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9th November 2015

Anna Soubry MP
Minister for Small Business, Industry & Enterprise
House of Commons
London SW1A 0AA

Dear Ms Soubry

Thank you for your invitation to comment on the Government's proposals for the Pubs Code. Unfortunately the details published so far do little to redress the imbalance that exists between individual licensees and the pub companies.

You state that the principal behind the Pubs Code is to ensure fairness in that tied tenants are no worse off than free of tie tenants. For this to be achieved the following problems need to be addressed:-

- * The pub companies use rent models that greatly overstate potential turnover and take no account of local circumstances, thus producing unattainable FMT targets. Many pubs are struggling to survive under excessive rents enforced by aggressive Credit Control Departments. In my case the pub company has consistently made six figure profits from my business whereas I have struggled to show a profit in my six years of tenure. The Pubs Code proposals do not appear to address this disparity.
- * Tied tenants are unable to compete with free of tie outlets due to the significantly higher wholesale prices we have to pay. Again this monopoly situation is enforced by flow monitoring equipment and heavy fines for discrepancies. Tied tenants are faced with the option of reducing GP to try to compete with local competition or accept the reality of being uncompetitive.

I understood that the underlying concept for the Pubs Code was to ensure fairness for tied tenants and I would suggest that the original proposals for rents to be independently assessed and the MRO to allow tenants freedom from tied product ranges, for example - to sell locally brewed ales at prices that allow tenants to compete on a level basis, be revisited.

The pub company to which I am tied emphasises its relationship with tenants as a 'partnership', the reality is very different. The balance of profitability is very much in favour of the pub companies. The definition of a partnership is an equal share of profits and losses between two or more parties. This simply is not the situation most of the tied tenants are experiencing and this is the crux of the need for the proposed legislation.

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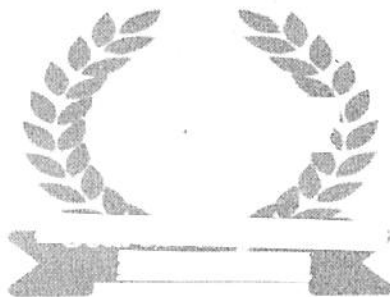
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A consequence of not being able to produce consistently viable balance sheets is the difficulty in accessing finance to take the business forwards and sooner or later many hard working licensees are forced out of business. This is surely not a satisfactory situation.

I have been in regular contact with my MP, who is sympathetic to my cause and on behalf of my staff and family would ask you to take my views into consideration as the process moves forward.

Yours sincerely

Copy to: Pubs Advisory Service



Proprietor: