

EVALUATION OF THE LICENSING ACT 2003: APPENDIX C

**Licensing Act 2003:
Impact on terminal hour by market
segment**

**Compiled by CGA Strategy for the
Department of Culture, Media and Sport**

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CGA Strategy

- GB's leading licensed trade research consultancy
 - Established in 1991
- Clients include all major UK drinks companies/retailers
 - Mitchell's & Butlers; Spirit Group; Punch Taverns; Luminar
 - Regent Inns; Nexum; Whitbread; Fuller, Smith & Turner
- Services founded desk, telephone and field research
 - Visiting 1,000 premises each month
 - Conducting telephone surveys with 3,000 licensees each month
- CGA Strategy's focus on the on trade
 - Unrivalled understanding of changing nature of pubs, clubs & bars
- Continuous work with retailers, producers & regulators
 - Provides insight into present and future trends in the GB on trade

Research Aims & Methodology

- To investigate the change in trading hours brought about by the introduction of the Licensing Act 2003
- Results presented for England and Wales across on-trade
- Drinks Places, CGA Strategy's master database of the GB on-trade
 - Identified 44,968 premises with data on closing time pre/post-reform
 - 9,894 registered/social clubs
 - 3,383 hotels
 - 1,182 nightclubs
 - 21,929 pubs and bars
 - 8,375 restaurants
 - 205 other
- Time recorded by licensee as typical for closure on Saturday night
 - Analysis not therefore dry audit of permitted hours on premises licence
 - Genuine insight into how new Act being used on ground by operators
- Analysts produced tables detailing
 - Spread of closing times pre/post-reform
 - Average closing time pre/post-reform

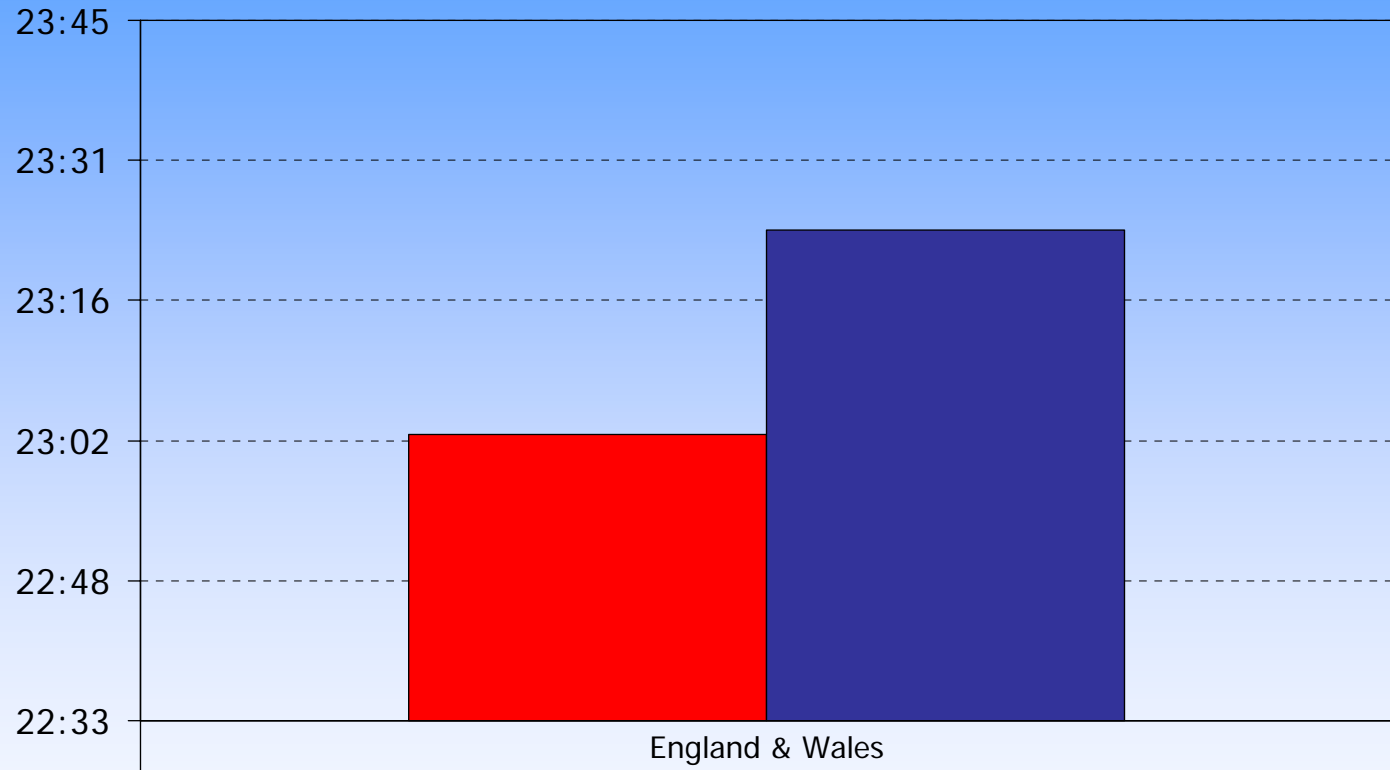
England & Wales Summary

- Overall picture is of evolution not revolution
- Average closing times across all outlets in E&W increased by 21 minutes
 - Not the radical shift predicted by many media commentators
- 21% of pubs now closing at midnight
 - 25% fall in operators closing at 11.00pm
- 42% of bars close at 11.00pm
 - Fall of 13% as operators moved to midnight or beyond
- 1 in 10 registered clubs now trading to midnight
 - Was 1 in 50 prior to transition
- Doubling in number of nightclubs trading to 4.00am (8%)
 - Just 44% retained 2.00am terminal hour

Average Closing by Segment

- Pubs: up 27 minutes to a 23:30 average closing time
- Bars up 28 minutes to a midnight average closing time
- Registered Clubs up 56 minutes to a 23:56 average closing time
- Nightclubs up 31 minutes to 02:21 average closing time
- Hotels up 9 minutes to 23:27 average closing time
 - Note: this is closing time to public not residents
- Restaurants up 6 minutes to 23:06 average closing time

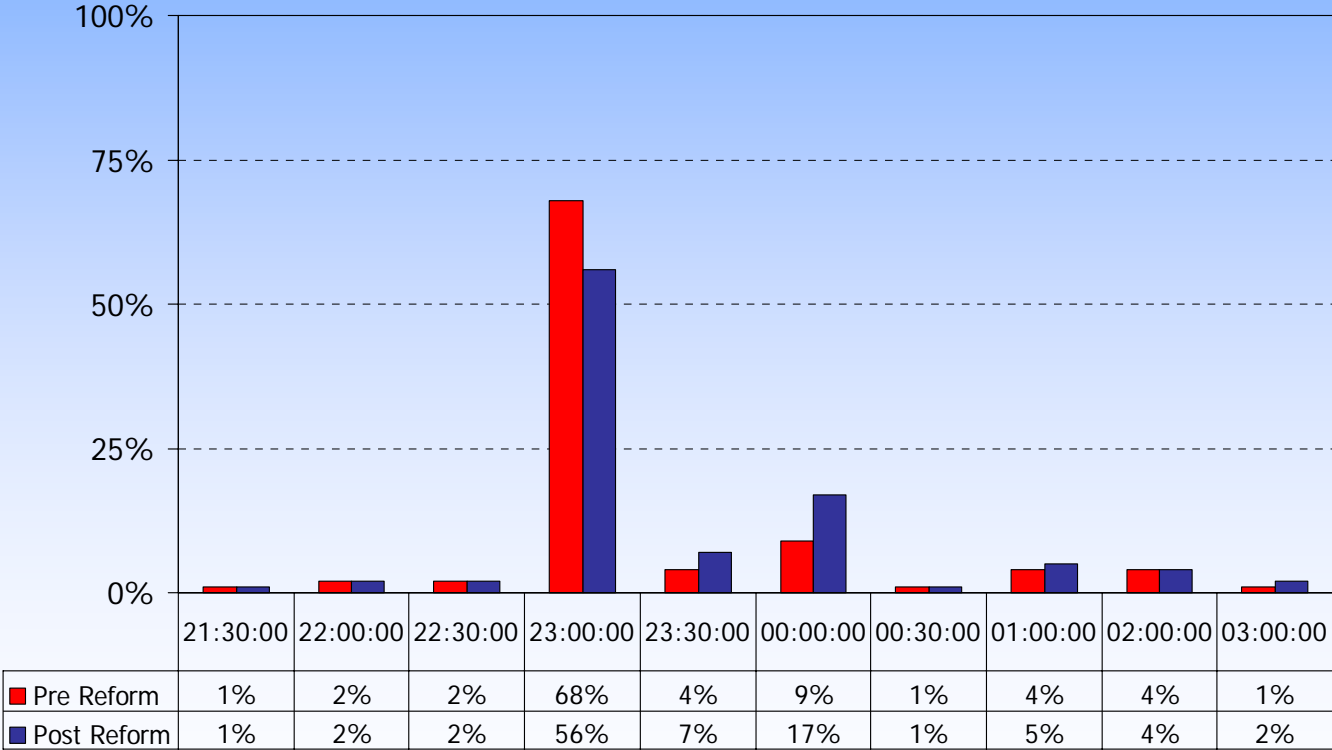
England & Wales – Headline closing time changes



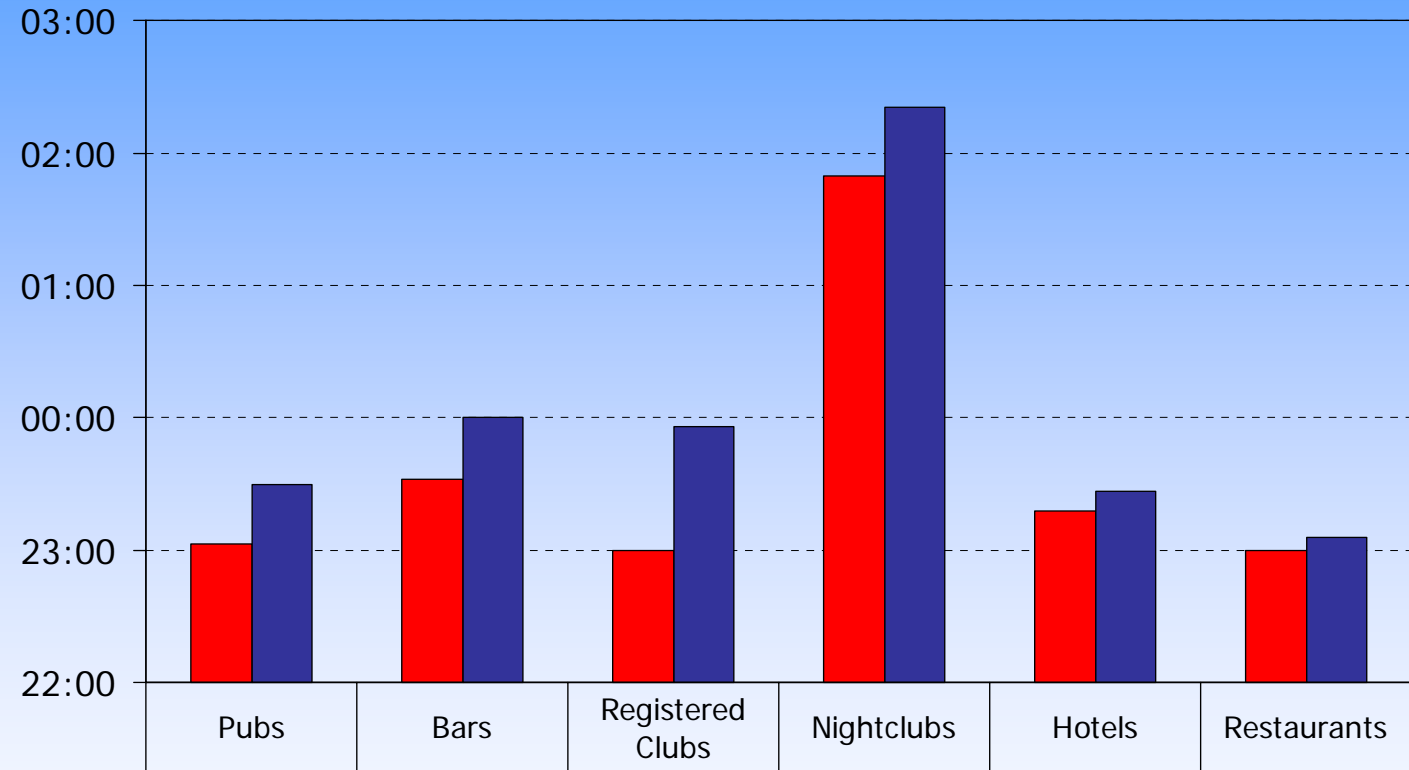
| | |
|--------------------------|-------|
| ■ Previous Closing Times | 23:03 |
| ■ Current Closing Times | 23:24 |

England & Wales – Spread of closing times pre & post reform

- Migration away from traditional 23:00 closing time
- Majority of terminal hour change focussed on 23:00-00:00
 - Very little activity moving later into the night



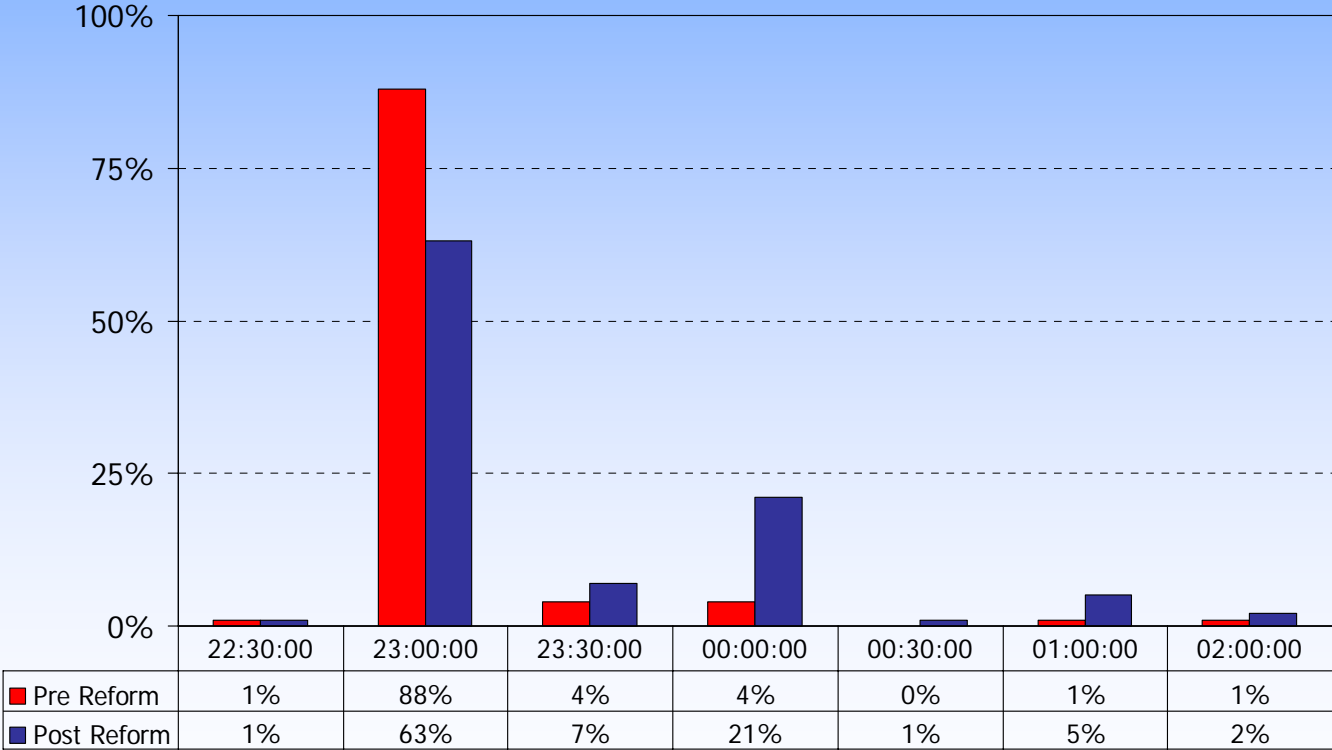
England & Wales – Headline closing time changes by outlet type



| | | | | | | |
|-------------------------|-------|-------|-------|-------|-------|-------|
| ■ Previous Closing Time | 23:03 | 23:32 | 23:00 | 01:50 | 23:18 | 23:00 |
| ■ Current Closing Time | 23:30 | 00:00 | 23:56 | 02:21 | 23:27 | 23:06 |

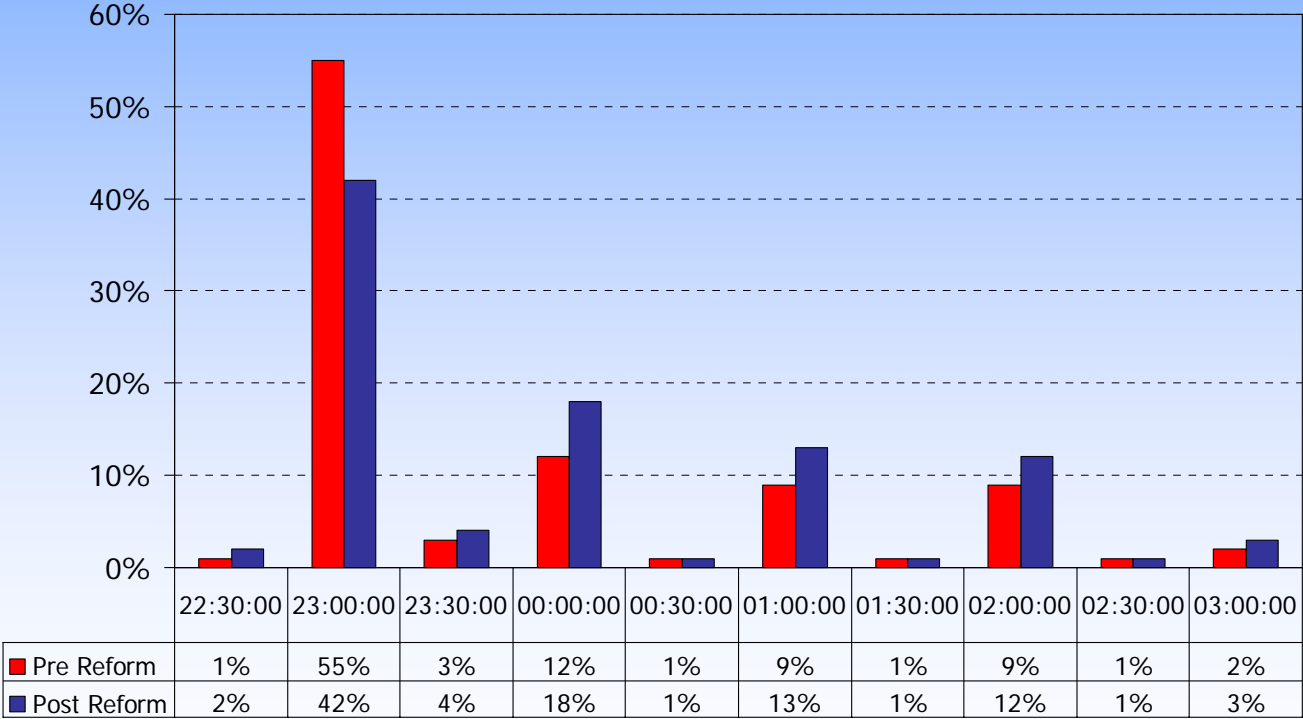
Pubs – Spread of closing times pre & post reform

- Migration away from traditional 23:00 closing time
- Midnight now popular alternative (1 in 5 venues)
 - Local pubs benefit to detriment of town centre venues



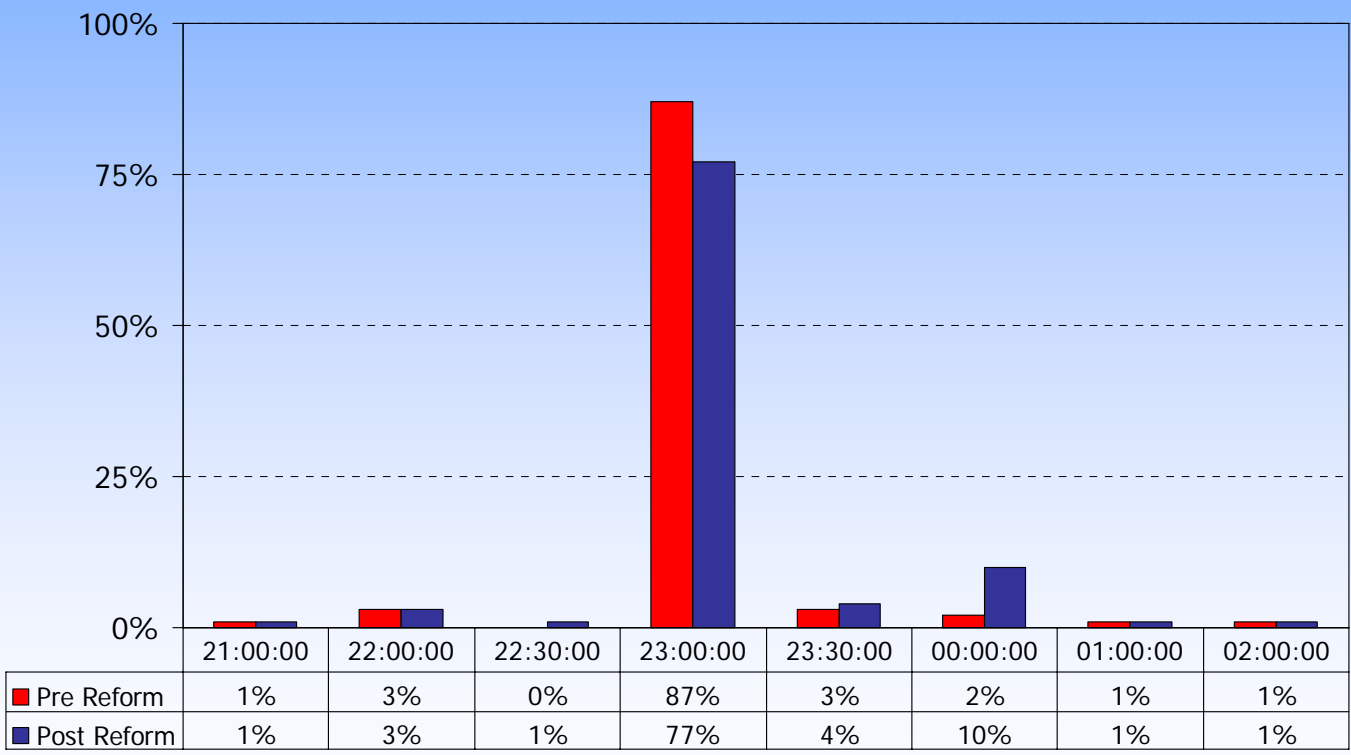
Bars – Spread of closing times pre & post reform

- Further migration away from traditional 23:00 closing time
- 00:00, 01:00 and 02:00 all seen a growth in popularity



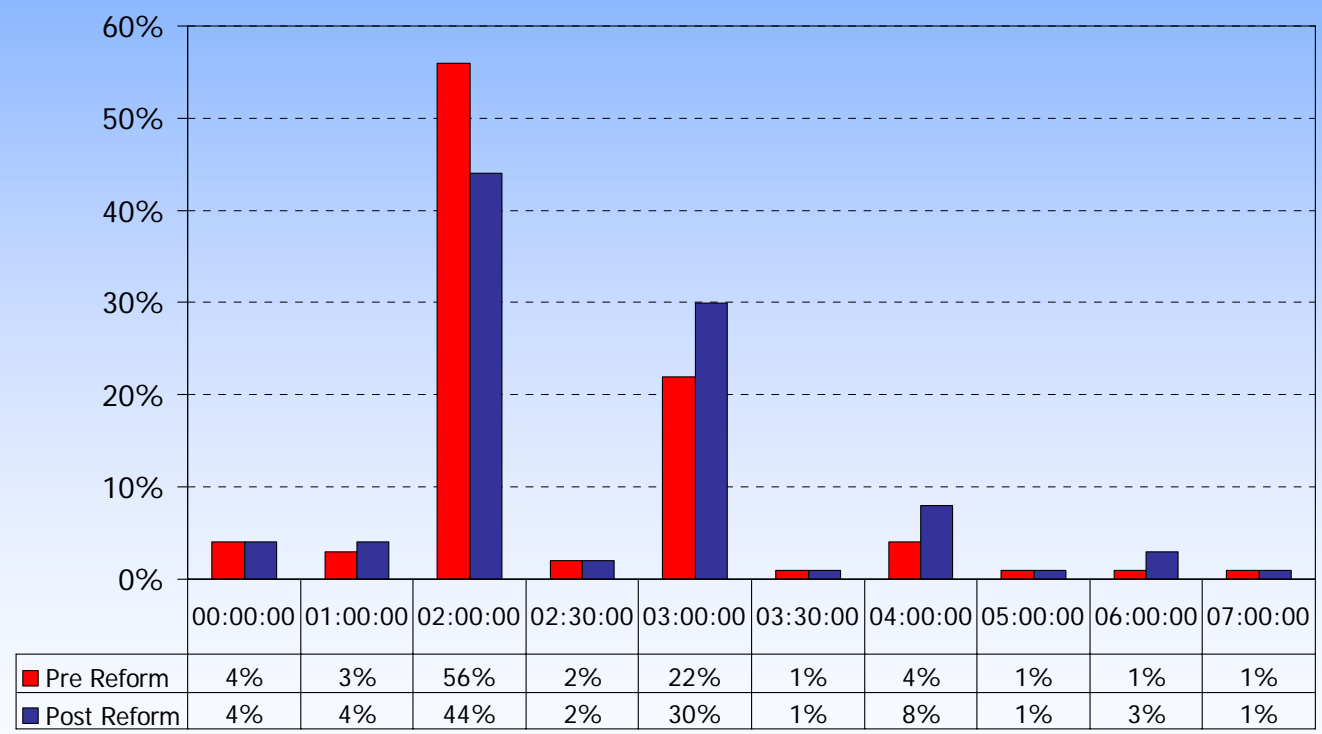
Registered Clubs – Spread of closing times pre & post reform

- The hour extension proves to be the most common application



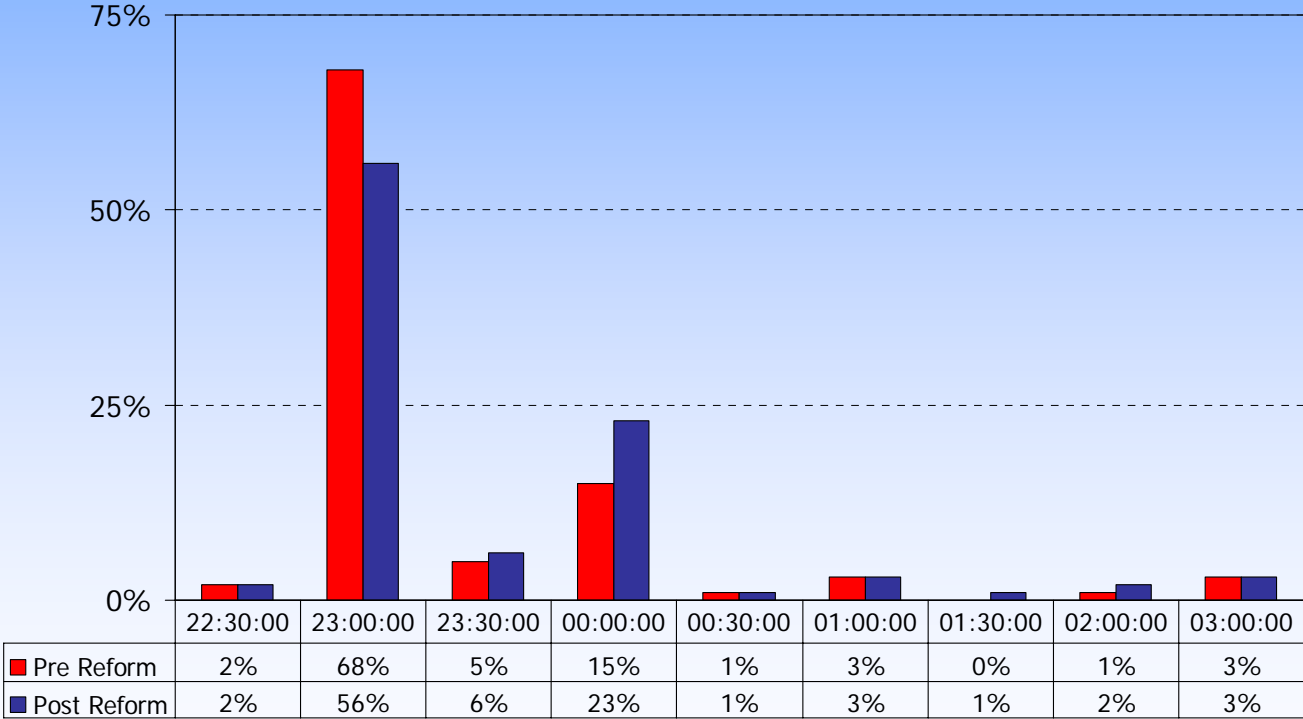
Nightclubs – Spread of closing times pre & post reform

- 03:00 is becoming a popular terminal hour in this sector



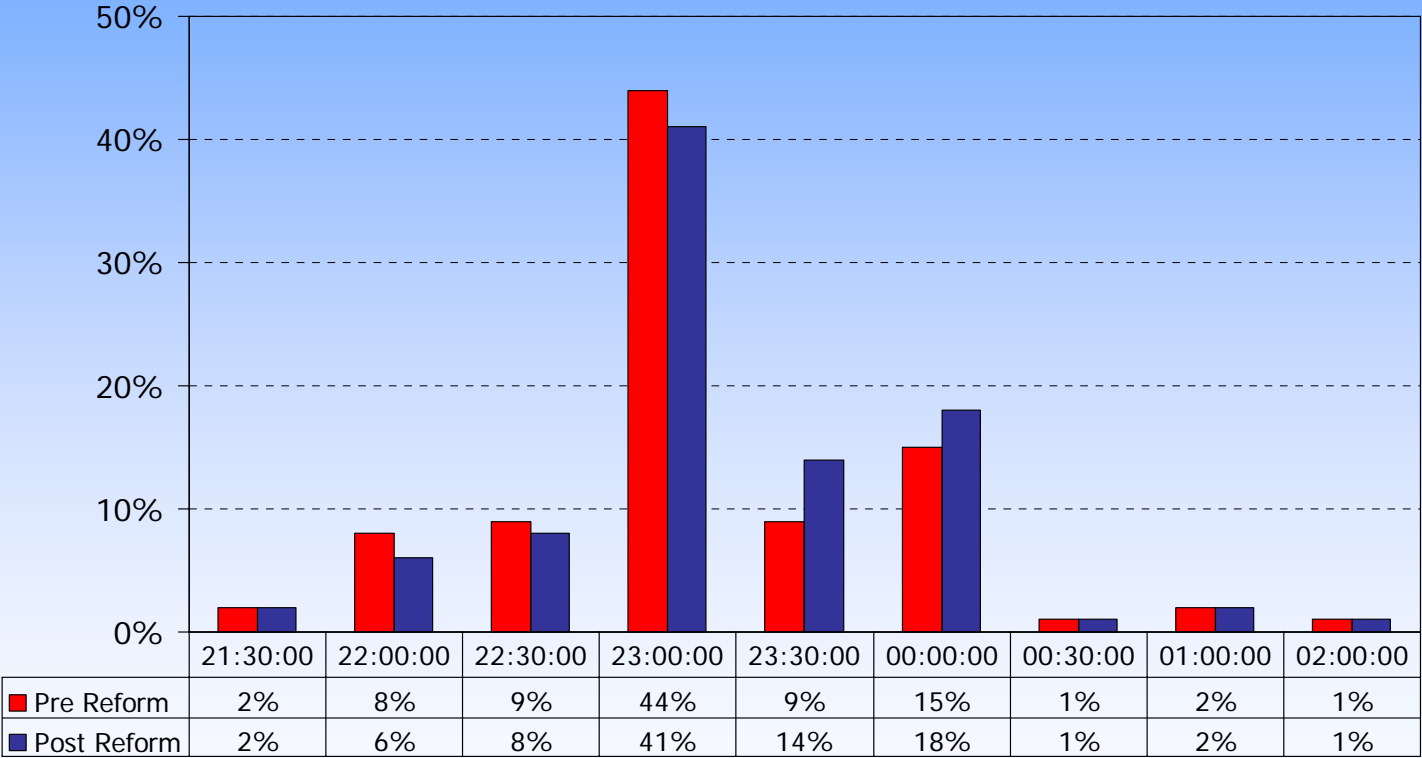
Hotels – Spread of closing times pre & post reform

- Hotels have witnessed little change



Restaurants – Spread of closing times pre & post reform

- 30 minute/1 hour increase is the major change
- Little increase in trading past midnight



Conclusions

- The perception of 24-hour drinking culture is clearly unfounded
- Overall the most common changes to terminal hour applications
 - 30 minutes
 - 1 hour
- Many outlets have retained the traditional 11.00pm closing time
- Pubs have seen an increase in midnight closing
 - Particularly in suburban areas (now competing with urban circuits)
- As expected nightclubs have moved beyond 2.00am
 - Maintain differential with pubs
 - Customers still beginning to head home at 1.00am
- Some bars have applied for a 2.00am closing time
 - Further competition for nightclubs
- Very little movement in hotel & restaurant applications

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