

**From:**  
**Sent:** 05 May 2013 11:10  
**To:** Pubs Consultation Responses  
**Subject:** Pub Co. Reform

446.

Dear Sir/Madam,

I am a member of the Campaign for Real Ale (CAMRA)

One of the two pubs where I live is 'tied' to a pub company called Enterprise Inns. I use the term 'Pub Company' loosely as, from my experience and what I hear from licensees of 'Pub Company' owned pubs, they are more akin to a **Property Company** who buy up pubs with the main intention of running them down so they can then apply for a 'Change of Use' planning application and be sold on the open market at a huge profit as residential premises.

Also, if the tenants or leases are making a real go of making the pub a success, then the 'Pub Company' will apply extortionate increases in rent resulting in financial hardship on the tenants or leases who then have to leave. In addition, tenants or leases have to buy some or all their drinks through the 'Pub Company'.

In my local Enterprise Inn, the licensees wanted to change one of the real ales that they provided. If they had purchased this particular beer from the local brewery, they would have been charged between £65-70 a cask. As they had to purchase it through Enterprise Inns the cost was almost £150 a cask! Subsequently, the beer was so highly priced that the majority of locals couldn't or wouldn't buy it. After about six weeks, the beer was taken off and never replaced or seen again.

I am not asking Government to abolish the tie, I just want it to work fairly. Pubcos have had almost **10 years** to get their house in order but self regulation has failed so it's time for a **statutory (legally binding) Code of Practice for pubcos**.

Large pub companies take more than is fair or sustainable from pub profits so licensees are struggling to make a fair living. To stop this overcharging all pubco licensees should be offered a **Market Rent Only option, and a Guest Beer Option**. This fair deal will result in the average tied pub being £4000 better off annually.

It's vital that there's a system in place to ensure pubcos stick to these new rules – so the Code should be underpinned with a **powerful new independent adjudicator** that should have the power to arbitrate disputes, investigate breaches and impose financial penalties on pubcos that break the rules.

The Code should not apply to Britain's family brewers who operate a different model of the tie – so **companies with under 500 pubs should be exempt** but must abide by a separate voluntary code.

Fairness and ensuring **tied licensees are no worse off than free of tie licensees** should be at the heart of the Code.

Cheers and kind regards,

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