

Pubs for the people

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Reading the continual “glass half empty” headlines about boarded up pubs, one could be forgiven for thinking that the good old British local was in terminal decline. But is the pub, once described by George Orwell as “one of the basic institutions of English life”, really in the last-chance saloon? “Actually, it’s anything but,” says a bullish and business-like Rupert Clevly, MD of Geronimo Inns, which owns and runs distinctly superior pubs in fashionable parts of the capital. “Contrary to what many of the papers say, the pub is a thriving industry right now.”

Firmly in the glass-half-full camp, Clevly has just reopened the company’s 33rd upmarket London hostelry: The Chelsea Ram on Burnaby Street. This also happens to be the first pub he opened in 1995. Back then, becoming a publican for the very first time really was a bold and risky move. Clevly had to give up his secure, successful and desirable job as head of marketing for Veuve Clicquot. “My Master of Wine father thought I was completely bonkers,” he recalls. But Clevly junior had spotted an intoxicatingly attractive gap in the market for food-led neighbourhood pubs – just as the gastropub movement was beginning to reshape and redefine the tired old “wet-led” boozier.

“I wanted to provide something that was missing, by bringing a bit of the country pub to the capital,” says Clevly. “Our idea was to give customers a comfortable, home-from-home environment, which was quirky, fun and always highly individual. So each pub is different from the rest and comes with what I consider the basics: decent loos, good service, proper beer and wine and really great British food. It wasn’t rocket science, but in those days this kind of London pub didn’t really exist.” It does now – and for more than a decade Clevly has been widely regarded as one of the leading niche operators in the increasingly dynamic, competitive and profitable gastropub game. No wonder that Young’s came

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knocking on his door in 2010 to buy Geronimo for £60m.

Compared to industry giants, such as Enterprise Inns, Punch Taverns and the Spirit Group, Geronimo is very small beer. However, many believe that the most interesting and exciting developments in the pub business have been generated by the smaller, boutique end of the market. It's here that a growing number of minnow-like independents have more or less followed the Geronimo model in breathing new life back into great British pubs.

What we're seeing now is a very distinct trend at the top of the market," says Alastair Scott, a journalist, hospitality-industry consultant and former operations director of the All Bar One chain. "Namely the rise and rise of more and more smaller, nimble pub companies with anything between two and 15 sites. What's so exciting is the way in which they are not going down the branded route. And in so doing, they are literally transforming the pub landscape by targeting a much more affluent demographic."

These newer kids on the block include the young, highly talented and ambitious ETM Group (aka brothers Ed and Tom Martin). ETM is hardly a household name, but anyone who has been fed and watered at The Botanist in Sloane Square, The Angel & Crown in Covent Garden or The Cadogan Arms in Chelsea will know all three are a cut above the rest – particularly when it comes to their hearty, flavoursome dishes. Not surprisingly, our very own Gannet is just one of their growing number of admirers.

Each ETM establishment has its own unique identity, interior design and offering. Take its 10th and latest opening, The Jugged Hare in the City, with its wall-to-wall taxidermy, walk-in wine room, open "theatre-style" kitchen and vaulted private dining room. According to the brothers, more pubs of this ilk and class will follow.

Another award-winning micro chain is Renaissance Pubs. It is made up of three south-London thirtysomethings who have been friends since prep school. Tom Peake, Mark Reynolds and Nick Fox grew up eating and drinking in and around Clapham, Battersea and Wandsworth. They clearly have an instinctive feel for the best kind of neighbourhood pub. To date, they have transformed six once-forlorn

sites into a cluster of cracking gastropubs. You won't have heard of Renaissance either, but anyone living in Battersea's affluent "Nappy Valley" will be familiar with The Bolingbroke Pub and Dining Room. The same goes for The Abbeville in Clapham South.

As ever, you'd be hard put to spot the connection between the two. "We're not a chain and never will be," says Tom Peake. "Each pub has to have its own distinct DNA and personality." Its newest pub is The Rosendale in leafy West Dulwich. Needless to say, Renaissance is also still on the acquisition trail.

The same goes for the "upmarket but down-to-earth" Cubitt House Group, run by Belgravia locals Barry Hirst and Stefan Turnbull. Its portfolio of four exclusive and elegant public house hotels began with The Thomas Cubitt, named after Belgravia's famous master builder. "In 2005, there was little in the way of a decent pub offering in the area, which we felt it was crying out for. Partly, I suppose, because we both lived there," says Turnbull. Next came The Pantechnicon – a stunning listed building in Knightsbridge. And soon after that The Orange near Sloane Square and The Grazing Goat in Marble Arch. The latter takes its name from the goats kept on the land by the first Lady Portman who apparently was allergic to cow's milk. Restoring these neglected and faded jewels was a labour of love for the Belgravia-based Cubitt House partners. "We felt we could bring them back to life and make them viable, successful businesses. It was an opportunity we couldn't resist," adds Turnbull.

In reality, the word "pub" is somewhat inadequate to describe the Cubitt House quartet – not least because they are also restaurants and boutique hotels. "We wanted to reintroduce the concept of the old coaching inn, where travellers can stay and have a nice meal as well as a drink in the bar. We like that mix of ancient and modern at all our pubs."

So is the London pub genuinely a great business to be in? "It is if you're hands-on, invest properly in the right site and really know what you're doing," says Peake. One of the reasons many pubs have gone into decline was a chronic lack of investment, which dates back to the 1970s. Now it can cost upwards of half a million pounds to do a proper makeover on a decent-sized pub. But it's usually

essential to spend that kind of money if you want the return on investment. “We would expect to triple the turnover on one of our new pubs almost immediately,” Peake adds.

Moreover, the pub is still unique, says ETM’s Tom Martin. “It’s somewhere that provides the warmest of welcomes, a relaxed environment in which to socialise and, nowadays, often food and drink of quality to rival that of any top restaurant, bistro, brasserie or bar.”

David Eyre is the former landlord of The Eagle in Farringdon, which was the UK’s very first gastropub. “When we opened in 1991, it was completely non-elitist. We were serving everyone from secretaries and firemen to Fleet Street editors and famous architects.” Clevely agrees: “That’s the great thing about the pub. It’s convivial, informal and attracts punters from every walk of life. Plus people can be very loyal to a good local.”

When Mitchells & Butlers refused to renew the lease of Primrose Hill’s most famous gastropub, The Engineer, to landlords Abigail Osbourne and Tamsin Olivier, there was a howl of outrage. The subsequent protest attracted more than 10,000 names, including those of Jon Snow, Patrick Stewart, David Miliband, Miranda Richardson and Lisa Snowdon. Sadly, Osbourne and Olivier didn’t win the battle with M&B but did relocate to The Hampshire Hog in Hammersmith, where they are once again doing a roaring trade.

It’s also a great recession business. “These days, the big advantage of the pub is that it’s affordable and value for money,” says Charlie McVeigh, who runs a micro chain of five Draft House pubs in London serving craft beers and proper pub grub. “You can just walk in and have a pint, or a meal, or both,” McVeigh adds. “That’s crucial because more and more people are nervous about going out to formal restaurants. Partly, that’s due to a reluctance to splash out in such straitened times. But it’s also because Michelin dining is becoming increasingly unfashionable. That doesn’t mean it’s wrong, it’s just that most people now want flexibility and informality instead. And nowhere does that quite like a great British pub.”

You could (and many people do) argue that this new breed of gastropub is really a restaurant in disguise. That is certainly the case with several of ETM's superior establishments. But then, who among the publicans cares about such a sleight of hand when the drink is flowing, covers are turned and tills are constantly ringing? Most importantly, nobody can now seriously argue that the food quality of these new pubs isn't more than up to scratch, particularly in the smarter parts of London where the culinary competition has never been so fierce.

A case in point is the extraordinary Harwood Arms in Fulham, where the food (and wine) are well worth the detour. One reason for that is the involvement of The Ledbury chef, Brett Graham, as one of the pub's partners. Mind you, he's not the only Michelin-starred chef turned part-time publican. You can also add Gordon Ramsay, Heston Blumenthal and Claude Bosi to the list.

Nor is the food-led pub revival exclusively restricted to London. In recent times, the country public house has taken a much bigger hit in terms of casualties. But commercial opportunities still continue to abound in more affluent areas. Hence, the appearance of new provincial players such as Peach Pubs, Brunning & Price (bought by the Restaurant Group in 2007) and Whiting & Hammond.

Longshot Country Inns is another name to watch out for. The company is run by entrepreneur Joel Cadbury whose business interests once included the Groucho and the legendary Admiral Codrington in South Kensington. Longshot astutely sold up in 2007, right at the top of the market. Since then it has invested around £4m of its war chest in four delightful bijou country inn restaurants in Godalming, Reading, Cookham and Windsor under the collective name Bel & The Dragon.

"We're deliberately not looking in London. Instead, we're focusing exclusively on the A3/M40 corridor within an hour's drive of London where there are great opportunities to expand," says an animated Cadbury. He too has concluded that "fine dining is not the place to be". Instead, Longshot is providing informal dining using great seasonal British food, at value-for-money prices. Already, Bel & The Dragon is turning a very tidy profit. "In the country, if the food and wine are good, people will drive miles to get there without blinking. But you do need rooms as well," he adds. Currently, Longshot is looking for another six to 10 run-down sites

to invest in over the next two to three years.

Meanwhile, everyone agrees that it's getting harder and harder to find the prime locations, particularly in London. For the past two or three years, the best sites have been going for very substantial numbers. One reason is the increased competition. Another is because the big pub companies have stopped selling their crown-jewel pubs at knock-down prices, which is what a number had to do to survive the downturn in 2008 and 2009. Without question, that was the optimum time to buy.

Sterners critics argue that some menus are in danger of becoming boringly repetitive. The same is true of much interior design with too many ersatz church chairs, exposed wooden floors and mushroom wainscotting. "There's a lack of imagination and originality," says the former publican David Eyre who now runs the Eyre Brothers restaurant in Shoreditch. "The gastropub has become the default setting to the point of ubiquity. It would be nice if someone could come up with something different."

McVeigh might just be the man. In his Draft House pubs he has been trumpeting the return of a curiously old measure called the "third". McVeigh also believes that there's a real opportunity for the return of fun, "wet-led" London pubs where punters can enjoy a range of authentic craft beers and lagers. As a result, he is in the throes of opening a number of new Draft Houses, including a super-prime site in W1. A variation on the same theme is the brasher, craft-beer approach of the BrewDog bars, which began in Scotland and are now gaining a foothold in several UK cities.

Not everything in the beer garden is rosy. There's no getting away from the fact that 16 pubs per week continue to close. "Whether or not you have a decent pub is now a postcode lottery," says McVeigh. "For most people who live in a poor or remote rural area, there probably won't be a nearby pub – or not one worth going to."

Unfortunately, in spite of campaigns such as "I'm Backing the Pub" and the "Pub is the Hub" supported by the Prince of Wales, the sobering fact is that pubs will

continue to fall by the wayside. “If you’re in a small town perhaps only a handful will survive,” says Clevely, somewhat grimly. “But at least they’ll be good pubs, well worth saving. Also, the rate of closures has slowed considerably in the past two years.” In 2009, the UK was losing up to 52 public houses a week. However, those pubs that survive are also increasingly likely to prosper, which is good news all round for this most British of institutions. “Certainly, from where I’m standing, there’s absolutely nothing wrong with the British pub,” says McVeigh. “In fact, I’d say it’s a great place to be.”