

13<sup>th</sup> June 2013

MP

Dear

I write to you not only as a constituent, but also an employee as a Regional Manager of years with the Pub Company, Enterprise Inns.

You may be aware that for years the leased and tenanted model has been the subject of numerous enquiries resulting in the model being seen as perfectly acceptable – granted with some change and recommendations.

I would like if I may take a few minutes of your time to illustrate just exactly the benefits of having a pub and the ill thought consequences of the BISS proposals:

- The leased and tenanted model is a fantastic way of offering a low cost entry into running your own pub.
- For many years I have supported some fantastic publicans taking on the challenge of becoming very successful in their own business, i.e. the name a few.
- 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. Hard work yes, but this is the nature of our industry.

If the BISS 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.
- Its proposals are contrary to government policy on deregulation and a complete u-turn from statements made by BIS just twelve months ago.
- It proposes a very simplistic and unworkable rental calculation formula which may well not comply with RICS guidance and includes the establishment of an adjudicator to hear disputes, adding a further layer of cost and red tape to the industry.
- The Voluntary Industry Framework Code, embodied into our Code of Practice, is working well and provides an effective rent review procedure (PIRRS) and complaints process (Picas). I would be happy to meet and discuss this further with you.
- If endorsed, their proposals could lead to a whole raft of 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 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 [redacted] and the surrounding areas. I can now see signs of recovery indeed confidence returning to our Publican's business 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.

Our income per pub has fallen by 12% as we have offered rent reductions and increased discounts to help and assist our Publicans.

The level of support that the leased and tenanted industry provides for its publicans would, I believe effectively be removed in the BISS proposals. Since 2010, Enterprise Inns have invested £9 million in the [redacted] Pub Estate, £7 million of that has been in defending and protecting our pubs and publicans with repairs and various property and defensive support. There is no doubt that in the BISS proposals this level of support and commitment would not have occurred as there is no rational reason or indeed evidence for free trade to spend capital defensively with no return.

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.

Yours sincerely  
Enterprise Inns plc

Regional Manager