

Dave Lee

I FEEL COMPELLED TO WRITE TO YOU TO EXPRESS MY CONCERNS REGARDING THE POSSIBLE IMPLICATIONS OF THE CONSULTATION INTO THE RELATIONSHIPS BETWEEN PUB COMPANIES AND THEIR LICENSEES. I FEEL THAT IT COULD LEAD TO ILL-CONSIDERED LEGISLATION THAT COULD LEAD TO AN ACCELERATION OF PUB CLOSURES.

I WORK AS A BUSINESS DEVELOPMENT MANAGER FOR ADMIRAL TANSER. WE OWN 1050 PUBS ACROSS ENGLAND AND WALES. WE HAVE RECENTLY BEEN AWARDED THE PERISTICIOUS AWARD OF LONDON AND TOWNSEND PUB COMPANY OF THE YEAR. BY THE PUBLICATION'S MORNING ADVERTISER TRADES NEWSPAPER. THIS AWARD RECOGNISED THE VIEWS OF OUR LICENSEES, GATHERING EVIDENCE BY AN INDEPENDENT MARKET RESEARCH COMPANY, WITH THE VAST MAJORITY OF LICENSEES STATING THAT THEY WOULD RECOMMEND US TO ANOTHER LICENSEE AS A GOOD BUSINESS TO WORK WITH. THIS ENDORSEMENT OF OUR BUSINESS BY OUR LICENSEES SEEMS TO CONTRAST SOME OF THE ASSERTIONS MADE IN THE CONSULTATION DOCUMENT, WHICH IN MY VIEW CONTAINS MANY INACCURACIES.

I DO RECOGNISE THAT THERE HAVE BEEN ISSUES BETWEEN THE VERY LARGE PUB COMPANIES AND THEIR LICENSEES IN THE PAST BUT WE NOW HAVE OUR OWN INDUSTRY VOLUNTARY FRAMEWORK CODE WHICH PROVIDES CLARITY AND BALANCE, WITH POTENTIAL TO HOLD TO ACCOUNT. I BELIEVE THAT PROPER TIME IS REQUIRED SO THIS CODE CAN BE FULLY IMPLEMENTED AND EMBRACED. WE HAVE NEVER HAD A LICENSEE COMPLAIN ABOUT US TO THE INDEPENDENT SELF REGULATORY ADJUDICATOR AND NEITHER HAVE WE EVER HAD ANY RENTS APPEALED FOR EXTERNAL ARBITRATION OR ADJUDICATION. SO WE ARE CONFUSED AS TO WHY WE SEEM TO BE TARGETED FOR SUCH ACTION.

I BELIEVE THAT WE ARE A FAIR AND HIGHLY RESPECTED  
PUB COMPANY, LIKED AND TRUSTED BY A LARGE MAJORITY  
OF OUR TENANTS AND HAVE NO COMPLAINTS TO THE  
INDEPENDENT INDUSTRY REGULATOR. WE HAVE FAIR RENTS  
WHICH ARE MUCH LOWER THAN OUR COMPETITORS AND HAVE  
NEVER BEEN APPEALED BY TENANTS FOR EXTERNAL JUDGEMENT  
OR ARBITRATION. OUR LOWER RENT MODEL MAKES  
MANY PUBS VIABLE WHICH WOULD NOT BE THE CASE IF  
WE COULD NOT TIE FOR BEER AND ENJOY BULK BUYING  
POWER WHICH WOULD BE UNAVAILABLE TO INDIVIDUAL  
LICENSEES. WE HAVE INVESTED £7M OF CAPITAL IN OUR  
PUBS EVERY YEAR SUPPORTING LICENSEES AND SECURING  
PUBS' FUTURE, WITHOUT THE TIE WE WOULD NOT BE  
ABLE TO DO THIS. WE HAVE A FLEXIBLE VIEW TOWARDS  
AUP TIE AND WOULD BE HAPPY TO SEE IT BE ABOLISHED  
IT BUT MANY LICENSEES ENJOY THE SPECIALIST EXPERTISE  
WE PROVIDE WHICH THEY DON'T POSSESS THEMSELVES. AND  
BECAUSE IT REDUCES THEIR FIXED RENT. ABOLITION WOULD  
SIMPLY INCREASE THEIR RENTS AS THE INCOME WE LOSE.  
WE ALREADY DON'T TIE PRODUCERS 100% AND WE OFFER A  
LARGE RANGE OF PRODUCTS AND FULL ACCESS TO SIBA.  
I BELIEVE THE PUB SECTOR IS AWARE WITH RSD TIE  
AND I KNOW MY LICENSEES JUST WANT A STABLE  
TRADING ENVIRONMENT SO THEY CAN CONCENTRATE ON BUILDING  
THEIR BUSINESS. AS WE CURRENTLY KNOW CLOSED PUBS THAT  
BECOME UNVIABLE, AND CLOSE, ARE SOLD OFF AND TYPICALLY  
80% OF THESE ARE BOUGHT BY DEVELOPERS AND CONSIDER  
BOTTLE PUBS AS LICENSEES ARE NOT ABLE TO BORROW FUNDS  
FROM BANKS.

I BELIEVE I HAVE RAISED UP SOME VIABLE ISSUES TO  
CONSIDER OVER THE COMING WEEKS OF THE CREMATATION  
PROCESS

Yours Sincerely