

From:
Sent: 11 June 2013 17:15
To: .mp@parliament.uk
Cc: Enquiry Enquiry (Other Government Departments)
Subject: Statutory regulation of pub companies

Dear

I write to you not only as a constituent, but also as an employee of Enterprise Inns the pub company. I am a with Enterprise Inns and over the last I have seen and experienced a lot of change.

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 would like if I may take a few minutes of your time to illustrate just exactly the benefits of having a pub and the ill thought consequences of the BISC proposals:

- The leased and tenanted model is a fantastic way of offering a low cost entry into running your own pub. The support and guidance given to publicans is second to none from the Enterprise team.
- For many years I have supported many fantastic publicans taking on the challenge of becoming very successful in their own business and having the opportunity to show their entrepreneurial skills.
- With redundancies still happening in the local economy running a pub as a self-employed publican is a perfect opportunity to enjoy a good living and support the local community at the same time. Hard work yes, but this is the nature of our industry.

If the BISC 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). I would be happy to meet and discuss this further with you.
- 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 I have worked hard to support Publicans in the area that I now cover as a which is , but over the last years I have covered many areas within the . I am starting to slowly 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. It feels that the people endorsing the BISC proposals think they are experts in what the pub companies do, but it is clearly apparent that the business model is not understood within the public domain.

Our income per pub has fallen by 12% as we have offered rent reductions and increased discounts to help and assist our Publicans. On a daily basis I look at publican profit and losses and what is becoming more evident are the rising costs of utilities, sky and business rates. I as a _____ feel that myself and Enterprise Inns go over and above what any other business in the UK would do to help ensure the businesses are sustainable financially for all parties. I spend many hours reviewing marketing and business building plans, price points, retail standards and I have meetings with accountants and stocktakers to ensure that the publicans understand and have all of the tools that they need to run a successful business. Due to the ever changing economic climate and environment that the pubs are trading within hard decisions are made daily by myself, the company and publicans on the longevity of some businesses out there, it is becoming survival of the fittest and the best pub businesses will survive.

The level of support that the leased and tenanted industry provides for its publicans would, I believe effectively be removed in the BISC proposals. Since 2010, Enterprise Inns has invested circa £9 million in the Manchester and North Wales division, £7 million of that has been in defending and protecting our pubs and publicans with repairs and various property and defensive support. There is no doubt that in the BISC proposals this level of support and commitment would not have occurred as there is no rational reason or indeed evidence for 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