
From: CCP) on behalf of Pubs Consultation Responses
Sent: 19 June 2013 17:34
To: Pubs Consultation Responses
Subject: FW: Re Government Consultation Pub Companies And Tenants April 2013

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From: "I"
Sent: 05 June 2013 13:06
To: Enquiry Enquiry (Other Government Departments); gavin@gavinwilliamson.org
Subject: Re Government Consultation Pub Companies And Tenants April 2013

Good Afternoon

I would just like to add a few words to your debate. I feel I am adequately qualified holding two tenancies with Punch Taverns.

I purchased my first pub in 2006 by means of a business transfer and have in that time increased turnover by around 70%. I have to be honest and say that the Punch Taverns I worked with initially seven years ago is a totally different company to what I know work alongside, I would describe it as a seismic change. 2 years ago I purchased a further leases where a £200,000 joint investment took place to transform a poor performing eyesore village pub. The pub is located not too far from my existing business however it was purchased to provide a food and entertainment destination community local to run alongside my own. My current pub is peoples pub of the year. We are a traditional community pub with our own charity having raised over £25,000 since we took over. All funds raised are kept in the local community supporting people and groups on our doorstep, charity begins at home. The Community pub is under threat from many angles but in my opinion it is the gross distortion in supermarket and pub prices. This is caused by the horrendous duty escalator (now thankfully scrapped), smoking ban, and a very deep recession that we are all battling against. These are all subjects the Government of my Country could do something to change swiftly if it chose to do so. Our business rates are a huge cost and I struggle to see how I benefit from these charges. When I took over this pub my ratable value was £8500 per annum, but due to my hard work these rose to £30,000. I fail to see how this rewards people who are willing to get on their bikes and graft. Indeed Punch have made a great deal of money from this partnership but it is they who have made the capital investment in the first place. I also have to say that after my recent rent review and discussion we agreed due to the lack of profit versus amount of hard work I obtained a rent reduction of £13,000 per annum which I was happy with. This would not have happened 7 years ago. I also get Business support and advice mainly through my 1 to 1 relationship with my PDM who is available at the end of the phone and for regular visits. We also get the benefit of The Marketing team and a superb design and print team at a fraction of

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the cost of the open market.

What is not fair is that I am competing against Social clubs who are subsidised for having a sports team/bowling green and pay no business rates. A great advantage on me when I do more for the local community than any of them. They have 4 or 5 times the trading area and sell beer cheaply because they do not have to find £1000 per month per pub in business rates that I see no end product for.

In conclusion it is not all about the tie as it is a way of gaining low level entry costs into a business that for many would not be affordable on the open market. Supermarket loss leading products, a gross distortion of duty that is amongst the highest in Europe and VAT on food are what is hurting this trade the most.

We all crave for a level playing field but we should look long and hard in the mirror at what contributes to pub closures. Directing it all against the Pubco is only a small part of the problem not the major cause.

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