

787

From: [redacted]
Sent: 14 June 2013 07:53
To: [redacted] Pubs Consultation Responses
Cc: cablev@parliament.uk; [redacted]
Subject: Pub Industry Consultation

Dear [redacted]

I write to you as a member of your constituency and as an employee of Enterprise Inns PLC.

You are no doubt aware of the current Government consultation on plans for a statutory code to regulate the pubco/tenant relationship and the establishment of an adjudicator to hear disputes. This is despite previously unsuccessfully challenges against the leased and tenanted model to the Office of Fair Trading in 2009 and 2010.

Whilst efforts to improve efficiency and effectiveness should always be encouraged, further regulation and interference would, in my opinion, be damaging to an industry which has suffered 42 reviews in the last 44 years.

The current leased/tenanted model provides a low cost entry into running your own business, access to capital investment, and the provision of professional support services. Given the current level of economic distress, resulting in a decreasing public and private sector workforce, the opportunity to run a pub as a self-employed Publican is something that should not be threatened by ill-conceived proposals for change.

Enterprise Inns have committed some £60m in capital investment in this current financial year to support Publicans through investment in the fabric of the estate to either defend the current operation or provide growth opportunities. The level of financial support that our leased and tenanted Publicans have received through rent reductions and increased discounts has seen reduced like-for-like rent of 12% and increased discounts for Publicans by £28 per barrel, costing Enterprise £54m last year and effectively transferring an average of £9k of profit to every pub.

If the BIS proposals were successful, I believe they would ignore the OFT reports published in 2009 and 2010, increase regulation, which is contrary to Government policy to increase the speed of deregulation, add a further layer of cost and red tape to the industry and result in an increase in pub and brewery closures with associated job losses.

Furthermore, the BIS proposal would not attack the root causes of Publican distress, namely:

- Impact of the smoking ban
- Impact of the recession
- Impact of cheap alcohol prices in supermarkets
- The deplorable tactics of the utility companies
- The snail's pace of business rates reviews, and the threat that the cyclical revaluation will be delayed until 2017, these costs are crippling some Publicans business's by not reducing in line with their business decline.

Thankfully, the scrapping of the damaging beer duty escalator has provided some relief for the industry but that positive action should not be nullified by this mis-guided attempt to further regulate the industry which will result in a decrease in Government tax receipts, increase in pub closures/job losses and a decrease in consumer choice.

The reality is that, allowing for some vociferous, self-serving and admittedly effective campaign groups, the vast majority of pub company tenants understand the agreements that they signed up to and, despite the well documented economic difficulties facing consumer oriented businesses in the UK, are running successful businesses in partnership with their pub companies. Where disputes or

04/12/2013

disagreements arise, there is a robust and legally-binding voluntary Code of Practice in place, which is proving effective in providing tenants with low cost rent review and complaints procedures.

I have many year's experience in the industry and over time have seen many local and some famous hostelrys close for ever and been criticised for allowing it to happen, this is not what I or the company would want, however with the impact of the issues raised earlier, the changing consumer needs and choices, a lot of these Pubs have become totally unviable, with a loss of many jobs.

It is quite worrying that I read a recent article written by my CEO Ted Tuppen in response to the proposed code that indicated that one of the options the company might implement would be to remove the support to our tenants, and operate as a property company, I believe this would be a disastrous consequence of this process that would not only force more tenants out of business and more pubs to close, but also a loss of Jobs and a £35m contribution to the government in lost revenue.

I who provide expert advice and support to our Publicans, and it is disconcerting to read the accusations made by some parties in the press that we would treat our Publicans unfairly. I believe I have engendered into my team the same values that have served me well, that of honesty, fairness and transparency in all our dealings with them, and a desire to add value and support to their efforts to run successful and profitable businesses for our mutual benefit.

I imagine that you are inundated with constituent letters and therefore I thank you for taking the time to consider the points I have raised.

Yours sincerely

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04/12/2013