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**From:** Small, Nick [Nick.Small@liverpool.gov.uk]  
**Sent:** 10 June 2013 16:39  
**To:** Pubs Consultation Responses  
**Subject:** Pub Companies & tenants - response to consultation

I am writing in response to the government's consultation on pub companies and tenants.

The property companies that own over half of the country's pubs charge very high rents to tied tenants of pubs to pay interest on very large debts to pubcos.

To pay these rents a pint of larger is on average 80p per pint higher and a pint of beer 65p higher than justified by inflation and like for like changes in taxes since 1987. This is pricing pubs out of the market and in Liverpool has led to the closure of many pubs in the city and has resulted in many jobs losses.

In 2009 the Office for fair Trading concluded that the average tied lease is being overcharged by around £12,000 a year.

I welcome the draft statutory code and support option 3, which offers tied tenants the ability to buy products from the open market and pay a fair market rent for the building. I believe that the two other options will allow pubcos effectively to put up rent by the backdoor by overcharging for products tenants are tied to buy from them.

**Councillor Nick Small**

Cabinet Member for Employment, Enterprise & Skills

Labour Councillor for Central Ward

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