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Pubs Consultation  
Consumer and Competition Policy  
Department of Business, Innovation and Skills  
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Dear Dr. Cable

**Department for Business, Innovation and Skills Review of the Tenanted Pub Market**

I understand that your department is currently consulting on the future of the pub companies, and I would like to explain to you the work we do within Enterprise Inns (Enterprise) to support our Licensees.

I am an employee of Enterprise, working for the Property Department as a . Having worked for Enterprise for . I have seen a number of changes across the industry (strong shifts in social habits, the introduction of a smoking ban and a hard hitting recession), and therefore recognise the increasing challenges that many Licensees face to succeed in the current marketplace.

At Enterprise, we are more than aware that the Licensee has to be at the very heart of everything we do - only if they succeed can we make any form of profit.

It is therefore with deep regret that I read your comments suggesting that the practices of large Pub Cos such as Enterprise are "unfair" and for "short term profit". In my at Enterprise, the key message that is embedded into all employees from day one is the importance of "developing a mutually sustainability business relationship with our Licensees". This approach runs right throughout everything we do from recruitment, to structured business reviews and right through into our investment agenda. I cannot therefore accept how you could possibly have formed your very strong views about Pub Cos such as Enterprise, without firstly seeking to achieve a more balanced view of the industry.

Working in the Property Department, I see on a daily basis the dedication and support my team deliver towards the future of our Licensees. This includes activities such as ...

1. The delivery of a £250M investment programme over the last 5 years. Despite being in the depths of recession, Enterprise has continued to invest strongly while many of our competitors have dramatically cut back their investment plans. In the main, the majority of our investment has been centred on supporting Licensees to make their pubs safe to trade, fit for purpose and to enhance the customer experience and trading potential of the site. Much of this activity HAS NOT been rent enhancing investment. As a business we recognise the importance of continuing to improve our assets to maintain their appeal to customers and to support our Licensees through difficult times. A great example of this in action would be the current External Decoration and Repair Programme that Enterprise is delivering. Throughout this financial year and into the next, we will redecorate between 1000 – 1300 sites at a
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cost of several millions of pounds to Enterprise. I cannot think of one example where the rent has increased as a result of this work, as the key driver behind this initiative is to "protect & grow". We recognise that if Licensees are truly going to succeed, Enterprise has to support them by protecting the Pub assets and enhancing their kerbside appeal to customers.

It is also worth noting that we have spent a huge amount of capital over recent years dealing with the malpractice of unscrupulous Licensees who, "eyes wide open", sign up to an agreement, but then fail to deliver their side of the bargain, choose to default on their obligations and vandalise our property assets. I do hope that this particular group of ex. Licensees is not becoming the strongest voice in this debate; otherwise I fear that we are not receiving a balanced hearing. In many cases, Enterprise have simply had to swallow these losses and focus on putting the Pub back into repair to assist more worthy applicants to make a success of their lives and businesses.

2. The Enterprise Property Department was instrumental in introducing a Safety Management Scheme for Licensees, which was industry leading at the time. This system is delivered through the Property Team and helps Licensees deal with the statutory compliance, health & safety responsibilities and red tape all associated with running a business. This initiative alone has many positive testimonials from Licensees who appreciate the value for money it offers and the assistance it has provided by removing this 'headache', thus, allowing them to focus entirely on profitability
3. A huge amount of the Property Teams time is spent delivering our Annual Licensee Review Programme. This provides Licensees with an annual business review to address any of their property concerns, but will also provide an opportunity to offer professional property advice to assist Licensees to maintain and enhance their main business asset – The Pub.
4. The Property Department also spends a large proportion of their time assisting Licensees to deal with the intervention of other statutory bodies such as Local Authorities, Fire Enforcement Agencies and The Environmental Health Authority, to name but a few. This assistance can often prove invaluable to the Licensee, helping them to deal with compliance situations which place their business and livelihood under threat.
5. Finally, the Property Department offers a 24 hr, 365 day Helpdesk facility to all of our Licensees to assist them at any time of the day or night with property related problems which may endanger customer health & safety and the continuity of their business.

All in all, I hope that you can see that Enterprise takes its responsibilities as a Pub Co very seriously and the support we offer through the Property Team is entirely focused on strengthening the Licensee ability to be successful in their business venture.

Speaking on behalf of my team, I would also add that we recognise that for lots of our Licensees, taking on a Pub is a life changing event, with many of them giving up secure jobs, re-locating their families and making personal sacrifices. As a team, we are hugely empathetic to all of them who embark on this journey and we are therefore dedicated in the

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hard work and support we provide to ensure that the experience they receive is fair, equitable and entirely focused on their success.

Referring back to your original comments, I hope that you can see why I would find these quite offensive, and to suggest that any member of my team would operate in an unfair manner and with a short term approach to profit is personally quite insulting.

I would therefore ask you to consider whether your decision to support the introduction of a Statutory Code to oversee our business is based on a balanced assessment of our industry, or whether your opinions have been forged around the views of a small number of Licensees whose businesses have failed / are failing as a result of their own shortcomings, yet, they choose to blame everyone except themselves.

Furthermore, I would ask you to seriously consider the potential consequences of your actions. For example, where will Licensees receive the level of support they currently enjoy in the form of professional advice and financial investment, if as planned, the introduction of a mandatory code is fully introduced? In the event of your plans becoming reality, it is very unlikely that Pub Cos such as Enterprise will be able to continue offering this level of business assistance to the Licensee population going forward.

As a concluding point, I would very much hope that on reading this letter, you would consider it a worthwhile experience to come and spend some time with me, or a member of my team, working within the industry observing the way we interact with our Licensee population, and seeing first hand some of the great financial investment and support we have injected into the business relationship. I would personally welcome this opportunity which I am sure will assist you to form a more balanced view of the industry from both inside and out.

I look forward to your response.

Yours Sincerely

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