

From:
Sent: 07 May 2013 14:53
To: Pubs Consultation Responses
Subject: PubCo/Brewery tenant relationship.

I am a Personal Licence Holder and LVA Member, currently without a pub.

I live in a town which is home to a medium sized family brewer.

I have had dealings with Enterprise Inns, Punch Taverns, Shepherd Neame and Various wholesalers and distributors in the free of tie market.

I believe that Statutory code is the only method which can achieve the results the government and many in the pub industry want to see.

From my experience I believe that the threshold for the code to be binding should in fact be 350 pubs/hotels and not the 500 out lined in the consultation document. I am aware of several tenants who are either not members of the BII, or who will not contact the BII with the issues they have with these smaller Pub Cos/ Brewers. I have recently been conducting a review of bar suppliers for a local cricket club, as the club has recently come to the end of a tied deal with a small family brewer.

Had the club continued to purchase directly from the brewery (located less than 1 mile away) the club would have had to pay £150 per keg of the brewers base lager. A Wholesaler located 30 miles away was able to supply the same keg, to be delivered on the same day at £85 per keg.

I fully understand the need of Brewers and PubCo's to make money, but the rates charged are at times nothing more than highway robbery.

It is my assessment that should these proposals be followed through, the likelihood is that rents in my area would increase, however if the PubCos use their buying power more effectively, then the cost of beer supplied on a tied basis would in fact decrease. This would move the emphasis back on to the tenant to run a better business, knowing that they would be earning a fairer portion of the profits on what they actually sell.

Self-regulation has had its chance, it works well for the tenants of smaller, local pub owning companies (less than 300 pubs) but not so well for those of medium to large pub owning companies.

I agree that the code should be based on the principles outlined in the proposal.

I agree entirely with the points laid out in question 8 of the proposal, except point iv. A local guest ale should be available, not any guest beer, and this should only be a compulsory option if the tenant is not free of tie for Wines or spirits.

The code should be reviewed periodically to ensure it is up to date with the industry.

There should be an independent adjudicator to enforce the code.

The Adjudicator should be able to arbitrate disputes and investigate widespread breaches.

The Adjudicator should be able to impose a range of sanctions on any company that breaches the code,

I would suggest, forced re-negotiation of tenancy, Publication of information, (name and Shame), compensate the victim of the breach, fines payable to treasury and in extreme cases forced sale of the premise in question to the tenant.

Regards

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02/12/2013

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