

May 2013

RT Hon Dr. Vince Cable
Secretary of State for Business Innovations and Skills
Dept. for Business Innovations and Skills

cc. Sajid Javid MP

Dear Mr Cable,

Re: Government Consultation Pub Companies and Tenants April 2013.

I have a tied tenancy agreement with Punch Taverns and would like to make the point to you that my agreement works for me. I have been at the since 2008 and can honestly say that times have been hard. I have recently had a rent review and Punch reduced my rent in support of my hard work and efforts to keep the pub trading. My new rent was proposed by a RICs surveyor and was initially set at the same level as before my review. I was able to discuss this proposal with my business manager and he agreed to reduce my rent from the proposed level to my current rent level on the merits of my on-going business plan. This example shows that I have a positive relationship with Punch and I feel that if I was operating under a lease agreement, I would be worse off.

It is my understanding that you are considering treating lease holders and tenants in a similar way and bridging the gap between the two agreements. What works for some people does not necessarily work for others. If I wanted a lease agreement, I would have negotiated one at my recent renewal review, but I don't want a lease as I believe the risks vs reward from a tied tenancy is better for me than the less flexible lease. My business manager and I are working hard to compete in a very aggressive market and my tenancy agreement offers me a notice period if I choose to leave my pub, you will be aware that for me to get out of a lease, I would have to assign the lease under the same terms to another operator which would reduce my freedom considerably.

For many people in our sector, tied tenancies work well and they have different aspects to them which suit a large number of pub operators. Leases are available from Punch and free of tie provisions are also available so why try to fix something when it is not broken?

Yours sincerely,