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**From:****Sent:** 14 June 2013 19:11**To:** Pubs Consultation Responses**Cc:** crowthers@parliament.uk; graham.brady.mp@parliament.uk**Subject:** Consultation on a Pub Industry Code and Adjudicator

I have been employed in the British Pub Industry for     years.

My late father was employed in the industry from the end of the war until his retirement.

My Grandparents were Publicans for over 30 years.

Pubs have always been part of my life.

During this time I have seen success and failure in pubs including those run by my own family.

Without the tied system my family and my tenants would not have had the opportunity to run their own pubs.

I can say that none of the failure can be blamed upon the tied system and nor could any of the failures have been prevented by any part of the proposed mandatory code.

My experience has been that attempts by government to interfere in the industry have had consequences unforeseen and detrimental to the consumer, pub owner and publican.

The current proposals completely ignore the OFT reports published in 2009 and 2010 and are contrary to Government Policy on de-regulation. The current Voluntary Industry Code works well and provides an effective rent review and complaints process.

Having read the Code thoroughly I have found the tone patronising and the rational naive.

No pub company will use unreliable beer monitoring equipment fine tenants unfairly. The majority of tenants accept the reports as accurate. Tenants are given every opportunity to challenge the beer monitoring system and are asked to provide their own till and stocktaking data to support their challenge. In the 14 years that I have been involved with pubs with dispense monitoring no tenant who has disputed that they have bought out has chosen to provide any of this information. My conclusion is that flow monitoring is an extremely accurate way of establishing whether a tenant is adhering to the terms of their agreement. Without beer monitoring we will return to a time where every tenant was suspected of breaching their tie. A considerable amount of time was wasted on tie policing that could have been spent on working with tenants to develop their business.

Prospective tenants are not the illiterate innumerate that the proposals assume nor are the Pub Companies so naive as not to understand the value of supporting their pubs and tenants.

I urge you not to proceed with these proposals.

I believe the potential consequences of the proposals will damage the consumer and publican and therefore the sector.

The imposition of the code on pubs with more than 500 pubs will cause the break up of existing pub companies and establishment of smaller pub companies that will be unregulated. In my experience the behaviour of smaller pub companies, often created as a short term asset churning vehicle, has been poor. We have successfully driven companies such as London and Edinburgh out of the sector.

The industry does not want or need there return.

The expansion of the free of tie sector will lead to a reduction in consumer choice. I have seen many examples of free of tie tenants re-tying themselves to brewers in exchange for a relatively modest investment.

The pub company has every incentive to assist the tenant in developing their business because both share the benefit. Without this incentive there is no incentive to develop or assist a poorly performing tenant.

Currently if beer sales fall profit impact on the tenant is cushioned by the reduced rent that a tied tenant is paid. With a higher rent the tenant is likely to face financial failure as a result of relatively decline in sales. The danger will be the tenant will voluntarily enter a tied arrangement for a relatively small financial bail out from a supplier.

To summarise.

Pub companies understand that the most important reason for success or failure is the quality of its publicans. The selection, training, development and retention of its tenants is fundamental to success. We recognise that this can only be achieved if we act fairly.

Many tenants recognise the benefits of the current system. I know that many have made their views known. I find it extraordinary that they acknowledge that their success has in some part been due to the support of their pub company. On the other hand I find it quite understandable that those that fail in business would look to blame someone else for their failure.

I am sure that others have expressed similar views to those expressed above. However I write because I am genuinely concerned that the proposals will damage an industry that my family has been part of for generations.

Regards

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