

11<sup>th</sup> June 2013

MP  
House of Commons  
London  
SW1A 0AA

12 JUN 2013

Dear

**Re: Pub companies and Tenants**

I write to you as a constituent and as an employee of years with the pub company Enterprise Inns, and some years in the industry. Enterprise Inns owns and supports Publicans operating in many pubs in and around the area.

I am gravely concerned that the current Government Consultation will be unable to solicit a balanced view of our industry. You will be aware that for years the leased and tenanted model has been the subject of numerous enquiries and investigations resulting in the model being seen as perfectly acceptable – granted with some change and recommendations which have been enacted. There are constant quotes from the same politicians that leased and tenanted publicans pay over the odds for beer, however what is not mentioned is that the same publicans pay a lower rent for their business as well as receiving a long list of support services from the pub company to help them run their business. It is simply not in our interests to see a pub closed.

As Sales & Service Centre Manager at Enterprise Inns I would like to highlight briefly some of the benefits of the leased and tenanted model:

- Access to the pub industry: The leased and tenanted model is a way of offering a low cost entry into running a pub business
- Community job creation: 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. The wider staff population within these outlets are also individuals employed from within the local area
- Access to market for suppliers: Enterprise deals with several hundred suppliers across a diverse range of products. Many of these suppliers are SMEs (including many across the Midlands) and would have limited or no means of developing their sales (particularly nationally) without trading through the leased and tenanted pub model
- Business building support: Enterprise offers each of its publicans the opportunity to take advantage of a whole suite of marketing and business building tools at a significantly reduced cost or in the majority of cases absolutely free of charge. Such services include but are in no way limited to: the provision of free wi-fi, point of sale material, and free staff training
- Technical services (beer raising/cooling equipment): This is a complicated area with different brewers owning different parts of the drinks dispense system in each pub. Enterprise handles centrally all installation requests and deals with publican queries

when the brewer cannot and acts as arbiter. This service is provided free of charge. Enterprise also coordinates and manages the collection of beer that needs to be returned to brewers and ensures credits are issued to publicans. This is done centrally, removing the hassle of publicans dealing individually with brewers.

- Packaging waste directive: Enterprise discharges its obligations under this legislation causing some 2,500 tonnes of glass to be recovered and recycled through our compliance scheme. None of these costs are passed to our publicans.

The simple facts are that fewer people in the UK go to the pub less often. The key reason for this is that all of us have less to spend on going out as we need to put fuel in our cars and heat our homes, the price of which has gone up 50% plus over the last few years.

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
- operate contrary to government policy on deregulation and present a complete u-turn from statements made by BIS just twelve months ago
- lead to 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 no stimulus for the Pub Companies to support and invest
- deliver less tax revenue

Please can you advise by return what actions you will take to ensure that pubs and pub companies are treated fairly?

Thank you for taking the time to read my letter, and I look forward to your response.

Kind regards

CC Vince Cable