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**From:** ...  
**Sent:** 13 June 2013 20:17  
**To:** Pubs Consultation Responses  
**Subject:** Pub Companies and Tenants - an industry assessment.

Dear Minister,

Please note that I do not want my details to be published, but I am very happy to be contacted if you would like further information.

I am responding as a ... We run a single tenancy from a family brewer who own around 400 pubs. The brewery has a good reputation and is generally regarded as "better than most" in regard to the way they treat their tenants.

We employ around 30 local people.

We have been running the pub for 3 years and, although now are doing better, have lost over £100,000 of our personal savings and have paid £140,000 in rent in that period. We are very hopeful for the future, but are currently in difficulties. We have openly shared with the brewery our financial information on a regular basis. While we have had some help from the brewery, it has been limited - as these stark numbers illustrate.

While our relationship with our Pubco are better than many, we still an element of concern that as a small tenant we have very little true negotiating power. To us, 400 pubs seems very big and we feel we are a very small operation trying to negotiate with a large company.

We are not opposed to the tie and can see the disastrous impact that a mandatory free-of-tie option could have on our brewer, to the ultimate disadvantage of ourselves.

Consequently, we believe there are some provisions in the proposed statutory code that could beneficially apply to all tenants, regardless of the size of the Pubco. These include:

1. The statutory right to offer a guest beer. That beer, at least, should be free of monitoring arrangements.
2. The requirement for the Pubco to provide parallel 'tied' and 'free-of-tie' rent assessments.
3. The right of all tenants to use the Arbitrator.

By this means, there would be a "light-touch" of regulation on the smaller Pubcos, with lower costs to them.

We suggest there are other measures which should be considered to ensure fairness and competitiveness:

1. The freedom to purchase products not manufactured by the brewery from any source eg soft drinks, cordials. The tie is understandable for all products manufactured by the Brewery, but for the other products, the Brewery should be forced to act as a wholesaler and compete openly in that regard).
2. The publication by the regulator of a 'basket' of market wholesale prices for beers and wines so that tenants have an independent source of information they can use to inform their discussions and negotiations with their Pubco.
3. The ability of the Regulator to bring individual Pubcos, regardless of size, under the Regulation at any time, if there is an increase in complaints and it is found that they are not following reasonable self-regulation practices.

We hope that these comments are helpful to you.

Regards,

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