

10th June 2013

Mr MP
 [Faint illegible text]

Dear [Faint illegible text]

Pubs Consultation.

I find myself writing to you for the second time this year, not only as a constituent, but also an employee of Enterprise Inns a National Leased and Tenanted Pub Company, who own and run circa 20 public houses within your constituency.

You may be aware that for years the leased and tenanted model has been the subject of numerous enquiries, most recently resulting in the model being seen as perfectly acceptable & fit for purpose – albeit with some change & updates.

I would like, if I may, take a few minutes of your time to illustrate the benefits of having & running a pub under our stewardship along with the ill thought out consequences of the BISC proposals:

- The leased and tenanted model is a fantastic way of offering a low cost, low risk entry into running your own business.
- For many years I have supported some fantastic publicans taking on the challenge of becoming very successful in their own business, i.e. [Faint illegible text] to name but a few.
- We provide a wide range of free vocational training to assist our publicans in establishing, growing and developing their businesses.

If the BISC proposals were to be successful, I believe it 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.
- It's current proposals are contrary to government policy on deregulation and a complete u- turn from statements made by BISC just twelve months ago.
- It proposes a very simplistic and unworkable rental calculation formula which may well not comply with RICS guidance, this also includes the establishment of an adjudicator to hear disputes, adding a further layer of cost and red tape to an already over burdened industry.

- The Voluntary Industry Framework Code, embodied into our Code of Practice, is working well and provides an effective low cost rent review procedure (PIRRS) and complaints process (Picas).
- If endorsed, the proposals could lead to a whole raft of unthinkable consequences, such as further pub and brewery closures, lack of significant investment, reduction in consumer choice, job losses, a further significant 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. There would be no stimulus for the Pub Companies to support and invest.

As a Regional Manager, I have worked hard to support Publicans in all areas, over the last 10 years. I can now see genuine signs of recovery, indeed confidence returning to our sector even in these difficult times, where the smoking ban has been followed by a seemingly never ending recession, further compounded by cheap alcohol prices from our increasingly powerful supermarkets, changing social trends and four wet summers in a row. Again further compounded with the Treasury tax increase by 19% in four years, now accounting for over a £1 in every £3, taken across the bar.

The level of support that the leased and tenanted industry provides for its publicans would, I believe effectively be removed in the BISC proposals. Since 2010, Enterprise Inns have invested £12 million in the Midlands, with over £2 million in the Yorkshire region alone, which has helped grow and protect our publicans businesses in these incredibly tough times, alongside that there has also been significant work done on rebasing long term businesses through reductions in rent, increases in levels of discounts, greater flexibility in the tied model, sponsored use of industry professional bodies and bespoke marketing support. There is no doubt that should the BISC proposals have been in place, this level of support and commitment would not have occurred, as there is no commercial reason or indeed evidence for free trade to spend capital defensively with limited / no return, leading inevitably to a further decline in pub numbers and government taxes.

There are some fantastic pubs in our constituency that are now in real threat if these proposals go ahead. I would be grateful if you would consider my thoughts and if you would like to visit any of our Publicans to observe our commitment first hand, please let me know and I would be delighted to show you round.

If you would like any further clarity on any points raised, please feel free to call on 01454 622222 or email info@enterpriseinns.co.uk

Yours sincerely
Enterprise Inns plc

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