

Rent Policy in Tier 3 locations

October 16th 2020

I wrote to you three weeks ago to reassure you that Admiral Taverns will continue to support you and your business through the pandemic.

The government has now classified areas into three tiers:

Tier 1 Medium Risk. The Rule of 6 and a 10pm curfew continue to apply.

Tier 2 High Risk. No mixing of different households indoors. Rule of 6 applies outdoors only.

Tier 3 Very High Risk. Pubs & Bars will be closed, except where serving a substantial meal.

All Admiral Taverns licensees in Tier 3 **who are forced to close** will receive a rent credit, meaning that the rent payable will be 10% of the contractual rent, equivalent to 'Domestic Rent' (unless there is no domestic accommodation, in which case no rent will be payable). Licensees will continue to pay for buildings insurance and the service charge which ensures building compliance, which we will continue to deliver whilst abiding by Covid Working guidelines.

The government has also published some details of the support package available in England for pubs that are forced to close in Tier 3. The cash grant does NOT need to be repaid and is:

£1,300 per month if Rateable Value is less than £15,000 p.a.

£2,000 per month if Rateable Value is less than £51,000 p.a.

£3,000 per month if Rateable value is equal to or more than £51,000 p.a.

In light of the cash grants being made available, we believe that 'Domestic Rent' is proportionate, but we will continue to press the government, through Trade Associations, to increase the level of cash grant. If grants are increased, then we will review the level of rent that may be charged. You will also be aware that the government is introducing a new Job Support Scheme for businesses in Tier 3, and this may assist you in paying salaries and wages.

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I am very disappointed that the government has chosen to implement these measures. The data provided by Public Health England shows that less than 5% of transmissions are linked to any kind of hospitality venue. We will continue to argue that pubs are part of the solution to Covid, not the cause of transmission, and the closure of Covid-Secure premises will only increase unregulated house parties that accelerate transmission.

In the meantime, we will continue to be proactive in supporting you and your business. We saw in July how energetic and motivated licensees can bounce back from adversity and re-establish great community pubs. That must be our joint ambition and we will do everything we can to help you prepare to go again once these restrictions are removed.

If you have any queries or concerns, please contact your Business Development Manager in the first instance.

Yours sincerely



Chris Jowsey
Chief Executive Officer

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