

Public Consultation
Consumer and Competition Policy
Department for Business, Innovation & Skills
3rd Floor, Orchard 2
1 Victoria Street
Westminster SW1H 0ET

7th June '13

Dear Sirs,

As an Operations Director employed by Admiral Taverns I am hugely concerned by the apparent lack of balance in the forthcoming consultation regarding the pubco/ licensee relationship. I am particularly concerned by the readiness to accept at face value every claim of foul play without any effort to substantiate the claim or attempt to hear "the other side of the story".

I fully accept that everything has not been rosy in the garden with the relationship between some pub companies and some licensees however I can only say that here at Admiral we are totally committed to adhering to the terms & spirit of the industry voluntary framework code.

I draw to your attention the fact that we have not had a single licensee complaint to the independent adjudicator nor had any rents appealed to the Pub Independent Rent Review System. I am incredibly proud that this year Admiral Taverns were awarded the Leased & Tenanted Pub Company of the Year award by the Publican's Morning Advertiser newspaper. Included in the reasons for our success were the results of independent research undertaken by HIM Research & Consulting which

showed that a significantly high (75%) number of our tenants were happy to recommend us as a good business partner to other licensees.

I do therefore wonder why we are being targeted for further regulation along with some other larger pub companies.

I am also at a loss as to why a pub company with the seemingly arbitrary figure of 500 pubs or less be exempt from any such extra regulation.

If this as I suspect is to appease the many family brewers then I would ask you to consider the type of agreement/relationship different companies have with their licensees.

Our primary and preferred agreement is a three year tenancy, very similar in fact to the Family Breweries except that we do NOT tie our tenants for Wines, Spirits & Minerals as they mostly do.

The risks to the industry which I love and have been a part of for 30 years by a biased and ill-considered consultation are vast, not least of all

1. A 500 pub cut off would introduce a two tier system open to abuse.
2. Break up of pub companies in such a way that property based investment companies could become common with absolutely no concern whatsoever for the tenants.
3. The forced change from balanced tied tenancy deals to free of tie deals with significantly higher rents. In the bulk of these cases the free of tie operator would not be able to attract enough discount off wholesale prices to offset the rent. The beneficiaries here would be multinational brewers & wholesalers, not the tenants.

I appreciate that you need to look at every submission however please do not take everything at face value. I can substantiate everything I have said in this letter and I know that the submission which you will receive from my company is totally substantiated.

Please look at the facts about Ashird regarding our investment record, our training of tenants, our support for tenants if they are struggling and not least of all our excellent working relationships which our BDMs have with their tenants.

Previous government intervention & regulation in our industry has generally been at a poor standard and been costly with no party benefitting.

Thank you for taking the time to read my letter, I trust you will take on board my comments.

Yours faithfully

Operations Director
Ashird Tarems