

PUBS CONSULTATION

CONSUMER + COMPETITION Policy

DEPARTMENT OF BUSINESS, INNOVATION + SKILLS

3rd Floor, Orchard 2,

7 JUNE 2015

1 VICTORIA STREET

WESTMINSTER

SW1H 0ET

Dear Sir,

I have worked for Admiral Taverns as a Estate Manager since
 & have been employed in the pub industry since . I am a Chartered
 Surveyor.

I am concerned about the possible implications of the government consultation
 into the relationship between pub companies & their licensees.

Having worked in the industry for some time, I have experienced the
 consequences of previous government intervention & know this has not
 always delivered the intended outcomes, & often adversely affected
 pubs & their tenants. I am worried this may happen again.

The prospect of a Statutory Code is not in itself a problem so long as it
 builds on the existing Industry Framework Code & is fair. However the
 current code has not been in place long & I think it premature for
 government to intervene at this time. ARRL & PICTS appear to be working
 improvements are being made & I think this should be allowed to bed-

I am also concerned that Admiral Taverns is being targeted by BIS.
 We operate around 1000 pubs on a mix of tenancies & leases. We are
 not on the same scale as Punch or Enterprise. We have never had a
 tenancy referred to ARRL & neither have we had a complaint referred to PICTS.
 We are keen to promote local community based pubs & I believe we have
 a good reputation in the industry (recently awarded Leased + Tenanted Pub
 Company of the Year by Pubco's Industry Advocate.)

The prospect of changes to the tied system & the flexibility this brings
 is also worrying. We are able to offer a variety of trade terms, guest
 beers, a variety of discount levels as well as rent concessions & significant
 property investment at present. As you might guess from my
 pub. too well aware of the base position

of a 'commercial' landlord & tenant relationship where rent is the only significant factor. Positions become entrenched, & there is little room for manoeuvre. Free of the pubs tend to have higher rents, as would be expected, but my experience is that the relationships are poorer for it.

In addition any significant changes to the current system may well increase costs & bureaucracy for all involved. This is at a time of testing trading conditions given the state of the economy, & will not be helpful to pub companies or their tenant licensees. I would urge caution in altering the current balance between pub companies & their licensees, I would prefer the existing code were given a chance to work, & I do not believe the possible changes should apply to a company such as Admiral Taverns. I think our rents are fair, there have been no formal complaints, & current arrangements allow flexibility around beer pricing & a low rent business model with significant ongoing capital investment.

I hope these views will be taken into consideration.

Yours faithfully,