

Thursday, 13 June 2013

Pubs Consultation
Consumer and Competition Policy
Department of Business, Innovation and Skills
3rd Floor, Orchard 2
1 Victoria Street
Westminster
LONDON
SW1H 0ET

Dear Dr V Cable MP

RE: BIS Pub Companies and Tenants - Government Consultation

I am writing to you as an employee of Enterprise Inns, I have work for the company for as a Divisional Property Manager and have seen significant change to the industry in that time from licensing reform, to the smoking ban and the introduction of Industry Framework Code.

Having looked through the consultation documentation I find some points very misleading, these including the following;

3.6 Although the tie is not universally bad – the latest independent annual survey, conducted by CGA strategy, showed 7 out of 10 tenants would sign up again with their pub owning company – the fair working of the beer tie is particularly important because of the hardship many publicans face including the possibility of losing their home

I would ask why 70% of tied publicans would sign up again if they did not have a good working relationship with the Pubco model and I would also think that you would be more than happy if 70% of your constituents voted for yourself at the next general election.

3.7 It has therefore become clear that further Government action is needed to address this situation and create a level playing field in the business environment.

Will the government act on the practices of supermarkets that trade unfairly on pricing and taxation, discounted alcohol sales are hurting the great British pub as people stay at home drinking, this also has a great burden on the economy with alcohol related medical treatment on the NHS on the increase.

3.15 It is our assessment that no pubs should become unviable as a result of this policy, as profit is only moved from one party to another. If a pub had been viable prior to the policy, it is our view that

the tenant and pub owning company could reach a commercial negotiation that maintained the pub's viability.

Sales of unviable pubs are inevitable in the current recession, the country does have too many unviable pubs and some sites are being sold for alternative use; this will then enable the other pubs to prosper. Demographics change in certain areas and this has an effect on pubs either tied or free of tie. Your proposed changes will not save every single pub within the UK, point 3.17 is actually factually correct the pub industry has been in massive decline for the last three decades but this has not been caused by the tied model. People's habits have changed, people have swapped the pub for the gym, and the smoking ban and supermarkets have driven people from pubs.

Currently I look after over 300 pubs and this year we will invest over 4 million pounds into these pubs and I can state that Enterprise Inns has some of the best pubs and publicans and without this investment this would not happen. We also provide market leading training to all our publicans either new or existing and this does not happen in free of tie pubs. I fully support the Pubco model as a low cost entry into the pub sector and gives entrepreneurial people the opportunity to build a fantastic business.

I firmly believe that the self-regulation is having a positive impact on the pub industry and within your paper I see that the government supports it continuing. This self-regulation should be left in place and publicans have the rights to complain through PIRRS and PICAS if any disputes do occur. This consultation process is a further drain on the economy and the money could be better spent in other areas to kick start the economy.

Yours sincerely

Enterprise Inns PLC