
From: [REDACTED]
Sent: 17 June 2013 17:14
To: Fallon MPST
Subject: Constituent query: [REDACTED] BIS Consultation on Government Proposals for Statutory Intervention into the Relationship between Pub Landlords and Tenants

Dear Michael,

We are very much looking forward to your visit to the constituency later this year, and will be in touch with your office to fine-tune details.

Meanwhile, I would be very grateful indeed for your feedback to the points raised by my constituent, [REDACTED], in the message below. [REDACTED] is the regional manager for Enterprise Inns and is known to me in connection with his work with the [REDACTED] Brewery, attached to [REDACTED] owned pub. I believe he makes some valid points in connection with proposals on the statutory intervention in the relationship between pub landlords and tenants, largely to do with increased bureaucracy and regulation.

I would be grateful for your feedback, and indeed have offered to help facilitate a conversation between [REDACTED] and your officials if that were helpful. I look forward to hearing back from you.

With thanks and best wishes,

MP

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I am writing to you as _____ (my address is _____
and also as an employee of the Pub Company Enterprise Inns.

A couple of years ago I did meet you briefly when I was running Brewery. You may be aware that many of the pubs we supplied belonged to Enterprise and we were and are able to supply their pubs through the SIBA direct delivered system.

However, I am now working as a Regional Manager for Enterprise and feel bound to express my dismay and concern at the current BIS consultation on the Government's proposals for statutory intervention into the relationship between pub landlords and tenants. Everything I hear is a huge bias in favour of critics of the tied leased and tenanted business model.

There are in fact big benefits associated with the model:

- The leased and tenanted model is a fantastic way of offering a low cost entry into running your own pub, a fraction of the cost of entering other elements of the retail market
- I know from my own experience how careful we are to recruit the right people, train them to go into the pub and then support them after entry.

And 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
- Be totally contrary to government policy on deregulation
- Introduce an overly simplistic and unworkable rental calculation formula which may well not comply with RICS guidance, including the establishment of an adjudicator to hear disputes, adding a further layer of cost and red tape to the industry.

Indeed as well as being intimately involved with supporting our tenants' businesses we codify our actions through the Voluntary Industry Framework Code, embodied into our Code of Practice. I would contend that this is working extremely well and in the event of not reaching agreement provides an effective rent review procedure (PIRRS) and complaints process (Picas).

I am afraid that the BIS proposals, if endorsed, could lead to many 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 no stimulus for the Pub Companies to support and invest.

As a Regional Manager, I am personally working very hard to support Publicans. I can now see signs of recovery indeed 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, and with the Treasury tax rise by 19% in four years to £1 in every £3 taken across the bar.

I would be really grateful for you considering these arguments. I am a hard working individual who believes in integrity; my colleagues are the same and I believe strongly that my employer is not recognised for the genuine support, guidance and investment made in its tenanted and leased businesses.

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