

The Pubs Code and Pubs Code Consultation Response

Name: [REDACTED]

Address: [REDACTED]

Email: [REDACTED]

X Other: Freehouse and independent leasehold pub operator & former multiple tied tenant with [REDACTED]

I want my response to be treated as confidential: No

Q1

PRA is the mechanism by which the tenant can properly evaluate what MRO or remaining tied are actually worth to the business. Disagreements over PRA must be referred to the adjudicator. I have seen every dirty trick raised in the rent review process (I subsequently discovered that the Fair Maintainable Trade figure our last rent review with [REDACTED] was arrived at as an annual average of our actual turnover during our tenure at the pub, despite a voluntary code existing within the industry at the time. The persons responsible have been promoted to senior management positions.) There have been no cultural changes within the POBs that I have seen. The only way the people who have carried out such abuses in the past can be relied on not to act in the same way in future is by subjecting their actions to constant scrutiny.

Q2

7.1 MRO should be offered unconditionally, not only in the event of an rent increase.

7.7 PRA must apply and tenants must be able to refer to the Adjudicator in the event of a dispute.

8.12 As above. Clause 15 (b) of Part 4 of the Statutory Instrument fails to meet stated objectives.

Q3

Actual prices available to the free trade bear no relation to the price lists used to justify tied prices. As a free-of-tie operator, sales reps will tell you to ignore any prices on their literature before the show you it so monitoring actual wholesale prices is almost impossible for tied tenants.

Q4

MRO must be offered unconditionally if it is to succeed in bringing fairness to the industry, not just in response to a rent rise proposal, otherwise, we are back to square one. Rent reviews are only one way the POBs increase rents – they also index-link them and include the costs of work done. Many rents are currently over-inflated and, combined with the cost of the tie, make many pubs unviable. Beer sales and margins have been in decline for decades. There are a large number of tied tenants holding out for this legislation with the expectation of the opportunity to rebalance their risks and rewards with the POB. If they are denied that, there are going to be a lot of pubs closing in a short space of time.

Removing the clause is essential to ensure that the code complies with the stated objectives.

Q5

If the POB aren't willing to provide this information, I think you know why. It's my understanding that Index-linked inter-review rises are pretty standard, they certainly were until 2012 when we left our [REDACTED] pubs.

Q6

Yes.

Q7

Yes.

Q8

Yes, everything should be provided.

Q9

Yes, otherwise five years of around 5% RPI increase could increase rent by 25% with no reference to agreed elements of rent setting. Short-term rent reductions are often used by POBs to introduce other conditions detrimental to the licensee.

Q10

Yes

Q11

All breaches of the code must be arbitrated otherwise they will not be abided by. Self regulation failed this industry miserably – having dealt with a POB for over 12 years, I don't believe they will comply with anything if they can get away with not.

Q12

Refer to Pubs Advisory Service submission on flow-monitoring devices. Current practice by POBs constitutes an acceptable risk to public health.

Q13

All protections offered to tenants by this code should be maintained if the premises are sold to another party.

Q14

New types of agreement should be included in this legislation if required by the Adjudicator.

Q15

A franchise model is dependent on a recognisable brand. It could be argued that the managed house chains demonstrate this characteristic, I'm not convinced that any of the new pub franchises do. Many of the franchise-styled models award a considerably lower percentage of profits to the licensee, compared to long-established, recognised franchise operations.

Q16

Yes

Q17

Yes

Q18

Not long, it shouldn't be allowed to be used as a way of avoiding POB's responsibilities.

Q19

Yes. See Pubs Advisory Group Submission.

Q20

The same as a long term tenant.

Q21

Agree.

Q22

Agree.

Q23

Should be increased for further breaches of the same and level should be subject to review.
It must act as a deterrent, not a tax.

