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14th June 2013

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

Dear Sir/Madam,

Re: Government Consultation Pub Companies and Tenants April 2013

I am writing with respect to the above consultation regarding Pub Companies and their tenants. I wish to offer some of my experiences and thoughts as a licensee tied to Punch Taverns, a Pubco.

Firstly I agree with the proposal of ensuring that the tied tenant is no worse off than the free of tie tenant. The obvious measure of this is by simply looking at the prices a tied tenant pays for their beer against that of a free of tie tenant. I believe that this method is too simple.

It is my belief that my Pubco give me the same opportunities as a tied pub as those who are free of tie in my area. I have a competitive rent against my local competition and I also receive reasonable discounts per barrel from a wide variety of products, giving me the opportunity to select the product range that works for me. It is also worth noting that we are in negotiations with Punch Taverns on a new lease agreement which will see these discounts further increase for a comparatively small increase in rent, the net effect of which is me and my business partner will be better off and the Pub company will benefit from the increased volumes we should be purchasing with our new and more competitive pricing model, achieved through these higher discounts. I would hazard a guess that many free of tie pubs would be unable to achieved lower prices with their suppliers in the current climate.

Another feature of the Pubco that I believe brings parity with the free of tie model is the spread of risk. The Pubco owns the property we trade in and carries the risks associated with any large asset. My risk is my business yet the Pubco will support my in minimising this risk to me as it protects their asset as well as mine, it is a partnership after all.

Recently my Pubco changed our payment plan to get us through a short term cash flow issue, having dealt and working for banks for a number of years, no bank I know would have agreed this with such speed and understanding of the situation. Our free of tie colleagues do not have this benefit.

When taking into account these benefits of the tied option as well as numerous others that exist it is my belief that a certain amount of parity already exists between the free of tie and tied options.

I would happily discuss should it be required as this issue will have a significant impact on my livelihood in the coming years.

Yours sincerely,

Licensee