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**Sent:** 14 June 2013 09:15  
**To:** Pubs Consultation Responses; @parliament.uk; cablev@parliament.uk  
**Subject:** BIS - Pub companies and tenants consultation  
**Importance:** High

14 June 2013

Dear

Mr Cable

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

BISC - Pub companies and tenants consultation

I am sending this email to you not only as a constituent but also as a Regional Manager for Enterprise Inns with years working in partnership with local publicans and helping them develop their businesses. I first started working in the industry in the late 70's in the kitchen of a pub before working there as a waiter and barman. I continued to work there throughout my studies at what was then Polytechnic before moving to to join Bass with whom I spent years in various different roles in and then back in the . I joined Enterprise in 2005 and currently work with a region of pubs stretching from in the west and across to and in the east.

Over a number of years the Leased and Tenanted Model has been the subject of various enquiries resulting in the model being seen as perfectly acceptable – albeit with some changes and recommendations and I would like to take this opportunity if I may to take a few minutes of your time to make some comments regarding the forthcoming consultation

- You will be aware of the local economic pressures in the constituency and running a Pub as a self-employed Publican is an excellent opportunity to have a good living and support the local community at the same time. It may well be hard work but it can also be very rewarding—good publicans are continuing to do well even in the current economic climate with the increasing pressure on the leisure pound

- A leased/tenanted pub offers a low cost method of entry to running a pub business and over the years I have seen some fantastic people take up the challenge and become very successful. The [redacted] and the [redacted] are two very local examples.
- Many of the individuals who I work with would not have been able to secure the freeholds of similar pubs due to the level of capital required to do so – certainly even more difficult with the current limited available funding from the banks
- In my role as a Regional Manager I work closely with the pubs offering them advice, guidance and support – this may for example be financial support, suggestions for additional training or marketing support. It is not in the Company's interests to have a pub fail because it is a partnership and if they fail then so do we. Please also note that many of the pubs on my region have had their terms reviewed within in the last 2 or 3 years resulting in reduced rents and/or increased discounts to help them through the recent economic downturn. I suspect that this has not been the case in other commercial letting scenarios.
- Other areas of support include Business Planning, Marketing, Training (often free) for both new and experienced operators, Health & Safety, Property support and advice as well as access to probably the largest range of drinks in the industry to satisfy the needs of each pub and its customers, this range includes the sourcing of cask beers from local SIBA breweries.

I am proud of the job I do in an industry about which I am passionate. I am concerned that statutory regulation of the Pub companies will be undertaken by people who do not fully understand the business they are regulating.

The BISC proposals if successful would:

- completely ignore the 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;
- be contrary to Government policy on Deregulation and a complete U-turn from statements made by BIS just twelve months ago;
- propose 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;
- probably 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

I have worked hard to help and support Publicans through the economic downturn and now see some signs of recovery and confidence returning to the industry

The Secretary of State in his foreword to the BIS Consultation paper highlights that, it has been written that *"the activities of the major pub companies, have intensified the crisis"*, with *"popular pubs being driven to the wall by, frankly, exploitative financial practices"*, and that *"the evidence I have received makes it clear that in too many cases tenants are being exploited and squeezed"*.

These are all very inflammatory statements, which will do little to build bridges in our industry and which I simply don't recognise from the activities and actions that I have been carrying out in my job over the past [redacted] years

There are some fantastic Pubs in our constituency that are now in real threat if these proposals go ahead.

I would be more than happy to meet you to explain this and to show you some of the pubs I work with in the constituency to discuss my role and the relationship between Enterprise Inns and their publicans.

Yours sincerely

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