

From: [REDACTED]
Sent: 13 June 2013 16:45
To: Pubs Consultation Responses
Subject: pubs consultation beer tie

My name is [REDACTED] along with my [REDACTED] we run two pubs, one leased and one tenanted both from Enterprise Inns. the combined freehold value of these pubs is probably over 1.5 million, which is something we would not have been able to afford .however we took the leased pub on a nil premium back in [REDACTED] a lease that after two years was valued at [REDACTED] which we were free to sell on at any time. The terms of the lease were a rent plus full tie, as much as we would like to be free of tie we also understood the terms and conditions when we entered into the agreement, any body who says the didn't only have themselves to blame.

Three years later another pub came available which we took on a tenancy, this was also taken on a rent plus a much more favourable tied agreement, this more favourable tie has now been applied to our first pub saving us an estimated [REDACTED] per year even though we were contracted on the old tie for 20 more years.

Although times are tough for the industry at the moment and it seems fashionable to blame the tie this in my opinion is unfair, if the tie system were to go completely then the pubcos would have to increase their rents to compensate, at least with the tied system if your selling less beer your paying less where as a pure rental system would see the burden remain the same no matter how much your income was to fall.

In my opinion the real problem stems from governments past and present, increased beer duty year on year (1p off yipee) even when vat was reduced to 15% under labour beer duty increased to compensate the difference ,something that was not reversed when vat returned to 17.5% and then upto 20%, all under the banner of saving our streets from the curse of binge drinking. A rating system that penalises success, rather than basing rates on size, pubs are based on turnover therefore after a first year were we highly successful(even with a tie) our rates increased from [REDACTED] impacting on the cost of sky and other expenses tied to rates and so reclaiming our hard earned profits back to the gov over the next [REDACTED] years. If you add in the recession and rise in utilities the conversion of high street bookies to high street casinos affecting another of our revenue streams the AWP.the pressure on the GREAT BRITISH PUB increases year on year. for many towns the pub is the last piece of community left and without a system which allows people of modest capital access to building worth million the only alternative would be To sell most pubs and turn them all into flats. However when it comes to the perceived evil of "BINGE DRINKING" pubs are the one place where binge drinking can be controlled as any decent landlord will tell someone when its time to go home, maybe the way to control underage binge drinking would be LOWER the age to 16 so that they are drinking in controlled environments and not begging people to buy the bottles of cheap vodka from shops and supermarkets to get pissed quick!

To recap in a perfect world rent would be free and beer would be free of tie, but there is a lot of pressure on publicans from lots of areas and at the moment the tie seems to be the easy target. in my opinion rather unfairly
 many thanks

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