

6/6

From:
 Sent: 23 May 2013 10:25
 To: Pubs Consultation Responses
 Subject: Fwd: FW: Tied Tenancy Public Houses

Forwarded conversation

Subject: FW: Tied Tenancy Public Houses

From:
 Date: 16 April 2013 20:23
 To: "

From:
 To: ian.wright.mp@parliament.uk
 Subject: Tied Tenancy Public Houses
 Date: Mon, 21 Nov 2011 14:16:13 +0000

Dear Iain,

Many thanks for your letter dated 17th Nov. With regard to our situation, we think you are totally right in your assumption that this government is wavering on bringing breweries to book for their unfair trading practises. My own brewery Marstons has just refurbished the , which is only 200 yards away and turned it from a tenancy to a retail agreement steak house. This option sounds on paper like a good deal with the brewery supplying everything to the pub and the manager taking 20% of the gross profit. Out of that 20% he has to pay his staff wages and some v.a.t. My has one of these pubs and struggles to pay his personal costs, let alone staff wages. What this does mean for the is that we now have to contend with a pub 200 yards away selling the same beer at an average of 70p per pint cheaper than we as tenants can afford to charge. This is simply due to the inflated cost of product that breweries charge tenants.

Another serious problem that needs to be addressed is rent and rateable value. Breweries seem to be able to charge tenants what they like regarding rent. My own rent is approximately a quarter of our weekly take. Although the figure includes rental of fixtures and fittings and other costs, we also have to bear the cost of any internal repairs. All of our equipment on site is so outdated that it frequently needs attention and the breweries standard response has always been "it's your responsibility". This even includes pipework in the attics.

With regards to rates, rateable value on public houses is worked out on barrelage. Our own rates far outstrip other businesses in the area and all other public houses in . This is because other public houses sell cans of beer, lager and ciders to lower their barrelage thus reducing their rates and rent. For most, this is the only way they can survive in the current financial climate and with breweries being so greedy.

When supermarkets are brought into the equation, there's really no wonder that tied tenant pubs are closing at a rate of 27 per week. Some questions I would like to ask this government are:

1. Why pulic house rates are based on barrelage and not a percentage of the actual turnover of an outlet.
2. Why tied tenant public houses have to buy their product from their parent brewery at inflated costs.
3. Why breweries adopt a 'give with one hand and take with another' attitude.
4. Why successive governments have not addressed these and other concerns of licensees.

Some recomendations I would suggest would be:

1. An independant review of all brewery working practises.
2. For each individual outlet to be costed according to their actual profit after deductions.
3. For every brewery to be brought into line regarding cost of product.
4. For an independant body to decide exactly what the brewery and tenant respectively are responsible for with regard to the upkeep of everything associated with an outlet.
5. For fair rent to be set as a percentage of yearly turnover ie. 10%.
6. For a free-trade option to be made available on a yearly basis without the brewery trebling rent if a landlord chooses that option. (We suggest an independant review body paid jointly by the tenant and brewery to assess a fair rent in such cases).
7. For an independant body to be made available to deal with individual issues landlords may find they need help with.
8. For the government to bring supermarkets into line regarding their sale of cheap alchcohol.
9. For breweries to be forced to offer a tenant recompense if the brewery decides that they want that tenant to vacate a property.

In conclusion, I would suggest that the government steps in as soon as possible to save tied tenant pubs and stop breweries from bankrupting individuals who make a worthwhile contribution to the economy. The hospitality and leisure industry employs several million people and is the only industry which does not seem to be regulated. We, as tenants, do not seem to have any recourse for our grievances and basically just have to try to get along making little or no profit. As businessmen, any other business suffering the way we do we would just walk away from but because these properties are also our homes, we have to make do. I

have long said that this is not a business to make money in, just a lifestyle. We certainly cannot afford such luxuries as pensions, holidays etc. We feel that it is well past time all these and other issues regarding our trade are addressed and action for us could not come soon enough.

I would like to thank you for taking an interest with regards to these issues. For too long breweries have been allowed to treat tied tenants with impunity. We need to be able to compete on price with managed, free-trade and trade agreement outlets and see no other option but to try through government intervention to save tied tenant public houses.

Yours sincerely

(Current tenant

From:
Date: 16 April 2013 20:23
To: "

From:
To:
Subject: FW: Tied Tenancy Public Houses
Date: Mon, 21 Nov 2011 14:25:36 +0000

From:
Date: 16 April 2013 20:24
To: "

From
To: info@gregmullholland.org

Subject: FW: Tied Tenancy Public Houses
Date: Sat, 28 Apr 2012 20:31:55 +0100

Hi Greg. This is an e-mail i sent late last year to my local MP, Iain Wright, highlighting problems with our sector. I would appreciate your thoughts on this subject.

From
Date: 16 April 2013 20:24
To: "

From: savethepubappg@camra.org.uk
Date: Fri, 20 Jul 2012 10:32:56 +0100
Subject: Re: FW: Tied Tenancy Public Houses
To: "

Dear

Thank you for taking the time to send me your further thoughts on the relationship between large pub companies and their licensees.

The Parliamentary Save the Pub Group is continuing to campaign for the Government to address this issue and introduce a legally binding code of practice, with a free of tie and guest beer option to give tied licensees a fair deal.

Yours sincerely,

Greg Mulholland MP

Chair, All Party Parliamentary Save the Pub Group

----- Original Message -----
 Subject: Tied Tenancy Public Houses
 Date: Wed, 18 Jul 2012 10:25:44 +0100
 From:
 To: <info@gregmulholland.org>

Hi Greg,

Although i do not purport to understand the political arena, it beggars belief that governments have been in collusion with the breweries over their dealings with the tied tenancy sector. I understand that a former employee of punch taverns has been appointed as chairman of PICAS. I think somebody from ground level would have been much better suited for the post, ie. a tenant. The tied tenant has long suffered at the hands of the breweries and would benefit from the breweries being brought to book on quite a number of issues which i am sure you are aware of. The government will need to tackle these issues, as well as rateable values and the duty escalator to bring tied tenancies into line with managed, free trade and retail agreement pubs. Some concerns i have are:

- (1.) Breweries charge tied tenants more for their product, thus forcing them to charge the consumer more and consequently lose trade to cheaper outlets, (unless like myself, you choose not to implement them, thus losing profit margin).
- (2.) Breweries charge whatever they feel they can get away with regarding rent.
- (3.) Breweries set a charge for rental of fixtures and fittings, then make tenants responsible for the upkeep or replacement of anything that is lost or damaged.
- (4.) Breweries collect a deposit from a tenant at the beginning of their contract. When a tenant gets into trouble because of breweries code of conduct, this deposit is seen as "fair play" by the brewery to recover anything owed and the tenant sees this as a lifeline. In most cases, what the tenant doesn't realise is that this only delays the inevitable and when the tenant does go under, they have lost their deposit as well.
- (5.) On leaving a tenancy, the brewery charge for "delapidations". This is an unfair charge on the outgoing tenant, (who is often leaving the tenancy with little or no money left), with relation to the degradation of fixtures and fittings. The tenant has already paid rental for the f & f and in most cases has endeavoured to keep them in good order during their tenancy.
- (6.) All outgoing are based on the tenants gross barrellage. This does not take into account the overheads of an outlet which the tenant often has to endure to keep that barrellage up, whether it be paying for live sports, entertainment or anything else which the tenant may feel he needs to implement to ensure people frequent their establishment.
- (7.) When taking a tenancy on, breweries tell the prospective tenant the outlets' gross weekly take. This is never correct as the brewery only tell the tenant what they think the outlet can achieve. All costing is then based on the breweries own "best guess". At no point is the current financial climate, or anything else which might affect an outlets trade, taken into account.
- (8.) This is the only trade where a person can be penalised for doing well. If a tenant increases their barrellage, then the cost of rent and rates rises. A much fairer scenario would be to charge an outlet a percentage of net profit.

Taken as a whole, and with all factors considered, unless the government steps in to put these and many other issues regarding the tied tenancy, public houses will continue to decline to the point where all we have left are Whetherspoon pubs. The public house sector employs thousands of people, often youngsters and it would be a shame to see the friendly local becoming a thing of the past.

I would like to thank you in showing that the government does not take this important issue lightly and would appreciate it if you could keep me informed of any developments regarding our situation. I look forward (with some trepidation) to your debate in the house and would be grateful if you could let me know the outcome.

Kind regards,
 (current tenant

--
 Yours sincerely

Greg Mulholland
 Member of Parliament for Leeds North West

www.gregmulholland.org

Whilst Greg Mulholland will treat as confidential any personal

information which you pass on, he will normally allow staff and authorised volunteers to see it if this is needed to help and advise you. He may pass on all or some of this information to agencies such as the DSS, Inland Revenue or the local Council if this is necessary to help with your case. Greg Mulholland may wish to write to you from time to time to keep you informed on issues which you may find of interest. Please let him know if you do not wish to be contacted for this purpose.

UK Parliament Disclaimer:

This e-mail is confidential to the intended recipient. If you have received it in error, please notify the sender and delete it from your system. Any unauthorised use, disclosure, or copying is not permitted. This e-mail has been checked for viruses, but no liability is accepted for any damage caused by any virus transmitted by this e-mail.

--

.....
This email is intended for the addressee(s) named above. It may contain confidential or privileged information and should not be read, copied or otherwise used by any person for whom it was not intended. If you have received this mail in error please contact the sender by return email and delete the email from your system. The Campaign for Real Ale (CAMRA), 230 Hatfield Road, St Albans, AL1 4LW, www.camra.org.uk. Telephone number 01727 867 201 Registered in England number 1270286. Recipients are advised to apply their own virus checks to this message on delivery.

From: _____
Date: 23 April 2013 08:30
To: "u@camra.org.uk"

Hi . This is an e-mail I sent to Greg Mulholland. Cheers,

This email was received from the INTERNET.

Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.
