

Our ref: sc/bis

12th June 2013

MP

Dear

Re: Government intervention into the relationship between pub landlords and their tenants.

I am writing to you as a concerned constituent and employee in the licensed trade regarding the planned government intervention into the relationship between pub landlords and tenants, launched by the BIS led by Dr. Vince Cable MP.

By way of introduction, I have worked as a Regional Manager for Enterprise Inns for the last years. Prior to that, I was employed in the industry, working for various large companies for years.

I entered the licensed trade during a real transitional period. The licensed trade had previously been quite buoyant and many publicans had enjoyed several years of good growth in their businesses. However, over the years changes in government legislation (including the smoking ban), changes to licensing laws, alcohol duty increases, economic recession, and changes in social habits etc. have all played their part in adding to the difficulty of operating pubs successfully.

I've worked in several areas of the country including and various parts of and have seen firsthand the challenges that publicans face on a daily basis. Margins have been squeezed by increases in business rates, staffing costs, entertainment costs, insurance costs, utility costs etc. All of these issues have resulted in pub operators not being able to manage their businesses to achieve the required profits, resulting in closures of pubs across the country.

Over the years I have spent a large portion of my time with Enterprise supporting struggling publicans by scrutinizing their accounts with them, trying to save costs and improve efficiency. Whilst this is always a worthwhile exercise, invariably this also leads to me reviewing their lease agreements, putting in place rent concessions and improving discounts to improve margins eroded by all of those factors above, all in an attempt to keep my pubs trading in the black. Indeed, Enterprise has spent millions of pounds over the last few years providing concessions to support our Publicans, with our rental income per pub falling by over 12% nationally as a consequence of this. The average level of discounts available to our publicans on the cost of a barrel of beer has increased by over 76% in recent years. I can tell you that in some of the more deprived areas like Grimsby, this figure is considerably higher.

I've supported pubs with increased marketing and promotional activity funded by Enterprise to try and drive additional footfall back into their businesses. I've used capital expenditure

funds to improve the decoration of my pubs, giving them kerb appeal and allowing them to compete with the large managed pub chains.

Many of my Publicans have benefitted from the large amount of resources put into training and development. Educating publicans new to the industry, on how to make a success of their pubs, as well as those that have perhaps been around during the better days, but need to modify their approach and learn new skills to survive in a changing and more competitive market place.

Many of the people I talk to that are considering a career in the licensed trade see this level of support as a huge positive. They can take comfort in the fact that they aren't alone and have a support network that are there to help them build their businesses and share the risks involved, along with hopefully the success. They are encouraged by the relatively low level of funding required to acquire their pub and are usually impressed by the transparency and degree of information presented to them during our recruitment process to ensure that they make the right decisions and decide on the best opportunity for them.

I learned very quickly when entering the business that if I want to gain stability and develop long term sustainable growth for my pubs, I need to have publicans that are committed to running their businesses and are achieving a level of success. Ultimately if I want to succeed, I need to make sure that my publicans are succeeding. I do this by providing them with the tools, guidance and support they need to make a success of their businesses. Clearly some need more support than others, but they all have the comfort of knowing that it is there if and when they need it. Without the "beer tie" and that level of involvement in the business, there is a risk that the support required would not be there. There would be no reason for pub companies to provide that level of support; the resources may not be made available.

Of course I don't pretend that I always get everything right and I'm sure nor do my colleagues. However, I do know that the framework laid down in our Code of Practice gives my publican's options if ever they do feel aggrieved. Unfortunately things do go wrong, but thankfully not that often and when they do, invariably everybody is working to put them right.

I work hard to support my family in my chosen career. It may seem difficult to believe in the current challenging climate, but I also enjoy my job. I have good days and bad days, but I take great satisfaction in knowing that when my publicans do achieve success, I've usually contributed towards that success. I take pride in my work and endeavor to show a degree of professionalism when representing my company. I have strong values and believe that I conduct myself with integrity.

You can imagine, therefore my disappointment when the opinions of a very small minority of people, (usually with an axe to grind), along with an equally small minority of your colleagues, question the work that I do and the values that I believe in, therefore bringing my integrity into question.

The fact is that self-regulation via the Code of Practice implemented certainly by Enterprise Inns is working. I believe that the figures relating to disputes/complaints show this. I believe that the Code of Practice we abide by promotes fairness in the Pub Co / Tenant relationship and clearly sets down what is expected from both parties. I do not agree with, or understand the need for further government intervention.

I would like to take this opportunity to thank you for taking the time to read my letter. I hope it didn't seem like a rant, but I feel passionately about the job that I do and can see the potential damage that could be caused to the industry that I work in if the leased and

tenanted pub model is disbanded. It could mean the end of the traditional "local" as we know it, which I'm sure none of us really would want...

Yours sincerely

Regional Manager
Enterprise Inns plc

Cc Dr. V. Cable MP
Business, Innovation and Skills Committee