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R3

## **Pubs continue to struggle although Yorkshire fares better than most**



Pubs across the UK are still facing tough times although the sector in Yorkshire performed more strongly than most this month with one of the lowest levels of businesses at higher than normal risk of insolvency, according to the latest research by insolvency trade body R3.

While 21.5% of pubs across the UK were considered to be at higher than normal risk of insolvency In June, Yorkshire was below the national average with just 20.2%. This represented 529 of the 2,619 active pubs in the region. In fact, of the 12 regions surveyed, only Scotland (17.7%), the North East (18.4%) and Northern Ireland (19.4%) proved more resilient than Yorkshire. The region with the highest level of pubs in the overall negative band was Wales with 24.3%.

While overall, the region saw a month on month rise across all sectors with an overall 3.2% increase in the level of businesses considered to be at higher than normal risk, in many sectors Yorkshire continued to perform more strongly than most other regions. In manufacturing, hotels, IT and technology and agriculture, the region had a lower percentage of businesses in the risk band compared with the UK-wide levels. However, restaurants, construction, professional services transport/haulage and retail in Yorkshire were above the national average for their respective sectors.

Adrian Berry, chair of R3 in Yorkshire and restructuring partner at Deloitte LLP, commented:

“Britain’s pub industry has really suffered in recent years with heavy taxes on alcohol and lower alcohol prices in supermarkets as well as changes in customer behaviour following the smoking ban and concerns about drink driving, meaning that more people now enjoy a drink at home rather than going out to the pub.

“However, we are seeing a growth in micro breweries and craft beers with many pubs re-inventing themselves with comfortable, modern interiors where customers can enjoy an artisan ale in the evening or a coffee during the day. As with all businesses, it is those that are able to adapt to customers’ changing needs that will survive.”

Mr Berry continues: “While overall the Yorkshire economy appears to be faring relatively well compared with the rest of the UK, it is worrying to see month on month rises in the negative band across all sectors which may well be a sign of a fall in consumer spending amid concerns about inflation.”

R3 uses research compiled from Bureau van Dijk’s ‘Fame’ database of company information to track the number of businesses in key regional sectors that have a heightened risk of entering insolvency in the next year.