

Mike Hayes, The California Inn, South Devon
8th May 2019

I understand from The Morning Advertiser that I should submit my thoughts as to why so many pubs are closing.

I think the problems come in many forms, some TVs can be addressed immediately and others that will require time.

Business Rates.

It's shocking get this system has not been reviewed with more vigour. My business rates are set on a calculation of turnover. When I asked my Valuation Officer where he got my turnover figures from he said he made them up.....guessed them. Even though I provided these figures over a year ago my case is still yet to be heard. Local councils seem to be able to set any figures they want, stall any process to hear complaints and have no action for recourse. It's not good enough that central government wash their hands of this issue. Not only are the rates far too high they are often over inflated.

VAT

This is too high for pubs. Most pubs only survive by providing food on premises. Food prices across the board have increased significantly in the past 2 years leaving less and less profit margin. There is a ceiling of cost one can charge for food and still attract people from cooking at home to eating out. Rates of VAT for pubs should be reduced for dry sales at least.

Service costs

The cost of my gas, and electricity has doubled in 2 years. I don't believe the market price has forced this rise. It's the politics of greed from the energy providers with again no recourse. Energy companies should not be allowed to increase energy costs during a contracted period and should have their rates monitored by a watchbody to look out for unfair pricing increases.

Social Trends

Trends in the community are changing and I don't believe that can be changed.....however, ever increasing food and drink costs will deter more people from visiting their local pub.

In summary.

The politics of greed are to blame for pub closures.....councils raping their local businesses for money, VAT rates not being addressed and ever increasing service bills make it impossible to make a profit.

I may have only been in this business for just over 2 years but I'm stunned and disgusted by the greed shown by those people who are meant to look after communities and the general lack of desire to stare the obvious answers in the face because it would mean losing money by reducing fees.

What stuns me is that no one has worked out that some money from a large number of pubs is better than no money from no pubs.

This pub is unprofitable and will follow the same route as many others before the year is out should drastic action not happen.