



Keep pubs at the heart of the community

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Over the past year, 2,377 pubs have closed with at least seven closing every day. Pub closures not only affect pub tenants and their families, but the wider community – more than 600,000 people rely on their local pub for employment, yet over the past year 24,000 people have lost their jobs due to closing pubs.

Beer tie

The FSB represents 4,213 publicans, both tied and free of tie and is campaigning for a level playing field across the pub sector. The FSB is focusing on a fairer deal for the tied tenant, namely for those members tied to the UK's largest pub companies (Pubcos).

Tenanted pubs are struggling with high rents and hikes in the price of alcohol, enforced on them by their Pubcos and this is putting them at a competitive disadvantage. In an FSB survey, 87 per cent of tenants said that the pub tie is a problem for their business and nearly 80 per cent of tenants said that the lack of transparency in rent reviews is an issue.

The FSB is calling for urgent action to be taken to resolve the current crisis to deliver fairness, flexibility and freedom of choice for every publican. We are calling for:

- Issues facing the leased pub sector to be referred immediately to the Competition Commission
- A new independent statutory code of practice to uphold the principle that the tied tenant should be no worse off than if free of tie
- Tenants to be given the choice to opt out of the tie, although any landlord with a brewing capacity of 500 pubs or less should be exempt from any regulatory intervention, helping small brewers
- Fully transparent and fair rents and the abolition of Upward Only Rent Review clauses from lease agreements
- The creation of an independent ombudsman who will support and advise tenants who are in conflict with their Pubco

Minimum pricing

The FSB is calling for a level playing field in the pricing of alcohol. At the moment, 70 per cent of alcohol is sold through supermarkets and a significant part of this is sold as a loss-leader, against which small businesses cannot compete.

Any pricing intervention in pubs should not be considered until the beer tie as it stands is reformed. Tenants tied to the two main Pubcos are already struggling to break even given their restrictive and expensive rental and purchasing arrangements and any intervention is likely to result in revenue decrease for the tied tenant as the Pubcos would increase their wholesale costs to compensate.

Key statistics

- **The FSB represents 4,213 publicans**
- **87 per cent of tenants have said that the beer tie is a problem for their business**
- **80 per cent of tenants have said that the lack of transparency in rent reviews is an issue**
- **2,377 pubs have closed over the last year**
- **Seven pubs close every day**
- **600,000 people rely on their local**

For further information

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