

**From:**  
**Sent:** 11 June 2013 11:31  
**To:** .mp@parliament.uk  
**Cc:** Enquiry Enquiry (Other Government Departments)  
**Subject:** Fw: BIS consultation - Statutory code

CC: Mr Vince Cable MP

----- Forwarded Message -----

**From:**  
**To:** " .mp@parliament.uk" < .mp@parliament.uk>  
**Cc:** "cablev@parliament.uk" <cablev@parliament.uk>  
**Sent:** Tuesday, 11 June 2013, 11:27  
**Subject:** BIS consultation - Statutory code

Dear

I write to you not only as a constituent, but also as an employee of Enterprise Inns, in the role of Manager.

You may be aware that for years the leased and tenanted model has been the subject of numerous enquiries resulting in it being seen as perfectly fair & acceptable – granted with some change and recommendations.

I would like to take a few minutes of your time to illustrate the benefits of having a pub and the ill thought consequences of the BIS proposals:

- The leased and tenanted model is a fantastic way of offering a low cost entry into running your own pub.
- You will be aware of the public sector threats and private sector redundancies in our constituency and running a pub as a self-employed publican is a perfect opportunity to enjoy a good living and support the local community at the same time. Hard work yes, but this is the nature of our industry.

If the BIS proposals were successful, I believe they would:

- Completely ignore OFT reports published in 2009 and 2010, which concluded that competition in the industry is benefiting consumers and prevents the beer tie from being used to inflate pub beer prices beyond competitive levels.
- Its proposals are contrary to government policy on deregulation and a complete u-turn from statements made by BIS just twelve months ago.

- It proposes a very simplistic and unworkable rental calculation formula which may well not comply with RICS guidance and includes the establishment of an adjudicator to hear disputes, adding a further layer of cost and red tape to the industry.
- The Voluntary Industry Framework Code, embodied into our Code of Practice, is working well and provides an effective rent review procedure (PIRRS) and complaints process (Picas). I would be happy to meet and discuss this further with you.
- If endorsed, their proposals could lead to a whole raft of unintended consequences, such as pub and brewery closures, lack of investment, reduction in consumer choice, job losses, a fall in tax revenues and potentially the end of a great system which offers a low-cost, lower risk business opportunity for aspiring Publicans, fully supported by our skills and resources. There would be little incentive for the Pub Companies to support and invest.
- In my role I work hard to deliver improvements to systems, processes and solutions focussed on supporting the Publicans opportunity for success.
- We can now see signs of recovery & confidence returning to our Publican's business in these difficult times where the smoking ban has been followed by the recession, cheap alcohol prices in supermarkets, changing social trends and four wet summers in a row. This has also included a Treasury tax rise by 19% in four years to £1 in every £3 taken across the bar.

Our income per pub has fallen by 12% as we have offered rent reductions and increased discounts to help and assist our Publicans.

The level of support that the leased and tenanted industry provides for its publicans would be effectively removed in the BIS proposals. Since 2010, Enterprise Inns have invested at least £10 million in the Midlands Pub Estate, £7 million of that has been in defending and protecting our pubs and publicans with repairs and various property and other defensive support. There is no doubt that in the BIS proposals this level of support and commitment would not have occurred as there is no rational reason or indeed evidence for free trade to spend capital defensively with no return. There are some fantastic pubs in our constituency that are now in real threat if these proposals go ahead, not forgetting a raft of job losses at Enterprise Inns.

I would be grateful if you would consider my thoughts and if you would like to visit any of our Publicans to observe our commitment first hand, please let me know and I would be delighted to show you round.

Yours sincerely