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From:
Sent: 07 June 2013 15:52
To: Pubs Consultation Responses
Subject: Pubs Consultation

Dear Sir,

I write as a Publican with a Leasehold through one of the UK's main Pub Companies.

Whilst dealing with a PubCo is certainly not always a harmonious business it should be noted that the model does at least allow for young business minded individuals to set up their own enterprise.

With regards to my own situation, I have run my business through a Pub Company for just short of 4 years and am currently negotiating the possibility of taking another lease through the same organisation. Whilst nothing is perfect I am sufficiently satisfied with my situation to take this course of action.

At the time of looking to start a business 4 years ago I had virtually no knowledge of the PubCo Leasehold model. I was someone looking to start a Backpacker Hostel (with bar) type business in London with a very limited amount of capital, around £70,000. The cost of acquiring a Freehold was of course prohibitive at a time when bank lending had ground almost to a halt.

The possibility of acquiring a Pub Leasehold with rooms however was raised by a friend and upon investigation I found that I could afford to start and run my own business. I am now in a position as stated where I am looking to take on a second lease and I feel this proves (for me in any case) that it is possible to flourish in business through the PubCo model.

With regards to the Pub Industry in general it is very much common knowledge that this is a market which has been in decline for a number of years. The economic and social implications of this have been significant and it is right that the Government takes the matter seriously with a view to remedying the situation.

One angle the Government should consider however is it's own role in the demise of the Pub Industry. At the recent 2013 Budget the Government scrapped the Beer Duty Escalator; a tax which had caused tax on beer to increase by 40% since 2008 and which led to a scenario where more than one third of the price of a pint was paid over in taxes. Whilst the scrapping of the Beer Duty Escalator is welcomed by Publicans it does not go far enough in redressing the balance of over taxation in this industry.

On top of duty and the excessive rate of VAT, the Publican must also endure Employee Taxes, Business Rates, Licences, Corporation Tax etc and the overall burden of contributing towards the Exchequer is over bearing and more significant than the costs associated with operating a PubCo Leasehold. It is in this area in my own opinion that the Government should focus any assistance to help the pub scene flourish.

05/12/2013

I also believe greater effort must be made to ensure the banking industry plays a fair role in financing small and start up businesses. I hope you will find my comments useful in your analysis and look forward to a more prosperous future within my industry.

Yours sincerely

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