

From: .
Sent: 13 June 2013 11:23
To: Pubs Consultation Responses
Cc:
Subject: Pubco lease agreements

I have spent my entire working life in the pub trade, 40 years in tenanted, freehold and leased pubs, inevitably there have been times when there have been disagreements with brewers/pubcos but generally I do believe that the lease model provides a low cost way in to the trade with potential for long term success. The majority of my career was at my last leasehold which I developed over many years involving joint investments with my pubco from a small run down village pub into a thriving pub/restaurant /b&b turning over well in excess of £1 million pa., in 2007 I decided I had reached my targets for that business and decided to sell the lease, my pubco, Enterprise, were supportive of my plans and I was able to achieve I believe the highest leasehold premium in the south west, proving that the system does work! I have since taken the lease of another smaller Enterprise pub which was closed and with relatively small investment have grown a business trading in excess of £500K pa. despite the most difficult trading period I have experienced being over the last five years. The pub trade generally is struggling mainly due to recession but with many other factors e.g. smoking ban, licensing changes, supermarket discounting etc. In consequence the value of leaseholds and the opportunities to earn money have slumped as with many other commodities, I feel that the pub companies have been apportioned more than their fair share of blame (although not totally blameless, see below) for the state the trade finds itself in now and indeed work hard to keep pubs going where possible although we are very much in a period of survival of the fittest! Enterprise should review their pricing structure to include some kind of incentive discount scheme for leaseholders, I understand the principles of the Beacon scheme to compete with other price cutting pub operators BUT it is very difficult for us and our customers to understand how another Enterprise pub can sell its beer/lager/cider to the public for a few pence more than the wholesale price charged to leaseholders.

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