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**From:****Sent:** 13 June 2013 20:50**To:****Cc:** Pubs Consultation Responses; Enquiry Enquiry (Other Government Departments)**Subject:** BIS Consultation on Government Proposals for Statutory Intervention into the Relationship between Pub Landlords and Tenants

I am writing to you as your constituent but also having been directly involved in the pub industry for years. For [redacted] I have worked more specifically in the leased and tenanted side of the industry initially for Joshua Tetley which was part of Allied Breweries, then Whitbread, Laurel Pub Company and for the last [redacted] Enterprise Inns. I have always worked in operations and have had direct responsibility for pubs, always across [redacted]

When I initially joined Tetley's in [redacted] the industry was still reeling from Lord Young's Beer Orders in 1989 which was responsible for reshaping the industry as it is today into one of pubco's and brewers.

Unlike many of my fellow graduate trainees who I joined Allied Brewers with I have stayed in the industry because I believe in it but it has been far from easy. Over the years I have had the great privilege to assist and help grow the businesses of some fantastic operators who simply would not have enjoyed the success had they ventured into this industry through purchasing a freehold if indeed they had been able to raise the finance required. Working together with these operators via the leased and tenanted model they have had the help, support and often financial investment of a pub co that has had the knowledge, expertise, support and most importantly the common objective of making the business great and a financial success for both parties.

I have also had the misfortune to meet a number of poor operators who have failed, not only destroying great local community pubs but often financially ruining themselves in the process. It is sadly these operators who often shout the loudest and get listened to, but always look to someone else to blame for their demise. And therefore the view that the public, the media and even some of your colleagues have is one sided and not representative of the sector. I find it particularly concerning that despite me offering to meet [redacted] MP and [redacted] MP neither have taken up my offer to meet to discuss specific issues so that they can hear the other side of the story.

I therefore feel particularly bound to express my dismay and concern to you at the current BIS consultation on the Government's proposals for statutory intervention into the relationship between pub landlords and tenants.

There are in fact huge benefits associated with the leased and tenanted pub model:

- The leased and tenanted model is a fantastic way of offering a low cost entry into running your own pub, at 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 closely involved with supporting our tenants' businesses we codify our actions through the Voluntary Industry Framework Code, embodied into our Code of Practice. I believe that this is

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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 licensees, fully supported by our skills and resources. There would be no stimulus for the Pub Companies to support and invest.

As a Divisional Director, both I and my team are working very hard to support our tenants. I can now see signs of recovery indeed confidence returning to our tenants businesses 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. We have only met once but 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.

Yours sincerely



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