

From: [REDACTED]
Sent: 11 June 2013 17:00
To: Pubs Consultation Responses
Subject: Pub Co Code of Practice

My son has just become a tenant in the last 18 months for one of the big pub companies and I am a highly experienced business man on both my own account and for major PLC's at Director level of Property companies. I therefor feel well qualified to comment on this industry and basically the pub companies are simply BULLIES, they treat their tenants appallingly, compared to their managed operations, we cant even get free glasses. The so called business model is a joke and having complained to the industry watch dog, we just got a simpering acknowledgement and then no further response.

The first basic problem is that they are not being run as "Pub Companies" they are being run as Property Companies focused on rental yields and as soon as there is a problem just like property companies, out come the solicitors and court action, without consultation or arbitration. Yet they tell parliament they are honourable and helpful to their tenants, sorry to be blunt but they lie and I would be willing to prove it.

The second basic problem is that for 30 years prior to the Pub Companies i.e. under the old Brewery led operations; the industry norm was that the Gross Profit on beer and alcohol sales was 65% and above, now we barely reach 50%. As most Members of Parliament seem to believe the beer tie should go, so that a margins can be restored and pubs can survive, please get on with it. Its simple the Brewery led operations should be selling their beer cheaper to their tenants than on the wholesale market, this is why the industry has gone so wrong, otherwise it is restraint of trade. I do not believe that some smaller Brewery Companies should be exempt, as they will create the same problem in the future. Brewing companies are expanding and I welcome this and can see that they can create jobs but please let us get the basics right.

The Pub Companies are already gearing up to increase rents to compensate for the free of tie being introduced, because its their bondholders and bankers that are controlling their businesses, just look at the reports on Punch Taverns this week. It is essential that we have an independent arbitration service regarding rents and disputes and not the industry led one. When in arbitration there should be a suspension of legal proceedings, yes I can hear the cries already from the Pub Companies about that, but they should genuinely seek to compromise and a solution before involving solicitors just like the old Brewing Companies, who I remember as real partners to my parents when they had a pub.

At my son's pub, the Pub Company takes a high rent, charges an extortionate rate for financing the fixtures and fittings which they install and insist on, take all the discount on beer and mineral sales, take commission on utility bills, take commission on insurance, fine you at every chance and add fees where ever possible.

Yours truly

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