

Proposed Tied Pubs (Code and Adjudicator) (Scotland) Bill

Page 2: About you

Are you responding as an individual or on behalf of an organisation?

an individual

Which of the following best describes you? (If you are a professional or academic, but not in a subject relevant to the consultation, please choose "Member of the public".)

Professional with experience in a relevant subject

Please select the category which best describes your organisation

No Response

Please choose one of the following; if you choose the first option, please provide your name or the name of your organisation as you wish it to be published.

I would like this response to be anonymous (the response may be published, but no name)

Please provide your name or the name of your organisation

Please provide a way in which we can contact you if there are queries regarding your response. Email is preferred but you can also provide a postal address or phone number. We will not publish these details.

Q1. 1. Which of the following best expresses your view of establishing a statutory Scottish Pubs Code and Scottish Pubs Code Adjudicator? Please explain the reasons for your response.

Fully opposed

Comments:

The argument seems to centre around lack of choice around products for tied publicans by Pub co's, my understanding is that the main Pub co in Scotland has the widest selection of draught drinks available in the market when compared to local and national breweries that offer only their brands when tied loans are in place. i.e if an outlet in the free trade accepts a loan from C&C/Tennnets they must in turn buy all their

Q1. 1. Which of the following best expresses your view of establishing a statutory Scottish Pubs Code and Scottish Pubs Code Adjudicator? Please explain the reasons for your response.

brands for a period of time, hence an anti competitive tie. I struggle to see how this is any different from a Pub Co tie. Not only this but the market in Scotland is very much restricted to a very small range due to consumer choice, brands such as Tennents have a large % of the market share and as a result they try and hold on to this trade by restricting range and offering cash incentives/cash loans in turn for a beer tie.

Q2. 2. Could the aims of this proposal be better delivered in another way (without a Bill in the Scottish Parliament)?

Yes (if so, you may wish to specify any possible alternative option(s))

Please explain the reasons for your response.

The leased/Tennancy business in Scotland is a very small percentage of the overall licenced trade. Time and money would be better spent looking at how to grow and support business and help them control costs on a local level (Business Rates)rather than putting more red tape in front of large companies who invest heavily in their sites.

Q3. 3. What do you think would be the main advantages, if any, of establishing a statutory Scottish Pubs Code and Adjudicator?

The current code of practice provides an adequate channel for tied publicans to raise complaints and queries around their agreement.

An improvement to the current lack of knowledge around agreements and the industry in general appears to be the only advantage

Q4. 4. What do you think would be the main disadvantages, if any, of establishing a statutory Scottish Pubs Code and Adjudicator?

Increased costs for the parliament, trade bodies and pub co's which will ultimately impact the publicans/operators of these business.

Companies will review the level of investment if the return on this investment is put in jeopardy and the moved to tied loans will increase which will in turn restrict the choice and range available to consumers.

Q5. 5. Which of the following best expresses your view of establishing a Market Rent Only option for tenants as part of a Scottish Pubs Code?

Fully opposed

Please explain the reasons for your response

Again the companies who currently invest in the Scottish market may cool this as they will no longer be able to guarantee the return on the level of capital being invested. This in turn will reduce the quality of the pub estate in Scotland and will also put jobs at risk

Q6. 6. What do you think of the proposed contents of the Bill and the Code, and the scope of the Adjudicator's powers, as detailed on pages 17-18 of the consultation document?

The bill and the code are very one side and don't show the benefits of the current tied model.

There are a number of successful operators in the industry who have only achieved what they have by maximising the low ingoing costs of taking on a tied pub rather than the high costs of a freehold purchase

Q7. 7. Which of the following best expresses your view of the Scottish Pubs Code Adjudicator being able to impose financial penalties for breaches of the Code?

Partially supportive

Please explain the reasons for your response.

Should the code be adopted then all parties should be accountable, this include publicans and Pub cos

Q8. 8. In terms of who the Scottish Pubs Code, and Market Rent Only option, should apply to, which of the following best expresses your view? If you choose option (a) you will automatically be taken to question 10. If you choose (b) or (c) you will automatically be taken to question 9.

(b) The Scottish Pubs Code should apply to all tied pubs in Scotland, but the Market Rent Only option should only apply to tenants of larger pubcos.

Please explain the reasons for your response.

Disagree - The MRO option should not be available to any pub co What is required is PUB co's to adjust the balance slightly in terms of some pricing, however the MRO is not required

Q9. 9. How should larger pubcos be defined (e.g. by size of turnover, number of tied pubs owned in Scotland (if so, how many, etc.))?

Why should large PUB co's be treated any differently from rouge landlords who operate a tied model?

With large pub co's they are generally held accountable for their actions

Page 17: Financial implications

Q10. 10. Taking account of both costs and potential savings, what financial impact would you expect the proposed Bill to have on:

	Significant increase in cost	Some increase in cost	Broadly cost-neutral	Some reduction in cost	Significant reduction in cost	Unsure
(a) the pub companies which own tied pubs (Pubcos)	X					
(b) Tied-pub tenants			X			

Q10. 10. Taking account of both costs and potential savings, what financial impact would you expect the proposed Bill to have on:

(c) Tied-pub customers			X			
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Please explain the reasons for your response

Pub cos would have significant administration cost increases Tied pub tenants would generally find the same costs and any support offered by Pub cos would potentially be removed. Publicans may not choose to pass on any presumed savings by MRO

Q11. 11. How do you think the associated costs of the proposal (predominantly the establishment and on-going running costs of a Scottish Pub Code Adjudicator) should be funded?

This is a cost that nobody within the industry can afford at present, the industry is in decline and costs are increasing from Utilities to rates to pensions and minimum wage costs.

If we apply pressure to large pubs cos they will halt much needed investment in our industry

Page 19: Equalities

Q12. 12. What overall impact is the proposed Bill likely to have on equality, taking account of the following protected characteristics (under the Equality Act 2010): age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, sexual orientation?

Neutral (neither positive nor negative)

Q13. 13. In what ways could any negative impact of the Bill on any of the protected characteristics be minimised or avoided?

No Response

Page 21: Sustainability of the Proposal

Q14. 14. Do you consider that the proposed Bill can be delivered sustainably, i.e. without having future disproportionate economic, social and/or environmental impacts?

No

Please explain the reasons for your response

The lack of investment in pubs will again bring several pubs to a closure no doubt as they will currently be supported by large pub cos

Page 22: General

Q15. 15. Do you have any other comments or suggestions on the proposal?

I suggest the argument is very one sided at present and there must be a clear investigation in to the relationship of the C&C group (Tennents) with this proposal.

Why are they publically supporting it? Why are they advertising it in the trade press?

The brewery loans offered by companies such as C&C are as much of an issue in restricting choice in the current market.

Investigate more and speak to people who will provide a balanced argument