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I have been involved in the pub industry for [redacted], in the capacity of Stocktaker, Area Manager (both tenancies and managed houses) and more recently as [redacted] for Shepherd Neame Brewery.

I am aware that other responses have been submitted by Shepherd Neame and various trade bodies. The views expressed here are my personal views and I will confine them in an attempt not to repeat evidence given elsewhere.

**Should there be a statutory code?**

The requirement for a statutory code I believe is far from clear, with both PIRRS and PICAS now providing a low cost platform for any grievances to be resolved. Neither of these has been given sufficient time to prove themselves and this time should be allowed before any further action is contemplated. There have been accusations that licensees are not aware of either of these services, due to the low take up rate. I do not believe this is the case, the awareness of the 'code of practice' is high and both of these services are clearly explained within this document.

If a code is deemed absolutely necessary then the 500 threshold is essential to remove the financial burden from smaller companies, where there is no factual evidence that a statutory code is required.

**Guest beer/Free of tie provision?**

There is already a thriving diversity of ales available in our pubs and a growing national microbrewery sector; it is not evident that there is any need to further encourage this.

Regardless, in the majority of cases the largest selling line in pubs is standard lager and common sense economics dictates that given the choice, licensees will opt to have this as their guest beer. All this will do is further promote the beers of national lagers and fragment the purchasing power that is currently in place via the tied model. This may in some instances pass further discount on to the licensee (although not necessarily profit once the release of the tie has been negotiated), but a larger proportion will be retained by the national brewer who is now free to negotiate on an individual basis. Ultimately the national brewers will gain margin and take a much stronger position within the marketplace.

Any mandatory free of tie option would lead to the same fragmentation of purchasing and the same consequences as set out above.

**Flow Monitoring Equipment?**

The statement made is quite frankly out of touch with modern business. To argue that new technology is not required in the pub sector because it has survived in the past without it is simply unacceptable. If used correctly the use of flow monitoring equipment is an invaluable tool to assist the successful operation of a pub. The use of the data that is created is a completely different question, but to simply remove it from the tied sector would be a backwards step.

Overall the tone of the consultation document is one of pubs failing purely due to the exploitative practices of the tied business model. This is clearly not the case and the current challenges that face the profitability of all licensees (increased VAT, duty, Business rates, utilities, minimum wage, changes in consumer habits and the economic climate) are well documented. I take exception to the inference that colleagues and I are not doing absolutely everything to provide support where it is needed.

Lastly I would like to illustrate the dangers of using anecdotal evidence to support the proposed changes.

I recently interceded on behalf of a licensee who had fallen behind with their VAT payments. This had led to a court order being sought and bailiffs had subsequently been instructed. At the point I was made aware of the situation the bailiffs were visiting at the end of the week and the threat of bankruptcy was hanging over the business.

I reviewed the accounts for the business and quickly determined that fundamentally there was a profitable business in place, but in the short term costs had not been controlled and our tenant had compounded this by missing payments and accruing fines.

I spoke to the local VAT office and explained the situation. Pointing out that if given time the business was viable and in fact was trading at a higher level than it had for some time and therefore was giving higher levels of VAT income. The problem was one of a short term cash flow and could be resolved if some flexibility was offered. The response I was given was that there would be no flexibility and if the payment was not made by the end of the week, the bankruptcy would follow. Furthermore they did not believe this would lead to a loss of VAT revenue as the pub would continue to trade and VAT payments would be made by the new operator. In the event we made the payment by way of a loan and the business is now in a much improved position.

My point here is I do not believe it is government policy to be inflexible and to encourage the failure of seemingly profitable businesses, I am sure these comments were not representative. However based on this purely anecdotal evidence this assumption could be made.

I hope that the consultation takes a rounded view and does not legislate against an industry in order to deal with a small sector.