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14 JUN 2013

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

May 2013

Received in  
Central Drafting Unit  
17 JUN 2013

cc: .

Dear Sirs,

Re: Government Consultation Pub Companies and Tenants April 2013.

I write to you as a tenant of Punch Taverns PLC. For the last few years I have had a good working relationship with a number of Punch business managers and would like to express my concerns over your current consultation. I own a company who has multiple tenancies with Punch and each agreement has been negotiated on a pub specific basis. I have tied tenancies and free of tie tenancies and can say that where I have negotiated tied agreements it has been because that agreement suits the business and people involved. The tied agreements I have are not, contrary to some peoples' views, a bad thing, and even with my free houses, I choose to purchase certain products from Punch as I enjoy fare discounts, payment terms and delivery plans. The theme to my letter is therefore choice. The tied model allows me to jointly invest in a business and if a business is not working for me, I can negotiate an exit strategy from that business. This is important because if I had a tied lease for some businesses, I would not have the flexibility to leave if that was the right thing to do for my company.

Pub cos do suffer from bad press on occasion, however these negative stories are not the opinion of all operators. If an operator is not happy with their agreement they should improve their negotiation skills to rebalance their deal or not trade in our industry. As stated I have a good relationship with my business managers and they regularly contact me to discuss other opportunities; if an opportunity interests me, I negotiate a deal which is right for both parties and I fail to understand why some operators cannot do this? The tied model offers tenants' support, investment opportunities, marketing and sales driving advice and the peace of mind that an exit plan is available should they need it. These benefits are not available with free of tie leases or free trade publicans. If a free trade publican wants to exit their business, they will have to sell their freehold which is a much riskier option.

I urge you therefore not to take the view that all tenants are disgruntled with their pub co and tied agreements work very effectively when negotiated properly.

Regards.