

I am a former independent lessee who was in the licensed industry for a large part of my working life; I retired early from the trade due to ill health possibly bought on by the stress working 70 – 80 hours a week to keep staffing costs down as all other overheads were increasing.

***Pub Companies & Tenants
Answer Form***

- Q1/ I believe there should be a statutory code not only to regulate what the Pub Co.'s charge the tenant/lessee but to regulate what the supermarkets are charging.
- Q2/ I think that the smaller Pub Co.'s are fairer to the tenants so a 500 pub threshold in my view would be acceptable. I do think that even with a threshold in place all Pub Co.'s should be monitored periodically.
- Q3/ Yes, as it would be too difficult to monitor the scheme. If there are houses that are fortunate enough to have a thriving business then no doubt the Pub Co would reflect their success in their rent.
- Q4/ I think a franchisee's agreement should be looked at independently as he may already benefit in other ways.
- Q5/ Looking at the annual profits that the Pub Co.'s show they can initially sustain a drop in income/profit but in the long term if a tenant/lessee can purchase beverages at a competitive price they then can pass this onto the consumer therefore encouraging trade to grow in his establishment. Therefore the Pub Co.'s will benefit from larger orders being placed and turnover increased.
- Q6/ I personally think that there must be permanent regulators/arbitrators set up or the Pub Co.'s will slowly increase prices as time goes on.
The cost of this should be funded by the industry the larger the Pub Co is the more it pays down to the independent small tenant pays a smaller amount. Other funding may come through fines from companies in breach of the code.
- Q7/ I very much agree, for many years the Pub Co.'s have increasingly had it their own way which has resulted in almost bullying tactics to the tenant/lessee.
I don't think the Pub Co.'s should be forced into releasing their tied portfolio but bring the pricing in line with the free trade. I do think a Pub Co should consider an alternative lease which gives a tenant/lessee free of tie but in turn would reflect in their rent.

Q8/ I think it should be made law that all Tenants/lessee's should have a rent review at 5 years to negotiate an acceptable rent for the following term whether it be fixed or on a sliding scale as it was in the distant past where all parties would be happy even the customer.

I think the Pub Co.'s should be made to be more transparent so a level of trust would return to the industry.

I don't think the gaming machine tie should be abolished but regulated so both parties have an acceptable proportion of the takings rather than the Pub Co.'s having a much larger share. You have to bear in mind the risk a publican takes by having gaming machines in their public house as the machines are an easy target for potential thieves.

I think a Free of Tie Guest Beer should most definitely be part of the code but to be from a local microbrewery. I think most tenants/ lessees would welcome the chance to buy a local product.

I think if the product prices were reduced to the free of tie level then a tenant/lessee wouldn't be tempted to buy from another source therefore flow monitoring equipment would be made redundant. The problem with flow monitoring is that it is unreliable to be used as evidence against a tenant/lessee, in one instance when large amounts of water are being used during pipe cleaning.

Q9/ Not able to view the draft code at this time.

Q10/ I do believe that the Statutory Code should be periodically reviewed and if necessary amended as the code has to be finely tuned so both parties are treated fairly.

Q11/ As quoted in question 7, I think a free of tie option would benefit both parties.

Q12/ I believe that a tenant/lessee should have the option of;

1. That tied tenants/lessees would pay the same as free of tie.
2. That there is a free of tie option which would reflect on rent.
3. That current prices are maintained with a reduction of rent.

Generally rents are set at 10-12% of turnover which has been the case for many years, what has vastly increased is the price of products sold to tied houses.

Q13/ Yes I think that an adjudicator should be appointed by the Government to regulate and enforce the new statutory code.

Q14/ An adjudicator should be able to arbitrate disputes and investigate into wider breaches of the code. If discrepancies are found then the arbitrator should have the powers to fine offenders.

Q15/ I think that if a company has been found to be in breach of the agreed code then a disciplinary policy should be enforced which could result in financial penalties.

Q16/ Yes very much so, I think that there need to be a permanent body for the purpose of adjudication and reporting its findings.

Q17/ As stated in Question 6, Total funding must be gained from the industry, from yearly subscription on a sliding scale from large Pub Company to Small Public house.
Furthermore if a company is in breach of the statutory code then the size of the fine should reflect on how great the breach of contract is.

PLEASE NOTE:

I would also ask you to look into the possibility of regulating the prices that shops and supermarkets are selling alcohol for especially beer, cider and Alco pops.

We are all concerned about the increase of "Binge Drinking" which primarily stems from our supermarkets using alcohol as loss leaders to encourage the general public to do all their shopping in there store.

Most Binge Drinking will start at home where copious amounts of cheap alcohol bought from our local supermarkets is consumed then they head out to local pubs where often the customer is already intoxicated.

By regulating the price of alcohol in shops & supermarkets coupled with capping the prices charged by pub companies to tied tenants enables them to be more competitive. The price of products would then be reduced bringing a tied house in line with a free of tie house encouraging the return of customers which in turn would directly kick start the survival of The Great British Pub.