first place with the amount it cost to get a licence, I decided it just wasn’t worth it.”

Looming pandemic

Gary and Angela Morton at the **Hail to the Ale** in Wolverhampton, West Midlands, got ahead of the curve as reports of the pandemic began to unfold and other pubs stepped up their hygiene procedures in late February/early March 2020. Yet they continued trading as a pub until March 20th when hospitality businesses were ordered to shut.

The next day they reverted to selling beer as an off-licence, adding some essential household items to their range including toilet rolls and baked beans, using trade accounts with local cash and carry outlets. They did this on a non-profit basis to help the local community.



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↑ Hail to the Ale, Wolverhampton, West Midlands

“This turned out to be an impossible rule to enforce, especially as we had Tier 1 pubs only two miles away. Imagine trying to tell a group of customers coming to us from a Staffordshire pub that they can’t sit together in our pub”

Angela Morton, Hail to the Ale

When hospitality was allowed to reopen on July 4th last year, the Morton’s did so, but their indoor capacity was more than halved to 20 from 55. They also introduced a table booking system and safe queuing area at the bar.

As further restrictions continued to be imposed in the autumn, they found it increasingly difficult to trade, particularly with the Tier 2 measures introduced in Wolverhampton. Then there was the requirement of only one household per table to contend with.

“This turned out to be an impossible rule to enforce, especially as we had Tier 1 pubs only two miles away,” said Angela. “Imagine trying to tell a group of customers coming to us from a Staffordshire pub that they can’t sit together in our pub.”

Despite best laid plans to reopen under Tier 2 rules after the second

lockdown in November last year, Wolverhampton was placed into Tier 3 and the Morton’s switched back again to off-sales trading. When take aways were shut down by Government in January, they then moved to a home delivery service distributed from their Morton’s microbrewery.

By the time pubs could reopen outside again in April, they had increased their capacity to 44 and thanks to the fine weather and pent-up demand, trade was brisk.

“Despite all these restrictions, the Government and the local authorities have been brilliant to us,” said Angela. “They even contact us every now and then to make sure we have applied for all the financial assistance we are entitled to.”

There have been other positives. The lockdowns have given Bob Jackson, owner of the **10:50 From**

Victoria in Rochester, Kent, time to spruce up the place, building beach huts and setting up picnic tables in the pub's car park. After closing on March 23rd for the first lockdown, the pub reopened on July 4th before shutting again on November 5th. The micropub reopened again in April this year.

“To be honest, I have enjoyed having this little break,” said Jackson. “Because we own the property and receive business rates relief as well as Government grants it didn't really cost us a penny to be closed.”

Financial toll

Most micropubs, however, have taken a huge financial hit from the pandemic. Many have had to keep on paying staff, rent and other expenses while just trying to stay afloat.

The Hop Inn's takings were around 80% down over the last 15 months, according to Taffs. After paying the rent and wages, there wasn't anything left over, she said.

Earnings, which are typically £150,000 in a normal year, were down by two-thirds at the Butterfly Collector, estimates Slattery. And despite breaking even from April to October, income was down 70-90% between the start of the



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Bob Jackson, 10:50 From Victoria

second lockdown in November and reopening outdoors in April at the Hail to the Ale.

But there was at least some Government support, with millions paid out in grants and loans to struggling businesses during the pandemic. The furlough scheme also helped to protect many jobs in the industry, with some owners even furloughing themselves during lean months.

Cooke and Taffs received grants from their local authority, Havering Borough Council. While small compared to what the business would have earned if it had been fully open, they helped to keep it running.

Despite takings being halved, The Convivial Rabbit's Baker said that Government grants have made up for the shortfall, while the restart grant has enabled the business to get going again. The Needle & Pin's O'Neill, meanwhile, has put some of the grant money towards redecorating his pub.

Many micropubs also had to pour away thousands of pounds worth of beer that had become spoiled or gone off during lockdown. Others managed to sell all their excess stock or gave it away. →

↓ The Hop Inn opened in December 2019, just before the pandemic struck



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With almost no notice before the first lockdown, Cooke and Taffs threw away around £1,500 in beer. But after foreseeing the lockdown in November last year, they were able to manage their stock more efficiently the second time round.

“The announcement of the first lockdown was the worst day of our lives,” said Taffs. “A significant amount of beer went down the drain that day.”

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Nigel Baker,
The Convivial Rabbit



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Nigel Baker, The Convivial Rabbit

It was even worse for the Cask ‘n’ Keg, where Paterson tipped away around £3,000 during the first lockdown and £1,200 in the second. Even barrels which had not been opened had to be thrown away, as well as spirits and mixers.

O’Neill estimates he had to dispose of around £1,000-2,000 of beer. But he was more concerned about selling an out-of-date product.

“My attitude is that if it isn’t right then it isn’t going out,” said O’Neill. “Then there are all the snacks and bottles of spirits that had to go to.

“But you also have to factor in the generous financial support we received from the Government that helped to cover some of the losses. That money has enabled us to restock and prepare for

when we could reopen again.”

Rather than waste stock, Slattery gave any excess beer to customers for free. In the final hour of the last night before shutting in December, he handed out all the remaining beer to grateful customers.

“My view is that you need to look at it as money not earned rather than lost,” said Slattery. “Once it has gone it has gone, you’re not going to get it back, so forget about it.”

Baker managed to shift most of his beer before the second lockdown and then via take aways and home delivery. He invested a huge amount of time into choosing the right range and promoting it to his customers on Facebook, Instagram, Twitter and WhatsApp, sending out a weekly beer list and taking orders.

“It all started well – we were relatively busy and the weather was nice as we drove around Dorchester delivering beers,” said Baker. “But as the year wore on trade gradually petered out after New Year with Dry January, so we took the decision to furlough our staff and shut down for January, February and March.”

Despite losing around four tubs of beer during the first lockdown, the 10:50 From Victoria’s Jackson hasn’t had to throw any more away as it has kept well during the winter. Even during the first closure, he set up a takeaway service to use up the remaining barrels that were open.

“I just stuck an A-board outside and started shifting them,” said Jackson. “Regulars would also call me up and ask what I had in stock and we went from there.”

Mounting expenses

Another big expense was personal protection equipment and safety products such as anti-bacterial gels, hand sanitisers, face masks, screens to protect customers and staff. Then there was all the signage that accompanies it.

Cooke and Taffs paid out around £2,000 on screens, sanitisers, and printing material for test and trace. That’s the same figure the Mortons had to stump up for safety equipment and supplies, including recent beer garden alterations and additions needed for outdoor seating arrangements.

Paterson also shelled out thousands on making his premises safe. He spent around £600-700 →

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←
The Convivial Rabbit,
Dorchester, Dorset

on screens, £600 on a glass washer and £400 on sanitiser.

Slattery estimates that his pub went through a bottle of anti-bacterial gel per day, as well as forking out around £700-800 on screens and barriers.

The biggest headache for Baker was just keeping supplies of sanitiser and alcohol gel topped up.

O'Neill, meanwhile, installed hand sanitiser stations and put up signage around the pub as well as moving to a full table service. He also invited customers into the pub in late August to see the facilities and reassure them it was safe.

“My view is that we should stick to Government rules and guidelines at all times, and if we are told to do something we just get on with it,” said O'Neill. “We have adapted and found a way to do it and that is what it's going to take until we return to normal again.”

Being a wine investor and enthusiast has also enabled O'Neill to diversify. With a Wine & Spirit Education Trust qualification behind him, he has set up a wine club, delivering bi-monthly selections. It has already proved to be a big hit and O'Neill estimates it will add around 10% in turnover a year if it

continues its current trajectory.

“By finding a way to remain viable and relevant, we have managed to put a smile on our customers' faces at the same time as keeping our staff gainfully employed,” said O'Neill.

While some landlords have demanded their tenants keep up with rent payments throughout lockdown, others were more understanding, offering reductions or deferrals.

Baker was one such beneficiary of a discount, with his landlord halving the rent during lockdown.

Despite the Hop Inn's landlord having offered a deferral, Cooke and Taffs insisted on paying every penny due.

“We felt that we had to do everything we could to keep the business going,” said Taffs. “That included paying full rent to the landlord, so that we didn't fall behind.”

Many of those micropubs that were fortunate enough to have an outside space applied for additional seating from the April 12th lockdown easing this year. The Hop Inn has a pavement

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Sean O'Neill, The Needle & Pin

licence, but Cooke and Taffs decided to hold off using it until the pub reopened inside on May 17th, as it is used primarily as an overflow facility. Its current licence runs until September.

“We couldn't make it economically viable using the licence on its own, particularly with the staffing requirements,” said Taffs. “But since we reopened inside, it has helped customers who aren't yet ready to come back into the pub.”

Some councils even granted licences for no fee. The Vale of Glamorgan Council approved the Butterfly Collector's application for outdoor seating without charge.

Baker has also made the most of some waste ground at the back of the Convivial Rabbit, which his landlord bought in the autumn of last year, turning it into a pub garden using Government grant money, enabling the business to trade when it reopened on April 12th. He also successfully applied for additional outdoor seating.

“The biggest problem for us was actually the indoor seating which had to be halved due to social distancing restrictions at the same time as having to bear the cost of providing a full table service, and test and trace,” said Baker. “That made it questionable whether it was even viable to remain open.”



Closed Micropubs

During the past 16 Covid-haunted months, the following micropubs have sadly ceased trading. We, and their local communities, will miss them greatly.

A Y's Man
Sheerness, Kent

Ashton Tap House
Ashton-under-Lyne, Greater Manchester

Chilli Devil's
Hull, East Riding of Yorkshire

Crafty Banker
Rugby, Warwickshire

Dockside Tap
Edinburgh

Dove at Prestatyn
Prestatyn, Denbighshire

Engine Room
Callander, Perthshire

Floodgate Ale House
Stafford

Hopbunker Craft Beer Bar
Cardiff

Lanes
Dover, Kent

Little George
Stroud, Gloucestershire

Pursuit of Hoppiness
Exeter, Devon

Ref & Whistle
Skipton, North Yorkshire

Samm's
Peterborough, Cambridgeshire

Stretton Ale House
Church Stretton, Shropshire

Tap and Cork
Horwich, Greater Manchester

Wrinkly Dog
Sutton-in-Ashfield, Nottinghamshire

If you know of any other micropubs that have closed, then please drop us an email to info@micropubmagazine.co.uk with name and location, and we will give them an honourable mention in our September edition.

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Future hope

The most recent reopening has proved to be a double-edged sword for many micropubs. While some people have continued to drink at home, others have been keen to return or have more time on their hands because they spend less time commuting.

“You can look at it both ways,” said Jackson. “Many people have become used to having their tins in front of the telly and not going out, while others are keen to get out and see their mates again.”

The Hop Inn is based in a commuter belt but even with the return to work many local residents will

“**Many of those commuters won't be going back on a full-time basis. We stand to benefit from that as people will be using their local services much more**”

Alison Taffs, The Hop Inn

be travelling less. Taffs has been tapping into local interest through social media with live 40-minute beer tastings on Instagram every Tuesday featuring famous brewers including Jaega Wise of Wild Card Brewery in Walthamstow, West London, and wine tastings on Zoom, as well as doing some educational work, podcasts and videos with CAMRA (the Campaign for Real Ale).

“Many of those commuters won't be going back on a full-time basis,” said Taffs. “We stand to benefit from that as people will be using their local services much more.”

Since reopening, Baker has already received huge support from his regulars. And he believes that is only going to grow due to pent-up demand.

“There's an eagerness among many people to return to the pub,” said Baker. “That's going to increase as restrictions lift further and they

start to mix with family and friends again.”

O'Neill is also keeping an open mind. But he is certainly going to be proactive in trying to get business back.

“We're going to do everything in our power to get people back in the door,” said O'Neill. “The only way we can do that is to get on the front foot by hosting live events such as wine tastings while continuing to offer our home delivery service for those people that still want it.

“The whole point of the pub is as a place where you can go and enjoy a drink and that's what we ultimately want to get back to. But at the same time, we need to ensure that

everything continues to be done in as safe a manner as possible.”

Even with customers being allowed back into pubs, Paterson believes that many will be content to stay at home or even be too scared to return.

“Drinking habits are definitely going to change,” said Paterson. “That's for sure.”

Slattery, however, is more optimistic.

“My philosophy is just put a smile on your face and crack on with it,” he said. “If you keep doing what you're doing, it may take some time, but the punters will come back eventually.”

Key events

March 20, 2020

Prime Minister Boris Johnson orders pubs and restaurants to close

March 23

The Prime Minister announces the UK is to go into lockdown, starting on March 26

July 4

Restrictions are eased in England, including the reopening of pubs and restaurants

August 3

Government launches its Eat Out to Help Out scheme, offering a 50% discount on meals up to £10 per person

September 14

The rule of six for indoor and outdoor gatherings comes into force in England

September 22

The Prime Minister announces new restrictions, including a 10pm curfew for the hospitality sector

October 14

Government introduces a new three-tier system in England

October 31

The Prime Minister announces a second lockdown in England, commencing November 5, with pubs having to shut again

December 2

The second lockdown ends

December 19

The Government announces a new Tier 4 restriction for some areas of England

January 6, 2021

England enters a third lockdown

April 12

Pubs are allowed to reopen, offering only an outdoor service

May 17

Pubs are permitted to provide an indoor service, limited to gatherings of six

July 19

The third lockdown is scheduled to end, with all legal limits on social contact removed