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Wright John (CCP)

From: Stephen Slatter [
Sent: 14 June 2013 12:58
To: Pubs Consultation Responses
Subject: Pubco reform submission
Attachments: Submission LSL.docx

To whom it may concern,

Please find attached the submission to the consultation from the group Licensees Supporting Licensees.

Regards

Stephen Slatter

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Please note I have already submitted as an individual. This submission is on behalf of the group Licensees Supporting Licensees, of which I am one of the administrators. This submission is on behalf of our members past and present.

I have been a member of the group, which originated on Facebook since it's inception. It was started by members of the GMB pub rev campaign and has grown from being merely a chat room to a serious organisation actively seeking to support and represent struggling licensees, contribute to pubco reform and make things better for pubs and publicans alike. We have all manner of experts within our ranks who contribute, from legal to marketing to debt advice to HR and beyond, not to mention a huge amount of 'been there, done it, got the t shirt' experience from people who have seen it all and come through the worst pubco behaviour, albeit battered and bruised.

Most of the time we gain new members because they need help. They need help because they are being abused by their pubcos and they are frightened and angry and at their wits end.

I have been a member of the group for a couple of years and I have seen countless tales of pubco abuse. I've experienced it myself at the hands of Enterprise Inns. I've seen it from Enterprise, Punch, STAR, Fullers, Marstons, Greene King and many others. There is no real distinction between the likes of ETI and the supposedly 'cuddly family brewers'. They seem to behave as one corporate monster, smashing people out of the way in their frantic stampede for cash and assets.

The sheer volume of cases we hear about is astounding and shocking. Truly these companies have ruined the lives of thousands of people. The thirst for cash to satisfy their ludicrous debts is insatiable. It doesn't matter how they get this cash, just that they get it. More often than not by the time people come to us for advice it is too late and all we can do is offer damage limitation tactics.

What is also shocking is that the pattern is always the same. It is a given that operating a tied lease is a Sisyphean task at the best of times, with the huge financial disadvantage it places on a business. The use of bullying, Brulines and bailiffs is an almost constant occurrence before they are churned out, hit with dilaps, assets seized, charges placed on property and bankruptcy enforced. People are put under serious threat all too often by an unaccountable, out of control group of people who are all following their leader.

The tied model is based on exploitation and abuse and is designed to benefit those at the top of the pubco tree only.

It is wrong and it has to stop.

We canvassed the group prior to the FD4YL rally at Westminster as we wanted those who couldn't attend to be able to have a voice also. Here are their comments, in their entirety:

Pubco Victim

Hi, we're currently in the process of moving out of the pub, was due to hand the keys back on Tuesday and i was hoping to come on Wednesday but I was offered work today til thursday paying £200 a day I couldn't turn down for the obvious reasons having just come to the end of 12 years in an enterprise pub. Struggling also to get online as broadband at pub was cut off 2 weeks ago and not got it in new place yet. My story is well known through my exploits with the media all links are somewhere on LSL but I will re-iterate that the high rent, extortionate beer prices, lack of product choice and being shut out of supplying local beer from the brewery at the back of my pub are the main causes of our pub's demise.

Good luck with it all, i fully support FDFYL and will remain involved where I can – I'll be with you all in spirit on wednesday and if my story can be put to those in power on my behalf, Val knows most of it. i'll gladly speak to anyone

else who wants to hear our issues but sadly there's 200 reasons which with the expense of moving into the new place why I can't make London on Wednesday.

Keep up the good work, much needed change is coming.

1

Sorry I haven't been on the group much lately but is ill, it looks like he's either had another stroke or had a bleed in his brain. God only knows how they located that !! So I'm pretty much trying to do everything myself at the moment and don't have much time for anything.

2

Sorry can't go...I have posted that on the group site. Have no staff and have to paint to avoid huge delays before we leave. Although I am sure Punch will still find something not quite right! Yes I support FDFYL and have posted on there. So wish I could have come along but sadly as we only have 4 more weeks here I must get the work done, whilst running the bar:(

3

Sadly I will not be able to attend due to work commitments and a poorly husband.

I do however support FDFYL as we are a victim of the pubco consortium. We lost everything we had worked for all our life and then both of us had illness that can be connected to the stress of running and losing a pubco pub.

I support anyone who can bring these bully boys to justice. Please mention our names as we do not wish to be anonymous.

Good Luck in your fight.

Regards

Ex Landlord & Landlady

4

We are unable to attend for health reasons, goes into hospital that week, but of course we fully support it and will be thinking of everyone on the day.

5

Hi can't go as we have a wake that day at our pub and no extra staff. We do support FDFYL. But is just impossible too make it unfortunately. Enterprise take all our money and we get no support back what so ever, wouldn't even help when we moved in as had to condemn the kitchen as unsafe and had to re do it. No reduction for loss or earnings, yet Enterprise pub less than a mile away gets full support on refurb and anything they want. Sorry cant make it again.

5

Would love to be at the rally but to meet Enterprise Inns estimate of staff costs at last review

. So opening less hours, with less staff and I'm at the bar every minute we open. Plus doing the cleaning, accounts etc when closed. I hope you affect the changes we all so sorely need.

6

I wish I could go I haven't got the money I'm a bit stuck but I have pm Mr Mulholland and thank you will be watching it on tv

and many of my customers too.

7

I mentioned before and apologised for being unable to go. I can't go due to ; coming week so have to work double, I fully support dfyl, all pubs need help to be fully viable especially tied pubs that have all the strains of the pub trade now a days as well as the horrific methods of the like of Enterprise, Punch and Star charging extortionate stock prices and rents insanely high, I hope the government steps in to prevent this and save all pubs

8

We can't attend because we cannot afford staff to cover our 7am to 1am every day because enterprise rob us of money to pay staff... minus mondays we sleep on Mondays

9

I fully support FDFYL. I am a Punch lease holder who unfortunately cannot attend the rally due to the fact that I cannot afford to pay staff to keep the pub open whilst I spend money to get to and from London. We recently were given a rent reduction, after _ weeks this reduction has been taken away. In the two (full accounting years) we have been here, every single penny we have earned from the business has gone back into it. In fact we are in receipt of child benefit payments and I have a pension (this is what we live off). We are 100% tied and are also tied for fruit machines. We are currently saving to have a electricity check done on the building, one was completed at the time we took over but we have never been given the certificate and now Punch are claiming that they have never had it, this is stopping us being able to sell the lease (which we are trying to do, due to the fact our We run a small community pub, trying to keep overheads down and trade is becoming near on impossible. I ask that every

aspect of the lease model is looked at by the committee, if things do not change soon the whole ethos of the great British pub will be lost for generations to come.

10

Sorry unable to attend after being totally shafted by Enterprise lack of funds means i cannot afford to travel

11

Sorry I can't be there,
Probably caused by being on my feet 18 hours a day every day for years to be able to pay exorbitant rent, £k a year, exorbitant business rates £k a year, staff wages, staff holiday pay, covering for staff so no holiday. Not that we could afford one. AND overly exorbitant tied prices for every alcoholic product we sold. Making a loss of £k 2010/12 (after a freehouse opened in the same town with a population of only three thousand) and being told by the brewery the freehouse wouldn't be any competition to us!! Fuller Smith and Turner have LESS than 500 pubs. I urge the committee to look seriously at the magic "500" number. Otherwise the "Family Brewers" will continue to carry on regardless, operating the same tied model as Enterprise and Punch because they can. So having lost everything I cannot afford to travel to London either.

12

Can't make it as I'm off at the weekend and herself is getting a weekends worth of work out of me before I go. El owed me £k in back rent and decided I didn't need the money and issued me with credit notes

13

I too fully support FDFYL. We can't attend the rally due to work commitments. I had been in my pub years, years

as the manager and years as the lease holder. We left, or rather Enterprise took re-possession, months ago. We were 100% tied. The rent was £ per week. We were on Cash With Order. We asked for help either with rent or credit. We were given rolling credit just before Christmas, otherwise we would have been closed. That should have been in place for weeks, which would have got us over the New Year period and get us back on track. They took it away after just weeks. No notice was given and no explanation. I borrowed money from family and friends to get us through and paid them back. We worked 18 hour days 7 days a week. We had no wage from the pub for the last . My partner took another job which turned out to be temporary, which if it wasn't probably would have killed him trying to do both. We worked to pay bills, but that wasn't enough for Enterprise Inns. We had been beaten. We loved the pub with our hearts and souls. We lost over due to Enterprise's greed and narrow mindedness. We now have full time jobs. We live modestly but we are still together. We are happy. But, I will never stop fighting for the right for Publicans to have the option to be free of tie. Please help FDFYL help other Publicans and save the Great British Pub.

14

I'm a Fair Deal supporter but am unable to make the rally as . Unfortunately I have already had to go back to work today as I've used up all the time off I could afford to get (1 day) and am only able to work part time over the next few days as by are working for free for me. If I had a truly fair agreement I would have been able to afford proper maternity cover. Enterprise earn over £100,000 a year from me combined wet and dry rent which is in no way a fair deal as I pay myself under £600 a month for a fifty hour week and yet Enterprise count me as a better than average operator. If I could be at the rally I would as I feel that without change the pub co led industry will result in the failure of many hundreds more pubs at the expense of communities and those in the industry who work so hard to keep these pubs open against an unfair tide of misdeeds from the pub cos

who continue to mislead the public about the "help" and "benefits" they offer publicans.

15

I fully support FDFYL I am unable to attend as I have just started a new job having been kicked out of our pub 4 weeks before the lease was due to end. We were given 48 hrs to pack our personal belongings we now live in a caravan.

16

I fully support FD4YL but am unable to attend as EI have closed my business several times offering me next to nothing in compensation ('loss of trade) coupled with several other "overcharges" totaling £1000 which means cash flow is somewhat limited. If you add to this the £800 per week I pay EI over the top for my "Tied" beer, spirits, fats and minerals, I can not afford to attend (plus paying staff in my absence). Please accept my apology for my absence but I would more than willing to discuss anything regarding the current pub "CRISIS" anytime.

17

I am sadly unable to attend the meeting in London but fully support FDFYL.

I am unable to attend due to financial constraints that mean I am not able to take time out of my business to do so.

I am on a rolling 3 year tenancy agreement with a 'small family brewer' that would not be covered by the proposed legislation. I feel that it is important that the legislation covers ALL tied agreements, not just companies over 500 in number.

I am fully tied for all draught products but FOT on wines/spirits/soft drinks, however with over 65% of my wet sales being draught sales the impact on my business from the

tie is massive. I have no objection to being tied for the actual products that my Brewer actually brews itself but for all other draught I do. Their latest proposal is to sell all draught to me at 'free-of-tie' prices in exchange for full disclosure of my sales data.

18

I'd love to attend this, even though I'm FOT, but I can't, as the date clashes with my next rent-review meeting; a review that has been ongoing for months. My first meeting was cancelled/rescheduled times (by my Pubco, STAR) and this second meeting is already on its second reschedule, because

So I can't afford to delay it again, especially as my decision either to try to sell the business or terminate the agreement is all hinged on whether or not I get a rent reduction to bring it back down to a viable level (I have to give notice of termination by June, so a further delay to the review meeting will almost certainly exceed this date). My rent is currently £ and after much 'negotiation' they're at the "keeping it the same" position. A viable rent, in my experienced opinion, would be no more than £40K, as I not only suffer from all the usual trade issues, I'm also in a tourist town, so have also suffered from all related declining tourism issues. But the PubCo, as per all previous rent-reviews, has been totally deaf to any logic, fact or debate and has simply presented their made-up figures to match their desired rental figure...

19

Sorry that i cannot attend. Due to being shafted by EI i am now an employee at a firm and i cannot get the day off. All the best for Weds though

20

Sorry cant attend. I am running pub while Hubby works 70

hours a week to keep us out of debt with Ent Inns. Good luck to everyone going

21

I fully support FDFYL we lost our pub in we were EI, my husband and I have pensions and the rally falls in the first 2 weeks of the month so we have to leave enough money in the bank to pay the OR (). We have 2 more payments left to make then we will be free of EI at last. They told us we owed them £! it have never told us what for. We went bankrupt in ! and started to pay in . We were lucky we got a job managing a pub for a small brewery, and I have a part-time job as well. I'm and my husband is this is not what we had hoped for at this stage of our lives, should anything happen we don't even have enough to pay for a funeral.

Deborah Rowen 22

We apologise but cannot attend the rally on Weds. 5th June as my partner has a hospital appointment and we cannot afford staff cover for both days,

we have been in our pub for years, of these with Punch Taverns and over this time have paid them many, many thousands of pounds in rent and through the beer tie and

Though we cannot be there on Wednesday we fully support FDFYL as the above is just one of many examples of the disdain in which we are held.

23

I support FDFYL but cannot attend due to running pub / two small children. Good luck. Thanks to those who are getting

there on our behalf, they need reminding about what on earth they'd do without us and what a dull place it would be to live!

24

Dear Greg, I would love to come to the rally and show support. My MP as you know is already a supporter. My problem is due to my experiences with ETI I now suffer from severe stress and anxiety and have quite awful panic attacks in certain situations especially crowds. I am a normal healthy woman and I don't drink or smoke. I run a successful freehouse pub with my husband.

I've been told to take it easy although I am doing all I can from home to help with this campaign. I must tell you that it was not the tied ETI pub we had that caused this stress, running the Pub was the easy bit, the happy bit, the stress was caused by ETI's sudden greed for more rent and the immoral way in which they tried to get it, their lies and unethical business practices forced us to leave even though we had invested quite a bit into their property. Tuppen himself was involved with the dealings. To be drawn into a battle with a organisation when you have done nothing wrong and everything right takes its toll on you – truly awful times! I hope I get better soon. Just one last letter to write to Tuppen! Hope all goes well on the day. – God bless!

25

years as a tied lessee with Punch Taverns cost me £ after 1 year running a free of tie pub on higher rent and higher rates I have made a £25,000 profit. I employ more staff, pay my VAT on time and in full, spend more time with my children rather than only seeing them when I need them to work, trade with 37 different Microbreweries rather than none whilst tied, enjoy meetings with my Bank Manager when we talk of

investment and growth rather than refinance and debt, I can grow and develop my business rather than continually battle with my business partner, and whilst I still work long hard hours, I do so in the knowledge that my hard work benefits myself and my family, not a large Pub company that cared no one jot for myself, my family or my Pub – the only difference in this contrasting picture is the Tied Model and its abuse, and whilst I support fully the FDFYL campaign I hope that the reform that is so needed applies to the industry as a whole, not just the easiest targets

26

I FULLY support 'Fair Deal for your Local' and am gutted I cannot attend. I have emailed Mr Mulholland and Nick Clegg in respect too this and outlined my uttermost support for the cause. Sorry I cannot attend but personal reasons as well as very much lack of funds and a court date. I have e mailed my story too Mr Mulholland re my experience with Enterprise Inns along with the reason why I cannot attend the rally

27

I fully support FDFYL – I am afraid I cannot go...I haven't even had any dole yet because it's all screwed up and I am skint due to being evicted from my pub and the problems I have had with the local council rehousing me (or rather not rehousing me). I will happily tell my story to anyone who would like to hear it.

28

I support FDFYL but unfortunately due to lack of cover & funds , I am unable to attend. I have been with Star pubs & bars (ex S&N) for over 10 years & still not drawn a living wage. I have a one room operation , yet rent is 1000 annum. I was recently given a concession down to 500 We are

in the process of negotiating a new rent from My
accountant has been involved in all meetings & insists that our
rent should be no more than _ _ enable us to
operate fairly. I am in debt to Vat & business rates for approx
n arrears with electricity for There are
other debts but too many to mention. If we had not been lied
to & had a fair rent from day one , we may
have had a fighting chance . Thank you for all the hard work
that is going on.....I will be with you in spirit on Wednesday
but wish I could be there in person

29

Having been evicted from our pub in and subsequently
going bankrupt due to the action of our pubco S&N..we
support FDYL..unfortunately due to lack of funds and illness
we will not be able to attend the rally on June 5th..

..after consulting a
structural engineer he did a report which said the pub should
not of been leased in such a condition...this we produced to
the pubco who then had to re-roof the building but then they
decided to tie us on a product that was not included in our
contract..when we asked to see the original contract they
informed us it had been shredded!!!!This was
just the start..if you would like more information about the
problems we had send me a message..

30

I fully support FDFYL, but cannot make the rally – I have to
work to try and re-establish myself. My experience with Fullers
was dire. We went in on a 3-year lease at a rent that was
unsustainable even after a small reduction. We were fully tied
to Fullers for all beers wines and spirits. Fullers' attitude
throughout was one of continuous complaining that we were
doing things wrong, despite the fact that my husband is

regarded as a good landlord with [redacted] years' experience, we re-built the business and the pub was popular because of all that. It was never the case that Fullers accepted in any way that they were bleeding too much money out of the business and they just took their money upfront every week for rent and purchases; everything else was always our fault, they said. They were completely unsupportive except to allow me to borrow against my own deposit and inventory money to keep going. My husband and I worked all hours and it put a lot of strain on our relationship, and we were lucky to come out with our relationship intact. In effect we were working very hard to make money for Fullers, not for us. [redacted]

[redacted] we lost over [redacted] in the pub over the 3 years. We estimate that Fullers took out well over [redacted] in that time through rent and excessive pricing on the drinks through the tie. We see the pub is still for rent on Fullers website [redacted] and to add insult to injury in the meantime it is let at a rent less than half of what we were being charged and the tenant is not committed to 3 years; this shows that the terms we had from Fullers were totally unsupportable except, of course, at our expense, financially and otherwise. Their gain over £ [redacted] Our loss over £ [redacted] and a massive strain on our relationship.

31

I am unable to rally due to personal obligations Im afraid, sorry. I Fully support FDFYL. I have been in the trade for [redacted] years, [redacted] as a barstaff, then manager, and [redacted] as an Pubco lease holder. Brief run down on pub, well its the busiest in area, but is surrounded by mostly free of tie leases and I am forced to charge at least 40 pence a pint more than my competition due to tied pricing on a all draught and packages beers. Over the years I have charged as little as I can to compete with the free of tie competition, but still loose more and more custom to the cheap beer regardless to my efforts. This results in me turning over well over £ [redacted] a year and earning approx £15,750 for a 60 hour working week. We do everything under the sun to get this level of trade in, but

today's challenging costs combined with all of my repairing and insurance obligations and the poor margins I am allowed to earn on my tied products(which make up most of my sales) leave me with a disheartening and more reduced bottom line every year. I am about ready to give up on my pub which really is the heart of local community in my area!!! To me a free of tie option with open market rent is the only clean cut positive way forward, as from my experiences, with my pubco, any room for movement given, will be manipulated and we will be back where we started, only worse!!!! Many lease holders myself included deserve more than the minimum wage, and would probably just like to be able to repair their pub with it meaning yet another pay cut, or maybe be able to give a bit back to the loyal customers who line the Pubco's pockets week in week out!!! I say that because It really would be interesting to see the support Pubco's claim to give to each publican (thousands of pounds per year) broken down. In all my years, all I have had is a few banners and posters. The discounts they claim to give, are just 10% off the prices they have already inflated by over 50% in some cases!! its outrageous. In the past I have been lied to, ignored, treated in an attempted bully like way when surrounded by 3 Pubco representitives at the same time, accused of buying in against my contract when the accuser had got confused and read compliance details wrong, Rather than seeing my Pubco as support, I just want to keep them away so they cant damage my business any further. I wont go on any further but I could tell ten times as many tales of lies and corruption. The message from my experiences is simple.... Give Lease holders the choice of Free of Tie, the Pubcos shouldn't mind, if they are already giving such a fair deal, they don't stand to lose much do they??

When read as above in one go it is truly shocking to see the extent of these corporate crimes. To see people's lives ruined; savings stolen; homes lost; families broken up; pasts, presents and futures

destroyed. For no other reason than allowing greedy executives to pay themselves obscene salaries and put off the inevitable end of their debt laden companies.

I guess the point I am trying to make is that, there has been enough now. It's enough, it's time to bring it all to an end and allow the people that this Government represents to make a living and bring to an end the plunder and pillage of a once great industry.

Speaking from a personal perspective, I'm angry it has taken this long. I'm irritated that this is yet another call for evidence. You have seen enough evidence across the countless enquiries and select committees.

Speaking from the perspective of Licencees Supporting Licencees, we have all seen enough, and been through enough.

It is time for it to end now. Force greedy immoral pubcos to take their foot off the neck of British pubs, force them to give a market rent option and breathe life into a dying industry, giving it's workers their careers and lives back and revitalize the whole trade.

Time for a Fair Deal for our pubs.

Stephen Slatter
Licencees Supporting Licencees