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**From:****Sent:** 13 June 2013 10:40**To:** Pubs Consultation Responses**Subject:** Pub Companies and Tenants: A Government Consultation

Vince Cable

Department of Business, Innovation and Skills,

1 Victoria Street

London

SW1H 0ET

Dear Sir

Re: Pub Companies and Tenants: A Government Consultation

I write to you as an employee for one of the large tenanted Pub Companies in the UK. I am a long serving employee of this organisation with over 20 years' service and I feel that I need to voice my concerns over some of the statements made within your government consultation paper. The comments contained within this letter are my own opinion and not that of my employer.

It is a sad fact that 18 pubs per week are closing, however, I do feel that Pub Companies who operate a tied business model are not to blame. The tied business model is supported by the Office of Fair Trading reports published in 2009 and 2010. The reports concluded that competition in the industry is benefiting consumers and prevents the beer tie from being used to inflate pub beer prices beyond competitive levels. Consideration for the number of pub closures needs to be given to the smoking ban, followed by the recession and cheap alcohol prices in supermarkets.

Over my many years of service, my employer has remained open and transparent with Tenants. Yet in your consultation document, you seem to blemish all pub companies with a sweeping statement that they are rouges who have exploited and squeezed tenants through a combination of unfair practices and lack of transparency. These comments are unfounded as I see the hard work, enthusiasm and dedication made by myself and colleagues every day.

My employer has adopted the Voluntary Industry Framework Code and taken further enhanced steps to ensure ultimate transparency through its own Code of Practice. There is an effective rent review procedure and complaints process which seems to be working well. My employer continues to go the extra mile to ensure that Tenants are well informed so that they can decide if they wish to enter into a lease or tenancy. The agreements offer a choice of tied or free-of-tie options for beers, ciders, wines, spirits, minerals and amusement machines. There are a variety of incentive mechanisms to help Tenants select a letting package which is most suited to their business plan.

I therefore fail to see the need for legislation. It would be more helpful to Tenants to introduce legislation that stop supermarkets promoting irresponsible drinks promotions such as 3 cases for £20 or 2 bottles of spirits for £15, which result in many consumers staying at home then venturing to their local. This type of irresponsible drinks promotion also encourages drinking to excess which causes related health issues and anti-social behavior which the tax payer takes the burden.

I am a hardworking and dedicated person, who like most people in the UK have a mortgage to pay and a family to raise. I venture into my local for a special occasion, meal or social catch up as I do not have vast amounts of disposable income like most people during this recession. To that end, it is essential that Tenants have a good business model and high standards to ensure retaining customers.

Pub Companies offer Tenants a low-cost, lower risk business opportunity which is supported by the Pub Companies skills, resources and investment for the duration of their agreement and therefore this business model has my full support. Tenants are made fully aware of the costs associated with being tied for products and are made aware of the discounts and incentives for being tied. They then make an informed decision based upon their own circumstances having taken independent financial and legal advice.

More balance needs to be given to your consultation paper and you need to research some of the excellent work the Pub Companies do with their local community and how they help Tenants drive their business forward during these difficult times.

Yours sincerely

04/12/2013