



Department for Business, Innovation & Skills

## Pub companies and tenants - A government consultation

### Response form

The consultation will begin on 22/04/2013 and will run for 8 weeks, closing on 14/06/2013

When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation response form and, where applicable, how the views of members were assembled.

This response form can be returned to:

Pubs Consultation  
Consumer and Competition Policy  
Department for Business, Innovation and Skills  
3rd Floor, Orchard 2  
1 Victoria Street  
Westminster  
SW1H 0ET

Email: [pubs.consultation@bis.gsi.gov.uk](mailto:pubs.consultation@bis.gsi.gov.uk)

Please tick one box from a list of options that best describes you as a respondent. This will enable views to be presented by group type.
Representative Organisation
Trade Union
Interest Group
Small to Medium Enterprise
Large Enterprise
Local Government
Central Government
Legal
Academic
Other (please describe): Tenant of a pub from a family run brewery.

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

## Consultation questions

**Q1. Should there be a statutory Code?**

Yes.

**Q2. Do you agree that the Code should be binding on all companies that own more than 500 pubs? If you think this is not the correct threshold, please suggest an alternative, with any supporting evidence.**

Yes.

**Q3. Do you agree that, for companies on which the Code is binding, all of that company's non-managed pubs should be covered by the Code?**

Yes

**Q4. How do you consider that franchises should be treated under the Code?**

Equally

**Q5. What is your assessment of the likely costs and benefits of these proposals on pubs and the pubs sector? Please include supporting evidence.**

The cost would be about the same, I feel the benefits out do the cost enabling the good pubs to be able to develop.

**Q6. What are your views on the future of self-regulation within the industry?**

Some self-regulation is fine, but not always consistent with all companies thus I think regulation from an independent would be best.

**Q7. Do you agree that the Code should be based on the following two core and overarching principles?**

*i. Principle of Fair and Lawful Dealing*

*I agree*

*ii. Principle that the Tied Tenant Should be No Worse Off than the Free-of-tie Tenant*

*I totally agree with this.*

**Q8. Do you agree that the Government should include the following provisions in the Statutory Code?**

*i. Provide the tenant the right to request an open market rent review if they have not had one in five years, if the pub company significantly increases drink prices or if an event occurs outside the tenant's control.*

*I think this should be done on the basis of the tenancy agreement; some tenancies are on a 3 Yearly agreement. How does the incoming tenant know when this was done or going to be done?*

*ii. Increase transparency, in particular by requiring the pub company to produce parallel 'tied' and 'free-of-tie' rent assessments so that a tenant can ensure that they are no worse off.*

*These details are hard to obtain by a tenant, these are supplied by the Brewery / Pub Company*

*iii. Abolish the gaming machine tie and mandate that no products other than drinks may be tied.*

*Each Pub Company has different agreements on these; I think that it should be discussed on entry to each pub.*

**iv. Provide a 'guest beer' option in all tied pubs.**

*I agree this gives the customer a choice other than set brews.*

**v. Provide that flow monitoring equipment may not be used to determine whether a tenant is complying with purchasing obligations, or as evidence in enforcing such obligations.**

*I disagree flow monitoring does not give you an accurate account.*

**Q9. Are there any areas where you consider the draft Statutory Code (at Annex A) should be altered?**

**Q10. Do you agree that the Statutory Code should be periodically reviewed and, if appropriate amended, if there was evidence that showed that such amendments would deliver more effectively the two overarching principles?**

*Yes*

**Q11. Should the Government include a mandatory free-of-tie option in the Statutory Code?**

*For the larger pub companies.*

**Q12. Other than (a) a mandatory free-of-tie option or (b) mandating that higher beer prices must be compensated for by lower rents, do you have any other suggestions as to how the Government could ensure that tied tenants were no worse off than free-of-tie tenants?**

*Making all companies accountable and ensuring fair play*

**Q13. Should the Government appoint an independent Adjudicator to enforce the new Statutory Code?**

*Yes*

**Q14. Do you agree that the Adjudicator should be able to:**

**i. Arbitrate individual disputes?**

*Yes*

**ii. Carry out investigations into widespread breaches of the Code?**

*Most definitely*

**Q15. Do you agree that the Adjudicator should be able to impose a range of sanctions on pub companies that have breached the Code, including:**

**I. Recommendations?**

*Yes*

**II. Requirements to publish information ('name and shame')**

*Yes*

**III. Financial penalties?**

*Yes*

**Q16. Do you consider the Government's proposals for reporting and review of the Adjudicator are satisfactory?**

Yes

**Q17. Do you agree that the Adjudicator should be funded by an industry levy, with companies who breach the Code more paying a proportionately greater share of the levy? What, in your view, would be the impact of the levy on pub companies, pub tenants, consumers and the overall industry?**

The industry has had duty increases and other burdens put on it over the past 20 odd years, so why should the tenant / customer pay more for another adjustment in this industry. This should be funded out of the duties already paid.

I do agree though that if a company breaches the code they should pay the price.