

# Pubs and party policies

| Beer tie/pubcos   | Alcohol tax  | Licensing  | Business rates   | Supermarkets  |
|---|--|--|--|---|
| <p>"A non-tie option should be available for pub tenants; we will act if the industry fails to make progress on this". This supports last month's promise from pubs minister John Healey to monitor progress for one year and enforce a statutory code "if the industry fails to deliver". Sales of pubs with restrictive covenants, which force change of use, will be "curbed".</p>  | <p>Labour set out its stall at last month's Budget when the duty escalator was extended by a further two years until 2015. This means 2%-above-inflation hikes for another five years. Cider duty famously increased by 10% above inflation, with higher taxes planned on stronger varieties. Lack of time in Parliament meant cider was later granted a reprieve, but Labour plans to reintroduce the tax hike in June.</p> | <p>No specific promises, more a résumé of action in recent years, such as introducing the "two-strikes" rule for underage sales. There's nothing to suggest that Labour will retreat from plans to introduce the second part of the mandatory code – smaller servings and tougher ID checks. The manifesto says Labour "will act to protect children's health from tobacco [and] alcohol", which could also refer to a ban on tobacco vending machines.</p>  | <p>The one-year rates holiday for small firms will mean thousands of pubs will pay no rates for 12 months from October. However, as the MA revealed last year, the average pub has seen its rateable value rise 23% under the new valuations that were implemented this month.</p>                 | <p>Nothing targeting deep discounting in the off-trade, and Gordon Brown has previously ruled out minimum pricing. The mandatory code puts tough restrictions on drinks promotions in pubs, but says nothing about supermarkets.</p>  |
| <p>There's no mention of the tie in the manifesto, but a spokesman for David Cameron backed action. "The Conservative Party supports the idea that should the industry fail to deliver self-regulation by June 2011, the Government of the day should end up consulting on putting the Code of Practice on a statutory basis. The Government has agreed to this and we are happy with this position."</p>   | <p>Raise taxes on "those drinks linked to antisocial drinking". Shadow Home Secretary Chris Grayling highlighted super-strength ciders and beers on a TV debate. However, there's no repeat of October's Tory Conference proposal to cut tax on lower-strength products such as beer, or freeze duty on "micro producers" of beer and cider. The 10%-plus-inflation rise in cider duty, however, will be abolished.</p>      | <p>There will be an "overhaul" of the Act "to give councils and the police stronger powers to remove licences from... premises that are causing problems". Shops or bars found persistently selling alcohol to children could be permanently shut. The maximum fine for underage sales would double to £20,000. There are also plans to "permit councils to charge more for late-night licences to pay for additional policing".</p>  | <p>Councils would have new powers to introduce further discounts on rates, although authorities can keep above-average rises "so that communities that go for growth can reap the benefits". Small business rate relief would be automatic.</p>   | <p>Supermarkets and off-licences will be banned from selling alcohol below cost price.</p>  |
| <p>A statutory code would ensure tied tenants aren't worse off than free-of-tie; all tenants could buy one guest beer and opt out of the tie (won't apply to brewers with under 500 pubs); rents would reflect running costs; upward-only clauses and the machine tie would go. The Competition Commission should study if there should be a limit on pub ownership locally or nationally. Restrictive covenants would be outlawed.</p>                                 | <p>The party will "review" the "ill-thought-through" tax system "to ensure it tackles binge drinking without unfairly penalising responsible drinkers, pubs and important local industries". The beer duty escalator will be reviewed. The party would "explore the possibility" through the EU of having a preferential duty for draft beers to help pubs.</p>  | <p>Every test purchase failure will result in a licence review.</p>  | <p>Small company rate relief will be automatic and the burden would be "spread more equitably between small and large businesses". Mandatory 50% rate relief for sole pubs in villages would be retained. Councils would be encouraged to increase relief to 100% for these sites and a study should be undertaken into whether these benefits should be extended to other pubs.</p> | <p>Supports a ban on below-cost alcohol sales and is "in favour of the principle of minimum pricing, subject to detailed work to establish how it could be used in tackling problems of irresponsible drinking". Foster said cost price would be defined as the cost of production minus tax and duty.</p>              |

The MA has produced a handy check-list of policies from the three main parties to make life easier when you enter the polling station



| Live music   | Employment law   | Other taxes  | Other issues  | MA verdict  |
|--|--|--|---|---|
| <p>Labour will make it "easier" for pubs "to have live entertainment without a licence". More specifically, Healey has pledged to exempt venues with a capacity under 100 from needing licences for live music, subject to a consultation.</p> | <p>The National Minimum Wage will rise "at least in line with average earnings". Maternity leave, currently up to nine months, can be shared with the father after six months. Fathers will be entitled to four weeks paid leave instead of the current two; Labour will discuss with employers how to make this flexible. Rights to flexible working will be extended to older people. The default retirement age of 65 will end.</p>                   | <p>National Insurance (NI) will rise by 1p in April 2011. The <i>Time to Pay</i> scheme, offering more time for firms to pay taxes, will continue.</p>    | <p>A fund for community ownership of pubs is promised. Councils must take full "account of the importance of pubs to the local community" when assessing change-of-use and "we will make it more difficult to demolish pubs". Banks "must support domestic businesses". Funding will also be available from the Finance for Growth Fund. A new Small Business Credit Adjudicator with statutory powers will be appointed.</p>             | <p><b>Pluses:</b> The business rates holiday is welcome and the proposals for community ownership are worth exploring. Access to finance for small firms could also be helpful. Labour is right to set timetables for reform of the tie, although questions remain about how action will turn out. <b>Minuses:</b> No action on excessive tax and supermarket deals. The past 13 years have seen lots of regulation burdens and there's evidence this would continue.</p> |
| <p>It's not in the manifesto, but earlier this month the Tories backed calls to exempt venues with a capacity under 200 from needing a licence for live music performances.</p>  | <p>The minimum wage will be kept and the Tories will look at scrapping the default retirement age. There will be "equal pay audits" to stop discrimination by gender.</p>    | <p>Ending Labour's planned rise in NI is promised. The threshold at which employers start paying NI will be raised by £21 a week, saving most employers up to £150 pa. New firms will pay no employers' NI on the first 10 employees hired in their first year. Headline corporation tax will be cut to 25p, with the small company's rate to 20p. Stopping Labour's plan for supplementary business rates on firms "if a majority do not give their consent".</p> | <p>A "community right-to-buy scheme" will give locals power to protect threatened community assets, like pubs. A cut in red tape is promised, with "regulatory budgets" that force "any government body wanting to introduce a new regulation to reduce regulation elsewhere by a greater amount". The public can get the worst regulations repealed. There will be "more diverse sources of affordable credit for small businesses".</p> | <p><b>Pluses:</b> Radical reform of live music and action on below-cost sales – if it proves effective – would both benefit pubs. Policies on tax could help new pubs in particular. <b>Minuses:</b> Plans on licensing could be the sting in the tail, particularly for hosts of late-night bars. More clarity is needed on tax. Singling out certain drinks for higher duty smacks of a gimmick aimed at appealing to <i>Daily Mail</i> readers.</p>                    |
| <p>Reintroduce the two-in-a-bar rule and let pubs with capacity up to 200 people host live music without an entertainment licence.</p>                    | <p>Apprentices aside, the minimum wage will be the same for all workers over 16. Compulsory retirement ages will be scrapped. The right to request flexible working will be extended to all. Parents can share the allocation of maternity and paternity leave "in whatever way suits them best" – the duration will be extended to 18 months "when economic circumstances allow". Fathers to get the right to time off for ante-natal appointments.</p> | <p>The Lib Dems would also reverse the rise in National Insurance contributions.</p>   | <p>Every change of use or pub demolition would be subject to the normal planning process, including a mandatory viability test. When pubs are being sold, the community and current lessees should have the chance to buy at a fair market price. Lib Dems will "build up... local... sources of business finance". Sunset clauses and the principle of "one in, one out" will be applied for new regulations.</p>                        | <p><b>Pluses:</b> Business rates reform could help many pubs, although hopefully full consequences will be assessed first. Thumbs up for live music plans. Action on below-cost alcohol sales is welcome. <b>Minuses:</b> Minimum wage changes could prove a burden for many hosts, as could promises of more flexible working for employees. A licence review for every failed test purchase seems Draconian. Minimum pricing could ultimately backfire on pubs.</p>     |

# Small but worth considering...

Aside from the three main players, the smaller parties also have policies affecting the pub trade and drinks industry – for better and for worse



| Green Party   | Plaid Cymru  |
|---|--|
| <p>The Green Party has pledged to gradually increase alcohol (and tobacco) taxes by about 50% by 2013 to match anticipated increases in expenditure by the NHS in dealing with the effects of binge drinking. Preventing anti-social behaviour also features in its manifesto, which it plans to tackle (in part) by giving young people better things to do, by doubling the investment in this area. The party is proposing a massive increase in the minimum wage to £8.10 per hour, from its current level of £5.80. It also proposes a 35-hour week as opposed to the current 43.5 hour average, stating that "full-time employees work the longest average hours in Europe". Also in relation to employment, the Green Party proposes tax incentives for employers who provide support at the workplace such as childcare, job sharing and flexible working. And it wants a fairer deal for pensioners; they would receive a basic £170 a week. It also wants to double spending on recycling and waste disposal by spending an extra £3bn pa.</p>  | <p>Plaid Cymru's move to form an alliance with the SNP in the event of a hung Parliament could spell a tightening of the Welsh national party's policy on alcohol, given the SNP's tough stand on the matter. For now, however, the party has used its manifesto only to promise the introduction of a "minimum price per unit of alcohol" in a move to "level the playing field between supermarkets and pubs". The manifesto also calls for stricter controls on alcohol advertising and marketing. Plaid has stated its support of the trade in the past, and in March it launched a <i>Town Centre Heart of our Community</i> campaign. This was aimed at reversing the trend of local businesses "such as shops, banks and pubs" closing down, as large retailers move to out-of-town developments. This is supported in the manifesto, in which the party promises to invest in "innovation in Wales" by setting up a new venture capital fund to help small businesses develop and grow. The manifesto also states a commitment to the development of "community-owned social enterprises".</p>  |
| <p>The Scottish National Party's (SNP) manifesto focuses once more on setting a minimum price to curb cheap alcohol sales in supermarkets. "There is growing support, not only among health professionals and the police, but also among the drinks industry, including leading manufacturers and the licensed trade," the manifesto says. However, the SNP's call for minimum pricing has met with opposition from Labour and the Conservatives in Scotland. There are also concerns that the move would be illegal under EU law. The manifesto also states that, "we must not raise taxes on job creation since these will lower employment and revenue in the future", and on the topic of the minimum wage, the SNP believes it "should increase in line with earnings". Other proposals from the SNP include extending paternity leave; the party believes, "it is right that both parents are able to take adequate leave in the first months of their child's life". The SNP also plans to lower corporation tax to aid growth.</p>               | <p>The UK Independence Party has promised a pub-specific manifesto for the election, which has not been released at the time of going to press. However, the party's direction on key areas can be gleaned from an interview with chief spokesman Nigel Farage by the <i>Morning Advertiser</i> earlier this month. The party would relax the smoking ban, he said, to let pubs have some kind of separate smoking area. Farage also backed minimum pricing to curb cheap supermarket alcohol sales. And the drink drive limit would not be extended. Farage called for "liberalisation" of the beer tie. "You've got to draft legislation saying a tenant has the option to out-source from at least one other entity up to a certain percentage of its sales." He said it was something the Government "could address very easily". Elsewhere, he said beer and cider taxes are too high and said more should be done to help pubs with high business rates.</p>    |