

14 JUN 2013

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

cc.

Dear Mr Cable,

Re: Government Consultation Pub Companies and Tenants April 2013.

I and I have recently taken over [redacted] and I write to you to express our concerns over your proposal to rid the pub industry from the tied tenancy. We are experienced in the industry, but have been out of it for a number of years. Our decision to return was easy as we enjoy the life style, however without the option of a pub co tenancy, we would not have returned. [redacted] was a failing pub and one Punch where considering selling. A new business manager took over and had a clear vision for the pub, he then set out to find someone who shared this vision and that's how we met. We offered a business plan which suggested a turnover above the business managers' expectation. He feed this info back and asked us to review our numbers. We stuck by our projected P+L but our rent was set on the company sales expectations and not ours, which was good of them. I am proud to say that we are already ahead of our projection and even more encouraged to say that Punch have not increased the rent to take advantage of our success. It is well documented that many pubs in Britain are closing; we do not believe that pubs fail, we believe that pub operators fail as it is the people that make the business. In our case this is very true. The previous operators of [redacted] were poor and they were failing, we have taken the same property in the same condition and have made it work... if it is the pubs that fail, how have we done this? Although we have been out of the industry for some time, we have always kept an eye on the trade press. We feel very sorry for the noisy few (as

they are known in the trade) who feel that protecting against pub cos is a good use of their time. If they spent their time running their businesses, may be they won't struggle. If they do not want to work in our beloved industry, they can go and make their noise else ware.

For our pub, we chose a tied tenancy agreement with a fixed rent for 5 years. We were aware of other agreements and had the option to buy freeholds locally. Our major competitor is a free house and they are really struggling but they don't have anyone to turn to for help. We are not struggling, but if we were, our pub co will be there to help us. I am not naïve and only say this because it is a condition of their code of practice and I believe they abide by this. We chose the tied tenancy because it offers us a good discount on products, our sales rep phones us at the same time each week and informs us of new offers. Deliveries are convenient and we see the tied agreement as a one stop shop for all our needs. Compare this to our free house competitor who has to negotiate all his deals himself, has to be available to take in a number of deliveries from his different suppliers and is supported by no one. The tied pub agreement is beneficial for many operators, if it was not, why are there so many of them out there? We would ask that you listen to the quiet majority and not the noisy few.

Yours sincerely, _ _ _