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**From:**  
**Sent:** 24 June 2013 16:03  
**To:** Pubs Consultation Responses  
**Subject:** FW: Pub Companies and Tenants - Government Consultation (22 April 2013)

The Department for Business, Innovation and Skills (BIS) is making a difference by supporting sustained growth and higher skills across the economy. BIS: working together for growth

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**From:**  
**Sent:** 30 May 2013 19:59  
**To:** Enquiry Enquiry (Other Government Departments)  
**Subject:** Pub Companies and Tenants - Government Consultation (22 April 2013)

Dear Dr. Cable,

I am writing with reference to the Government Consultation on Pub Companies and Tenants and to provide comment in respect of the lease I have with Punch Taverns.

I chose a lease with Punch for several reasons.

1. My interface with Punch is primarily through their Business Relationship Manager (BRM). If I had not felt I could work with the BRM I would not have entered into the lease.

During my years to date I am now working with my 4th BRM. I have never had cause to be less than satisfied with their knowledge, accessibility, efforts and assistance within the lease terms.

Their help has been of technical nature as well as opinion and advice.

I had not worked in the industry prior to taking the lease and the BRMs help has been important from the outset.

2. Low cost entry. I bought an assignment to a lease in 200 The price I paid was approaching the top of the market. However, this was the pub I wanted and the lease, not the freehold, was for sale. If it had been the freehold, that would also have been close to the market peak.

I now feel, perhaps in hindsight, that I may well be better off with a lease. Interest rates are currently, owing to various Government strategies, artificially low. Having a lease, I am not exposed to interest rate movements, and they can only now go upwards - they cannot stay low forever. I have not calculated mortgage interest rate sensitivities partly as they are irrelevant to my lease and partly as I do not have a programme to do it. But you may wish to do so. I believe that if base rate (or LIBOR) rises to slightly below current inflation (either CPI or RPI), there will be overbearing financial pressure on commercial mortgages.

I expect HM Treasury will have already done that calculation as part of their strategy to keep interest

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rates low during this prolonged downturn.

3. The Consultation document refers to concerns over 'the chronically low levels of literacy and numeracy amongst tenants' (page 11, para 3.5). Always ready to acknowledge my weaknesses, I took, and paid for, legal opinion on the lease before I signed it. I would have liked a better deal, as one is always looking to maximise terms in one's own favour, but I very much doubt I would now prefer to have bought the freehold at that time and considering the market conditions that prevailed then and now.

4. Finally I would mention that Punch effectively provides a 'one stop shop'. Mine is a relatively small pub (i.e. 82 square metres). I sell an extensive range in a small space. I assume I would cope with several different suppliers, but it certainly seems easy to make one phone call to order stock, one invoice and a single weekly payment. I cannot quantify any benefit here, but I already work very long hours and prefer not to add to that.

I trust my comments will be considered.

Yours sincerely,

Copy: Julian Brazier TD MP

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