
From:
Sent: 03 May 2013 18:37
To: Pubs Consultation Responses
Cc: Arnold
Subject: Consultation on pubcos

436.

I am a consumer living near Henley on Thames

Over the past few years, a large number of pubs have closed in villages in South Oxfordshire and North Berkshire. This has left many of the villages without a community focus.

The owner of the pubs (primarily Brakspear, no longer a brewery but a property company) says that the pubs are not viable, and therefore must close. Frequently they are not viable because the rents are so high, and the requirement to buy alcohol from the company means that tenants are paying more for beer and wine than if they bought from a retail outlet.

I have knowledge of a pub near me, where an extremely innovative, business oriented couple became tenants. After two years, they had to quit. They just could not make a profit under the terms imposed by the pub company. The response of the chairman of the pub company was that the tenants were not running their business well enough. The pub has new tenants now, but I suspect that the new tenants will also find it impossible to make a profit. This pattern is repeated in so many local Brakspears pubs - the tenants do not last long because the business conditions are impossible.

Brakspear was once a brewery, but the pubs are now owned by a property company. No doubt the company has some problems itself, because of the debt it incurred buying the pubs, but the returns for investors are still very reasonable. There is no incentive for Brakspears to give tenants a fair chance of running a pub successfully. It is often in the company's interest if they can claim a pub has become unviable, and it can be sold with change of use.

I believe this pattern is being repeated all over the UK. As a result, communities are often losing their main focus point. Although the government is doing something to assist communities in retaining their pubs, more need to be done. Tenants of tied pubs need a viable business environment. The tenants need more protection so tied rents are in line with free of tie values, and there should be an opportunity for a 'guest beer' option (i.e. not supplied by the pub company) in all tied pubs.

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