

12th June 2013

MP

House of Commons
London SW1A 0AA

Dear Mr

I write to you not only as a constituent, but also as a Member of Parliament for the past 11 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 list the benefits of operating a pub with the major pubcos and also the potentially damaging consequences of the BIS proposals:

- The leased and tenanted model has proved to be the most effective way of offering a low cost entry into running your own pub.
- For many years I have supported publicans throughout the country in taking on the challenge of developing very successful pub businesses, with extensive choice of drinks at a range of negotiable discount levels.
- You will be aware of the public sector threats and private sector redundancies in our area and running a pub as a self-employed publican is a perfect opportunity to enjoy a good living and support the local community as both employer (pubs employ circa 1600 in your constituency) and provider of a local social amenity.

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.
- 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).
- 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 [redacted] I have worked hard to support Publicans throughout [redacted]. 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 circa £3.8 million in supporting our [redacted] pub estate, these funds have been spent defending and protecting our pubs and publicans with repairs and various property and defensive support. There is no doubt that in the BIS proposals this level of support and commitment would not have occurred as there is no rational reason or evidence for the 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