

Rt Hon Dr Vince Cable
Secretary of State for Business, Innovation and Skills
Department for Business, Innovation and Skills

5th June 2013

Re: Government Consultation Pub Companies and Tenants April 2013

Further to the abovementioned consultation and recent media reports in relation to the tied lease model for public houses I thought I would take the time to write communicating my experiences in relation to the public house I lease at the following address :

The landlord is Punch Taverns and we have had a lease at the premises since September 2012 (which was first under a flexible short term agreement that could be broken by either party in a matter of weeks). Recently Punch have invested over £250,000 into the property to refurbish and re-launch the venue and we have now signed a ten year lease.

The support through this process from Punch has been extremely good with dedicated expert staff provided to us to help manage and promote the business. We have a dedicated Partner Development Manager (who we have dealt with since our very first meeting with Punch) and who is invaluable in providing support and advice to us.

Our venue has changed from a somewhat tired pub struggling to attract sufficient customers to a thriving destination venue over the course of the last six months.

It is obvious that resultant from our tie on certain drinks (we are not tied on all products) that we pay more than we would in the open market if we operated a free house. However to have purchased a similar property and undertook a similar refurbishment the amount of investment required would have been well in excess of half a million pounds – in the current climate sourcing finance of such levels is hugely difficult. Therefore the tied lease model has worked extremely well for us in respect of our venue. Punch drinks are ordered through an online "Buying Club" which provides constant deals on product lines/point of sale materials and provides good product and market knowledge .

The details of the lease and product pricing were discussed and run through in detail with Punch in advance of passing to our lawyer/executing and there was certainly an element of flexibility shown by Punch in order to assist in making our business a viable concern. An example of this has been a lengthy period of rent reduction offered by Punch following our opening which has assisted in helping us to re-establish the business

Therefore given recent negative media coverage I believe a balanced approach to pub tied lease model needs to be considered. I trust that the details of our experience above will assist in this respect.

The best testament I could make to our experience is that we are now considering other potential Punch properties/leases to expand our business in 2014 and beyond

Yours faithfully,