

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

10th June 2013

Dear Sirs,

Re: Pubs Consultation

I am an employee within the Pub Industry and I write to express my trepidation in respect of the proposed statutory Code of Practice.

Over the past 3 years I have seen, first-hand, how the self-regulatory Code of Practice has evolved in to a fair mechanism for both Publican and Pubco. My employer (Admiral Taverns) has taken self-regulation seriously and, given that we have recently been awarded the title of 'Leased and Tenanted Pub Company of the year' by the Publican's Morning Advertiser, I would say that it is working.

While I appreciate that complaints continue to be made against Pubco's, I would argue that this is being done by a minority of tenants, rather than the majority; in three years of self-regulation Admiral has had zero complaints registered against them. To put this into context that is zero complaints from over one thousand tenants.

Naming and shaming the Pubco's that fall foul of self-regulation has certainly had an impact as no Pubco wishes to have a bad public image. After all, if a Pubco is poor at what they do and offer Publicans a bad deal to run one of their sites then they would have no tenants and no viable business!

A statutory Code of Practice concerns me as it appears that the cries of the minority are being heard above all others, no matter how valid anyone else's point may be. It gives no incentive for a Pubco to go above and beyond what is required of them, as you will no doubt notice that most self-regulatory Codes do.

Further, I believe a mandatory 'free of tie' agreement would be a complete disaster for everyone involved and it is a short-sighted option at best.

Pubco's will become no more than commercial landlords, with the onus placed solely on rent collection. Publicans will receive much less assistance than they do now and they will lose the valuable support and concessions they currently receive free of charge.

'Free of tie' rent is also much higher on the open market than 'tied' rent so Publicans will be required to give a higher level of investment when entering the industry and they will be much

more exposed to downturns in trade caused by bad weather and the like. Will Publicans then take some the blame for the failure of their businesses? Or will different arguments be made, such as open market rent being too high?

In my time at Admiral I have spoken to many tenants who have asked for help when trade has dropped and bills start to get on top of them and I am proud to say that help has always been given by our Business Development Managers through rent concessions, free stock and barrelage discounts.

I can't recall a single concession being made to a Publican by a utilities company or their local council for business rates and council tax, yet these bills have grown exponentially during the three years of self-regulation. Some focus has been given paid to utilities by Government, but has crawled along by comparison.

If a 'free of tie' agreement becomes mandatory and the relationship between Pubco's and Publicans becomes less involved it will mean the loss of thousands of jobs (including mine) as Pubco's are forced to streamline their businesses.

This industry is not perfect and no-one can deny that there have been, and continues to be, some problems, but has anyone stopped to compare how many complaints have been made versus how many Publicans there are?

Self-regulation has been about learning what is best for as many people as possible and working together to achieve it. Over the past three years Pubco's have been presented with, and adapted to, six revised Industry Framework Codes. That we, as an industry, have listened and have constantly strove for improvement cannot be in question and I would ask that the underlying current of emotion behind the minorities arguments are put to one side and a balanced approach be taken.

I think it was Lydgate, and later Lincoln, who said;

"You can please some of the people all of the time, you can please all of the people some of the time, but you can't please all of the people all of the time"

Yours Faithfully