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May 2013

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

Received in
Central Drafting Unit

17 JUN 2013

c/

Dear Mr Cable,

Re: Government Consultation Pub Companies and Tenants April 2013.

I hope my situation and example is of help to you and your committee during your current consultation with my pub company, Punch. I understand that you are critical of the tied pub model and plan to merge or remove the tie completely. I have a Free of Tie lease with Punch so I suppose you are wondering why I am writing to you? Although I can buy my products from any supplier I want to, I chose to buy them from Punch. One reason I do this is to aid my cash flow. When I buy directly from many suppliers, I need to be available to take in many deliveries which is not convenient. I also need to pay for these items up front and submit many invoices to my accountant. By buying through Punch, I get direct debit payment terms which is really useful when managing my cash flow and I get all my products delivered in one go which is very time efficient for me.

If you introduce your mandatory free of tie plan, Punch will become a property company and just charge me rent as they will undoubtedly reduce or remove their product purchase and delivery service. This will be disastrous for me for the reasons I have explained. At the moment, Punch pub operators have the choice when negotiating their agreements to be tied or free of tie so why do you think that taking this choice away is a good idea? I am aware of the noise in the trade press about the tied model, but you seem to be listening to a few bad examples and not listening to the many happy operators who have good relationships with their pub companies. Food for thought don't you think?

Yours sincerely,