

Rt Hon Andrew Mitchell MP
House of Commons
London
SW1A 0AA

12th June 2013

Dear Mr Mitchell

Re: Pub companies and tenants

I write to you as a constituent, and as an employee of years with the pub company Enterprise Inns.

I am fearful that the current Government Consultation will be unable to provide a balanced view of our industry. Over recent 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 I 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 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. I attach as an example the contents of a kit that we dispatched free of charge to circa 2,500 Publicans to help support the summer trading period. This is one of four kits that are dispatched throughout the year to help Publicans build their business. The next kit will focus on Cask Ale and quality and enable Publicans to run Beer festivals in the autumn. I'm sure you will agree that the contents of the kit are a fantastic support to Publicans. Look out for them when you visit our pubs in the area.
- 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 and is again free of charge

- 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.
- Range, our Central distribution network enables Publicans to access in excess of 140 cask ales, plus six monthly guest ales, plus up to a further 100 if they are a SIBA member. Many of these breweries are reliant on this volume as the Enterprise listing and distribution network enables them a much greater geographical coverage than they would otherwise have. This distribution and volume has enabled many smaller breweries to expand their business, which in turn has helped improve employment and ultimately benefit the economy in their area, helping the UK to drive forward strong, sustainable growth.

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.
- deliver less tax revenue

I can confidently say that in my 10 years at Enterprise in all the meetings I have attended and subsequent actions across all departments that the Publican is at the absolute heart of everything we do.

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 The Rt Hon Dr. Vince Cable