

From: [REDACTED]

Sent: [REDACTED]

To: [REDACTED]

Subject: [REDACTED]

From: [REDACTED]

Sent: 13 June 2013 15:17

To: Enquiry Enquiry (Other Government Departments)

Subject: Pub groups and the tie

Dear Dr Cable

I am a licensee with Enterprise Inns. I have a small traditional country pub at the centre of a [REDACTED] village [REDACTED]

In the first two years of taking the pub we increased the barrelage to the highest in the pub's recorded history and kept on growing. I am not paid by the business yet every year we make a loss, typically about £5,000. Fortunately I have other incomes that sustain me and help sustain the pub but I should not have to subsidise a pub which is popular and trading well.

Having compared the beer prices we have to pay against local wholesaler prices, we are paying at least £50,000 per year above market price. Beers from local micro breweries are the most expensive because Enterprise increase the brewers price by around 180%. Literally, it would be cheaper for me to buy beer across the counter one pint at a time from Wetherspoons.

If I were to be *'no worse off than a non-tied tenant'*, I would be at least £50,000 better off. Then we can look at the high rent!

If Enterprise offered other services or reduced the rent, there may be some justification for this abuse of the tie, but at £39,000 per year I am paying a very high rent. The other pub in the village is brewery owned, the pub is approximately twice the size, it benefits from a prominent position, it has better facilities, the building is well maintained, it has excellent accommodation and the rent is £25,000.

For more than four years I have been trying to work with Enterprise to convert our unused [REDACTED] into a [REDACTED]. Currently it is a useless cost burden to the business. Enterprise will not invest in the project and they won't sell the property. I have proposed other plans that have been rejected. I have asked them to propose a workable plan for the project but they won't engage. This business has growth potential which will greatly benefit the village community, but it won't happen all the time we are owned by a property company who are quick to wield the big stick but who will not engage at a business level.

We do a lot to bring the community together; fund raising for the church, nurturing young musical talent, we have a gardening club, a brewers group, an annual nativity play, an extremely popular beer festival with lots of games and all manner of other activities throughout the year. Pubs are a vital part of our community where neighbours meet, have fun, make plans and do business.

The large pub owning property companies have been bleeding their pubs dry for many years, causing closures, driving people into bankruptcy, depriving communities of their social centres, stifling investment, innovation and growth and preventing proper maintenance of their building stock. The industry used to be served with major exhibitions at Olympia, G-Mex and the NEC, but because the

pubs have no money to spend the exhibitions shrunk and died and innovation went with them. The negative consequences of the corporate robbery perpetrated by the major pub groups goes far beyond the pubs, they have choked off a whole industry.

If the pub groups collapsed and their pubs went back to freehold ownership it would I believe be a very good thing for this country. It would reinvigorate the industry, allow greater investment and entrepreneurialism, it would feed business to micro brewers, improve local money circulation and almost certainly bring in much more in tax revenue to the government.

I do not have a problem with the tie provided the prices are comparable with the best wholesale prices, but as that would be almost impossible to legislate for, I urge the government to mandate an 'out of tie' option with open market rent. My interpretation of 'open market rent' is where the rent is calculated on the size, quality, location and desirability of a premises in terms of its business potential, in the same way the rent for any other commercial building would be set. It must not be set with any consideration as to whether or not there is a tie.

I would also urge the government to legislate that the current licensee or tenant has first option to buy. When pubs are sold beneath the tenant to other pub groups the circle of despair just continues. My own pub was once owned by the Japanese bank. You have to wonder how much commitment Japanese bankers have to our local community.

The government has an opportunity to lay the foundations for a change in the way pubs are owned and operated. If individuals owned pubs not corporates we would see the industry revitalised with investment and creativity which will better serve communities and the country. I urge the government to act firmly against the pub groups. The sort of bullying and profiteering they engage in is unacceptable in any industry and should not be tolerated.

Yours faithfully

Sent from my iPad

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