

9/6

**From:**  
**Sent:** 14 June 2013 10:04  
**To:** Pubs Consultation Responses  
**Subject:** Pub consultation submission  
 To whom it may concern,

I am writing in response to the current consultation on pubs which closes today. I am a current licensee under an Enterprise Inns retail partnership tenancy and have been for after buying out the people I used to manage for. Combined, and I have over 30 years trade experience and would considered very experienced operators.

My story is simple and straightforward. I am currently on a rent of which is due to go up in steps to the Enterprise required figure of £. This rent on its own would be fine and the business would be viable, but the extra things that I am required to pay on top will make it impossible for my business to survive when my rent increases and I will have no option but to fold my business before I am sunk by debt.

For the record, on a rent of my current salary is per week currently earns per week. Our joint income is therefore £13,208 for working between 70-100 hours a week each!! My income will therefore be zero when my rent increases instead of the <£3.63 per hour I earn now and I will not be able to employ 1 full and 8 part time staff.

The beer tie is a major factor in the equation. My sales are 50/50 split between wet and dry. The GP I obtain from my wet stock is drastically reduced by high purchase price through my pubco supplier. I can buy a keg of fosters for £68 on the open market but from EI the same will cost me £130+VAT. The only reasonable profit we can currently make is on other areas of the business where we have diversified as the wet side of the business makes next to nothing.

There is another very important thing that seems to have been overlooked when considering the pubco/tenant relationship. As well as being tied on my wet purchases I am also contractually obliged to take other services from the PUBCO at hiked prices and have no choice to go elsewhere. These items are listed below with associated annual costs.

Buildings insurance	
Heating and Cellar Cooling Maintenance	
F&F Rental	
Compliance testing	1,000
Dilapidation fund	

Add these up and you will see that before I buy any stock, my pubco actually take considerably more than the rent.

If you then add buy out options on tied products, there is an additional income stream for the pubco. In my case these charges are as follows.

Tie release fees for gaming machines  
 Tie release fees for bottled beers  
 Tie release fees for Wines

Is this sustainable.....no.

If there was something that we received for these extra costs that would not be so bad but we do not. I have

been without front sign lighting for 3 months this year and was told by EI that this had no effect on my business!!!! I have been closed several times for works to be carried (after threatened legal action) but was offered next to nothing in compensation for my loss of trade and income. I have unsafe wiring in the building which was boarded over, I have unsafe electrics in the car park, I had a piece of 4x2 holding my kitchen ceiling up (whilst trying to trade) for 6 months. The Pubco has but there is no recourse for that because nothing is ever in writing. PICAS is not trusted in the industry and so no one will use it. It is perceived as a pubco puppet organisation. Landlords across the country have been crushed by these large companies and have lost everything including the will to fight. EI go on about people being happy with their relationship to their pubco 'PARTNER'. I do not know any and I am a member of groups containing hundreds of them. It's not that the complaints are not there, it's just that the data is not. Through this process, the scale of the problem is finally coming to light.

There is no doubt that the pubco tied model has been abused and is no longer fit for purpose. Both Enterprise Inns and Punch have been greedy over the past decades and are now under so much debt that they can no longer operate effectively and require massive rents to service their debts.

Arguments have been made by the pubcos regarding information inaccuracies. For example, EI say that a tenant earns £35,000 on average from a pub using their figures. EI work on an achievable turnover as opposed to actual turnover so the figures they gave are whatever they perceive the turnover could be and have no relation to actual fact. In my view, the likes of EI and Punch will try anything to cloud the waters and prolong the gravy train that they are on at the expense of the British public and Publicans.

I urge you to look at far reaching steps to make this consultation turn into real legislation. The industry does not need these massive pub companies. If I had the choice, I would buy local but can't because I am tied. I would be in a position to help create a strong and healthy local economy both by employing local people and spending my profits in the region instead of sending all the money created to offshore investors. This country is beginning to fragment due to a lack of a sense of self. Pubs are the heart of the communities they serve and are needed now more than ever to keep our identity.

Pubs are a great asset to this country and if legislated correctly, will be a driving force behind the recovery of the finances in the country. If the current system carries on much longer all that will be left are microwave meal outlets managed by faceless corporations and the spirit of the Great British public house will die.

Is this a way of life.....YES

Am I passionate about this industry.....YES

Does it need reform.....YES

When is the time for reform.....NOW

Fair Deal For Your Local

Regards