

13/06/2013

Brandon Lewis MP  
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Gorleston  
Great Yarmouth  
Norfolk  
NR31 6PF

Dear Mr Lewis

**Ref: Business, Innovation and Skills Enquiry into Pubco/Tenant relationship**

I write to you primarily in your capacity as Community Pubs Minister but as someone who has been in the pub/ hospitality industry for over 20 years and secondly, as Regional Manager for Enterprise Inns Plc

The leased and tenanted (L&T) model has been the subject of Business, Innovation and Skills Committee enquiries in 2004, 2009 and 2010, and now require further submissions for yet another enquiry, 'a last chance to get their house in order', suggested Adrian Bailey, BISC chairman. While it is reassuring that Parliament continues to debate this important issue I have become increasingly dismayed by what appears to me to be a lack of awareness, 'on the ground' of what are clear benefits of the leased and tenanted model and the assumption that we are not working incredibly hard to maintain and exceed agreed regulatory standards .

1/. Speaking as someone who's area of responsibility covers .

I do not think that a single one of my publicans in . would have been able to afford to run a pub without the low cost entry requirements offered by the leased and tenanted model. Younger retailers, the life blood of our industry simply don't have the money for a freehold and the L&T model provides a means of entry for the future entrepreneurs in our trade and provides employment and (free) training for them and their staff.

2/. I have retailers (admittedly in the more salubrious areas of my patch) who have freehold pubs BUT also operate pubs on the L&T model and who have benefitted from the partnership support that a Pubco can offer in difficult times, support denied them by the banks that 'helped' them take the freeholds.

3/. It is ironic at a time when the Coalition Government trumpets as a positive the increasing number of self-employed people, that the L&T model, which offers individuals the opportunity to work for themselves and enjoy a good living- often in domestic accommodation that is way beyond what they would otherwise be able to afford –should continue to take such a battering.

4/. The review of the Code of Practice supported by the BIIAB is fair enough- things can always be improved- but there seems to be a sense that Regional Managers, as individuals, somehow leave their moral compass at the breakfast table when they leave for work in the morning. The fact is that a failing pub is not just a personal failure for the relevant manager responsible BUT represents a huge financial failure for the relevant pubco: it is simply not in the interest of anyone involved to see pubs fail and we have a litany of options, all of which I have used, to help struggling retailers.

If the BISC proposals were successful they would fly in the face of expert advice from experienced and qualified trade and industry bodies and committees- the OFT, RICS, the BIIAB, the ALMR to name but a few- as well as the breweries and pub businesses actually involved in the trade who have reviewed issues surrounding the Tie, rent review procedure, complaints etc.

It is ridiculous to assume that as pub income continues to decline, alcohol continues to be sold as a 'loss leader' in supermarkets; Treasury tax rises of 19% in four years to £1 in every £3 taken across a bar; climate change blends our seasons into one- largely wet, cold and windy -and changing social trends ( especially among the under 25s) reduce the interest of the younger generations in the Pub as a social arena, that the BISC proposals will somehow boost the level of support and opportunities for the publican from the Pubcos.

'The British pub is an important institution which not only provides a social meeting place but also plays an important cohesive function in many communities. We do not want to see any more pubs closing unnecessarily', Mr Bailey MP again. Well, I submit, as someone with responsibility for the Enterprise pubs in your constituency that these measures will actively increase the number of closed pubs and would welcome the opportunity to elaborate further should you wish to do so. Perhaps we could tour a few of these pubs together and/or discuss issues raised by the enquiry on a day in trade?

Yours sincerely,

C.c. Vince Cable MP, Secretary of State for Business Industry and Skills