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From:
Sent: 14 June 2013 14:34
To: , Pubs Consultation Responses
Subject: BIS consultation into Pubco operations

Re: BIS Pubs Consultation.

I write to you as a member of your constituency and a proud member of the company I have worked for the past .. Enterprise Inns (EIP), and as someone who has years' experience in the industry, in reference to the BIS proposal to a statutory code of practice and the investigations surrounding the leased and tenanted business model of pubs.

EIP provide a low cost entry to Publicans wishing to run their own business along with continuing support in the forms of a dedicated I , award winning FREE training courses to help promote and maximise profit in the pub, marketing ideas and high discounted rents, which in a time when many banks are unwilling to provide financial support to new small businesses is a not only commendable but essential.

In my in the industry I have worked in "Free Trade" for National and Local Brewers, the tenanted sector for a Family Brewer and for the last in the leased and tenanted sector for "PubCo's". When I read some of the ill-informed rhetoric from minority pressure groups with regard to the state of the leased and tenanted tied model I find it difficult to understand that they are talking about the Industry I know and yes love. My extensive experience within the industry has shown me that the "free trade" sector falls way below the standards that the General Public should expect from their local Pub. The controls currently in place as set by PUBco voluntary codes of practice ensure that every pub in the tied estate is let to adequately financed and trained entrepreneurs and these standards far exceed my experiences in the Free trade market. It comes as no surprise that the number of Free of tie outlets that fail far exceeds those in the Leased and tenanted sector.

Every pub that is let on a tied agreement is let with full open disclosure as to the trading history of the outlet, all aspects of the tied agreement are discussed and negotiated in an open and honest manner, no tenant can take on an agreement without first signing to say that they FULLY understand everything that has been agreed and that they have taken independent Professional Financial advice. Every tenant is fully aware of the price list they are agreeing to and they fully understand that these prices will be higher than can be obtained by Free Trade customers.

A successful pub is operated by someone who excels at customer service and delivers what the local market requires. The standards and service of an outlet are the drivers to success and my extensive experience shows that price is NOT the driving factor. The Leased and tenanted sector has to drive its success by offering quality, they will never be able to compete with the supermarkets on alcohol prices (a different but extremely relevant debate – level playing field really??) and they will never be able to compete with the big

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managed house food chains that drive discounted food offers. So the “niche” that our sector fits has to drive on quality and service.

Success in any business does not come easily, running a successful Tenanted Pub is very hard work unfortunately as in all walks of life there are failures and it is in my experience that these failures generally occur when the willingness to put the hard graft in isn't there. At EIP we work to ensure that we are fully on top of any potential failures that may be on the horizon and as a Regional Manager I openly discuss my concerns with my tenants, generally we work together to either drive the business forward or unfortunately on occasions we have to admit that the business isn't working. When a business isn't working and we try to fully investigate the reasons for this we will always try to ensure that an exit strategy is put in place to ensure the tenant can leave with minimal losses. I would have strong concerns for the industry if this partnership wasn't in place and dread to think how these sites might be handled by a bank that may have financed a purchase or business set up for a high free of tie rented outlet.

Over the last months I have heard many comments on this subject from people within the Industry and outside but one that I feel best sums up my concerns was from a Gentleman I met last night for the first time, he is a , who actually considered taking a tenanted pub on a few years ago so when he heard what I did for a living he was interested in the current state of affairs. When I explained the latest investigation into the tied estate operation he just looked at me shook his head and said “the thing is, if these moaners get their way, most pubs will be on high free of tie rents” I agreed he then said “that's the problem the pub industry will become a rich man's game”. He summed it up completely if the tied model is not allowed to continue in its present format then access will become prohibitive for the average person, he is so right this is a people's Industry please don't let your colleagues pander to the loud ill-informed minority.

If you would like to meet to discuss further or indeed come out in trade with me for a day then please by all means contact me.

Yours sincerely



Regional Manager

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