

**From:** [REDACTED]  
**Sent:** 07 June 2013 16:53  
**To:** Pubs Consultation Responses  
**Cc:** [REDACTED]  
**Subject:** Suggestions

Hello,

I'm a regular pub user and have been well aware of the problems faced by some sections of the licensed trade. These problems seem to be very much more severe in those pubs run by pub companies. We have several largish pubs locally perpetually advertising people to "lease this pub" and those who attempt to do so give up after a short while. Those who do make a decent living find that after three years the pubco looks at the figures and exacts a swingeing proportion of the turnover in increased rents. In this area we have many thriving pubs, all of them free houses.

One problem which has to be addressed is that many pubcos are property companies. They see pubs as bricks and mortar, as investments, and not as self sustaining businesses. Very often they have paid far too much for the buildings. House prices have shot up, pubs are not houses and their prices ought to be related to the turnover they generate. If not, the overheads cannot be supported by the income. The takings are simply insufficient to pay a fair wage to the licensee and provide a return on the pubco's outlay. The result is high rents, very often resulting in the licensees earning substantially less than the minimum wage.

I'm concerned that the pubcos will look towards creative accountancy or workarounds to deal with or avoid any new regulations. This is what happened to the beer orders in 1988. This is why, for example, the regulations should apply to pubcos of any size rather than 500 or more. With the 500 figure we are going to see pub empires split into 499 pub units.

I make four suggestions.

- 1) That a tribunal will be required to ensure that no licensee or anyone else working in the pub should receive less than the statutory minimum wage. This after consideration of hours necessarily worked and should be the first call on the income.
- 2) That the regulations should apply to all pubs not owned by the licensee.
- 3) That pub companies should not be able simply to convert any pub to other use. It must first be offered as a going concern on the open market at a realistic price (possibly twice the maximum historical turnover)
- 4) A catch all clause, that any schemes or devices whose purpose is to circumvent the regulations should be void.

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