

14th June 2013

Gisela Stuart MP
House of Commons
London
SW1A 0AA
By email: stuartg@parliament.uk

Dear Ms Stuart,

I am writing to you as your constituent regarding the Government Consultation into Pub Companies and Tenants. I have been an employee of Enterprise Inns PLC for 7 years, and previously also worked for Marston's PLC for 5 years, all in the area of Finance. I am passionate about the pub industry, and regularly visit one of the Enterprise pubs in your constituency,

It is clear that there are many challenges facing the pub industry, as recognised in the consultation document, and many pubs have closed as a result. This has been personally devastating for many publicans, their dependents and the local communities they form part of. These closures have also affected the profits of pub companies – it is in no way in the interest of pub companies to see viable pubs fail. The income per pub of Enterprise Inns has fallen by 12% in 4 years, as the company has offered rent reductions and increased discounts to support publicans. In the same period the company has invested £250m into its pub estate.

The leased and tenanted model offers low-cost entry into the industry for many entrepreneurs. While tied publicans do pay higher prices for beer, the rents paid are lower and they also receive wide-ranging support, including (but not limited to) business development advice, property services and training. Some of this support is very hard to quantify, and I am unclear as to how it could be factored accurately into rent calculations as proposed in the consultation.

I believe that the voluntary Industry Framework Code (IFC), embodied in the Code of Practice implemented by Enterprise Inns, enshrines high levels of transparency in dealings between publicans and pub companies. The introduction of the independent Rent Review Panel (PIRRS) and Complaints Panel (PICAS) provides low cost dispute resolution procedures to all publicans. On this basis, and given the relatively short amount of time that has been allowed to see the benefits of these measures, I cannot understand why the consultation document states that there has been: "*no concerted, long-term effort made to inform tenants of their rights...*" and concludes that a statutory code is now necessary.

I am particularly concerned that a compulsory free-of-tie option, if implemented, could have damaging unintended consequences for the pub industry, leading to lower levels of capital investment, less support for pub businesses and more pub disposals. This could result in the long-

term in fewer pubs remaining viable, less choice for consumers, fewer opportunities for people to run their own business, and less employment in both pubs and pub companies.

Thank you for taking the time to read this letter. I hope it provides you with an additional insight into this important issue.

Yours sincerely,

cc pubs.consultation@bis.gsi.gov.uk