

11<sup>th</sup> June 2013

Department of Business, Innovation and Skills  
1 Victoria Street  
London  
SW1H 0ET

Dear Rt Hon Dr Vince Cable,

**RE: Government consultation: Pub Companies and Tenants**

I write to you as an employee of ; with Enterprise Inns to share my views on the Government Consultation document on the Pub Company and Tenant relationship. Having read and reviewed the Consultation in detail I was very disappointed by the complete lack of facts and genuine evidence put forward to support the Government's view that the current self-regulatory regime has not worked and statutory intervention must now be considered once again.

I would like to address the issue of tenant complaints about their pub company. The document explains that one of the main reasons why the Government has decided to take further action is due to serious concerns it has about the number of complaints from tenants received by the British Institute of Innkeepers (BII) on its hotline. The document quotes "*over 400 complaints...over the past three years*". I understand that the BII have subsequently clarified that the statistics referred to as "complaints" are actually "calls" to the hotline. The Government has acknowledged this is an error yet the online version of the consultation document has not been updated to correct or remove this inaccurate and mis-leading information.

The reasons why a pub company tenant might call the BII hotline include amongst others general business advice, advice on rent reviews, financial advice or to raise a grievance; indeed at Enterprise Inns tenants are encouraged to use this service. Therefore isn't it clear why such a hotline would receive a large number of calls from pub company tenants? The facts are only 15 of the 740 (2%) calls to the BII hotline in the last 4 years were classified as "grievances".

Given that the numbers of calls which actually relate to tenants grievances were such a low percentage of total calls this must logically lead you to conclude that where you had previously considered this to be a serious concern, there is in fact little need to have any concern over the relationship tenants have with their pub companies at all.

As finance professional I was also personally offended by some of the statements included in the "Foreward from the Secretary of State" section of the document. In particular I refer to your comment that "*some pub companies*" were driving popular community pubs "*to the wall by, frankly exploitative financial practices.*" I consider this a remarkable allegation and should you have specific evidence of such improper financial practices relating to Enterprise Inns, can you please share them with me, as I certainly do not recognise this to be in anyway representative of how the Enterprise Management Team, my colleagues or I conduct business.

Furthermore it is simply incongruous to believe that as a property owning landlord any pub company would actively seek to destroy viable pub businesses in such an unscrupulous manner. There is nothing more financially costly to a pub company than the failure of a tenant resulting in the pub business closing.

Recent years have been extremely difficult for the pub industry, the introduction of the smoking ban and the impact of the recession on consumer spending has resulted in fewer people visiting their local pubs, this combined with increased taxation and the availability of cheap alcohol in supermarkets has meant that tenants have faced extreme difficulties and hardship as they try to maintain and grow their businesses and protect their profits. During these difficult times Enterprise Inns has offered significant levels of financial support by way of additional discounts and rent reductions to help tenants through these challenging times.

In explaining the wider context of the whole consultation it is stated that *"the Government seeks to support a healthy, thriving and diverse pubs sector"* rather than seeking to impose further regulatory burden on the industry I would urge the Government to consider;

- Further reducing beer duty, which at 54p in every pint of beer is still over 12 times that of our German counterparts
- Deal with the issue of supermarkets selling cheap alcohol and
- Direct local government to lower or at least freeze any further increases in business rates

I genuinely believe that if the Government is as it claims to be, committed to the pub sector taking action on these specific issues would be a far more effective form of support for the industry.

Yours sincerely