From: ..
Sent: 09 May 2013 16:17
To: Pubs Consultation Responses
Subject: Enterprise Inns

Dear sirs

I have been a tenant for on an Enterprise lease. By our calculations on top of excessive rents we have paid about £400,000 more for our beer than our competitors.

In essence £250 a barrel the equivalent of 80p a pint more than FOT landlords. The PUBCO model is outdated especially highlighted in these austere times when competitors can use this to their advantage and keep their prices low. I could open up a briefcase with over £400,000 of money that ENTERPRISE have charged me in beer more than my competitors would have paid!!!! Even half of that would have been enough to make our business better not to mention that we would not have lost over £250,000 in that time!!!

For our business to survive we need to be on a par with our competitors of which we are the only tied tenanted premises in the area licences establishments!!!

The solution is simple.

1. Take the book value or independant valuation of the pub and then apply an acceptable industry recognised loan to value ratio approx 70/30. Then apply a industry recognised mortgage repayment term (usually 25 years) and an industry recognised borrowing rate at say 5% over base and that should be the open market rent. This effectively would put the tenant at the same advantage of a FOT tenant or private landlord.

2. Stay tied but reduce the tariff by 50% (the equivalent of £125 a barrel) and maintain all present rents until the rent reviews every five years! Abandon the yearly RPI increases and re-address at the rent review.

3. If you are a tenant of a brewery it is only right that you should only sell their products BUT you should not have to pay more for their products than your competitors!!

Option 1 seems the most fairest as this is the closest the system can get to making sure everyone is treated the same.

Yours sincerely