23

From:
Sent: 28 April 2013 11:49
To: Pubs Consultation Responses
Subject: Pubs consultation

Dear Sir / Madam

I currently lease two licensed premises . One of which is tied to Enterprise Ins , the other free of tie .

As far as we can see there are no advantages for our company to survive by not having the mandatory free of tie option unless the pub cos for these reasons .

1.The price we are charged for beer form Enterprise means that we actually make a loss on each beer sold as we can only achieve 40% GP .

2.There are no benefits of economy of scale at all , intact quite the opposite due to the hugely inflated price of kegs which can be bought at up to half the price we are forced to pay .

3.Enterprises profits form the hugely inflated beer prices does not in anyway benefit the tenant by reinvesting in the property they lease on a full repairing lease .Enterprsie offer capital expenditure schemes as one of the incentives and benefits to be part of a tie . They want a 20% return on any scheme they capitalise and you are obliged to use their contractors who have openly admitted to us charge twice as much as market prices for their any works . This is then added to the rent . This is also extremely exploitative .

4.There is very little choice for us as retailers to sell the products that the public demand . Craft beers and micro brewery beers are now the new standard , Enterprise only offer generic and generally imported products form huge companies that can afford to have market share .

5. Even it was decided that the mandatory free of tie option was not to be included in the code of practice there would still be many ways that they can exploit their tenants and i can se that there is nothing in the proposed code that includes us paying a reasonable market price for their beer that we would still be forced to buy .

Best regards