

UK Pubs Vanish as Tax Burden Rises

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Pubs, long regarded as the cornerstone of British community life, are closing at an unprecedented rate, with industry leaders warning the sector faces collapse unless the government acts on soaring taxes and operating costs.

BFPA data shows the number of UK pubs fell from about 64,000 in 1990 to around 47,200 in 2019, a decline of roughly 26 per cent.

The decline has accelerated in recent years. Since early 2020, more than 2,283 pubs in England and Wales have closed, many converted into homes, offices or nurseries. According to commercial real estate specialists at Ryan, the number of pubs in England and Wales, including vacant or let sites, has dropped to 38,780.

In the first half of this year, 209 pubs closed, averaging eight each week.

Despite the decline, research conducted by small business comparison site Bionic sheds light on the enduring traditions of pub culture. By analysing phonebook data and active licences, the study identified the nation's most common pub names.

The Red Lion leads the list with 517 active pubs across the UK, its origins dating back to King James I, who required the Red Lion of Scotland to be displayed on public buildings, including inns and alehouses, after he took the English throne in 1603. Other favourites include the Royal Oak, a name linked to King Charles II's famous hiding place during the English Civil War, and the Crown, reflecting centuries of royal patronage. More modern influences are also evident. Pubs named after Prince George are climbing the rankings, fuelled by what industry analysts call the "Prince George effect", where royal associations boost consumer enthusiasm.

Industry leaders warn that punitive tax policies are largely responsible for the decline. In April, the national living wage rose 6.7 per cent to £12.21 an hour for over-21s. At the same time, the government increased employer national insurance contributions from 13.8 per cent to 15 per cent, while cutting relief on business rates for hospitality from 60 per cent to just 25 per cent.

For small pubs, this has proved devastating. Ryan's analysis shows that reducing business rates relief from 75 per cent to 40 per cent adds £215 million in tax liabilities, with many landlords seeing bills rise from £3,938 to £9,451, about a 140 per cent increase. Emma McClarkin, chief executive of the British Beer and Pub Association, said the closures were "heartbreaking" and directly linked to spiralling costs. "Pubs and brewers are important employers and drivers of growth, but also invaluable to communities," she said. "Once they close, many never return. The government must act in the budget with major reforms to business rates and beer duty."

As traditional pubs disappear, developers have been quick to acquire prime locations for more lucrative uses. Former pubs have been turned into housing, office space, or day

nurseries, erasing local heritage in the process.

Alex Probyn of Ryan warned: “The combination of soaring business rates, higher national insurance, wage increases, and packaging taxes is draining profits until staying open becomes impossible. Once shut, sites are snapped up by developers almost overnight.”

Beyond taxation, consumer habits are changing. Laura Court-Jones, small business editor at Bionic, noted that fewer people are drinking alcohol regularly, while chains offering cheap food and drink have attracted trade away from traditional high-street locals.

“The pressures are enormous,” she said. “Rising costs, shifting habits, and strong competition mean many landlords simply cannot keep going. Every pint, every meal, every visit matters if communities want to keep these venues alive.”

Industry leaders insist that the survival of Britain’s pubs depends on decisive government action. With another budget approaching this autumn, campaigners are urging ministers to rethink tax hikes and restore meaningful relief for the hospitality sector.

The warning is stark: unless reforms are introduced soon, the decline of the local pub will continue, leaving communities across the UK poorer both economically and socially.