

14<sup>th</sup> June 2013**Pub Company Consultation**

Dear Sirs,

I write with reference to the upcoming Department for Business Innovation and Skills consultation into the practice of large Pub Companies with leased and tenanted models. Having worked as a                      Manager at Enterprise Inns and Unique Pub Company for a total of                      years I have worked with in excess of 250 public houses, bar, restaurant and nightclub operations run on leases or tenancies across                      and                      .

The aim is, and has always been to recruit and retain publicans and assist them to run profitable pub businesses on a sustainable and equitable deal. On every new let or agreement granted, the terms are negotiated between landlord and tenant and there are currently a great number of options and alternative deals available to applicants.

On every cyclical rent review terms and negotiated and agreed between landlord and publican. The RICS method we follow is clearly documented and transparent.

There are still large number of new applicants wishing to run their own business in our sites who understand the tied lease model, as they see it as a low cost entry to running their own business. In addition here are many existing publicans who have tied leases and tenancies that are eager to take on additional sites with Enterprise Inns who already have experience of the tied model and do not see it as a deterrent to running a profitable and successful business which can in turn become an assignable asset.

There are also publicans that are prepared to pay premiums for these assigned tied leases and in my opinion there are a large number of people who see running their own pub business as a chance to be self-employed and to be entrepreneurial in one of the most traditional British industries.

Having recruited numerous people into their pub businesses, I know that an alternative freehold option or a free of tie rent would be unmanageable for most people at entry level, as proved when I see the finances they have available. However what I have seen is that overtime a number of publicans have progressed from short terms tenancies to longer leases which they have then ultimately sold and profited from and have used the tied model to expand their businesses whilst benefitting from the support available to them.

There is no doubt that due to increased amount of legislation and red tape in running any business and the current pressures on consumer spending from external factors, that publicans have to work hard but as a Manager I am able to support their commitment and efforts, and this list is not exhaustive, with advice and guidance, access to free training courses for publicans and staff to develop skills, access to a wide portfolio of products including an extensive range of cask ales, access of supplier support, support packages to relieve the administrative burden of Health and Safety compliance, and property advice from a dedicated property team. In my opinion this level of support and access to advice would not necessarily be so readily available to free house owners paying a mortgage rather than tied rent.

This is particularly true when a publican does experience difficulties , for example the cross rail construction preventing access to their pub and causing decimation to their turnover for which there is no external compensation available and other external factors which are out of our publicans' control, we are able, as landlords under the tied model, to assess and review the effect on the business turnover and profitability and agree financial and operational support to ensure the survival of their business when no compensation or support would otherwise be available if they perhaps had a mortgage with the bank that they were unable to pay.

With sites under my remit I am empowered to assess the individual needs specific to each site and individual business operators with the aim of improving their business with them whether this be in beer sales, food offer, capital investment schemes, staff training, marketing support, licensing advice or any other aspect of help that they need in operating their business.

I would hope that, as per my personal experience, that any problems or queries can always be discussed in an open, honest and professional manner with all sides given a fair hearing and that any issues are resolved for the sustainability of businesses, that the tied model has allowed the entry of entrepreneurs to start their own businesses and that the support given by myself and my colleagues in the industry continues to sustain the pubs that we, in this country, are so passionate about and that our publicans work so hard to make a success of.

Yours Sincerely,

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