

To; Rt Hon Dr Vince Cable,
 Secretary of State for Business, Innovation and Skills,
 Dept for Business, Innovation and Skills
 Copy; Mr Francis Maude MP
 Re; Government Consultation Pub Companies and Tenants April 2013

5 June 2013

Dear Mr. Cable,

I write to voice my experience of my relationship with my Pubco landlord, Punch Taverns. I have been landlord for over 16 years, and have worked in the pub industry for over 25 years. During that time, there have been many changes to our industry, ultimately resulting in the current, woeful state of our nations' pubs, bars and restaurants.

..... is a significant site, and as such, would be financially out of reach for most individuals, myself included. Enter the Pubco, and the long established lease model operated by most of the big Pubcos, Punch included. The restrictions and pitfalls of leasing a pub have always been hotly debated, particularly within leaseholders themselves, usually resulting in the chosen Pubco getting blamed for any negative conclusions, on any matter. Whilst I am not writing just to sing the praises of Punch, I want to ensure that we avoid the historical scenario, of once a figure of blame has been established, we cease to examine whether we have identified the CORRECT figure of blame.

Since the economic downturn, Punch, and many of the major Pubcos, have revisited and remodelled the lease terms, with many of the changes to the benefit of the leaseholder. Punch have recognised their part in a dying industry, and are working hard to provide solutions for their leaseholders, whilst obviously trying to protect their revenue interests at the same time. Last November, received a significant refurbishment, funded by Punch, which has lifted my business profile, negated my impending repair issues, and given me an excellent platform to drive my business forward. My rent has remained at it's previous level, and I have a beautifully refurbished pub to attract new business. It is obviously not possible for Punch, or any of the other Pubcos, to refurbish their whole estate, but they are clearly re-investing where suitable, with good effect, even though the responsibility of repair and renovation lies with the leaseholder.

I hope your consultation explores the disparity within the retail drinks industry, and is able to question why it is that a member of the public can go to any supermarket or grocery store, and purchase any alcoholic beverage for a lower price than we, the industry professionals are able to purchase from a trade supplier? I cannot think of any other industry where this happens, even though ours is one of the few regulated by government. My trade experience began when you could only buy alcohol from a pub, or an off-licence, both run by professionally trained and qualified licensees. We now are able to buy alcohol from petrol stations, post offices and of course, the unstoppable force of the supermarket, nearly always at a discounted price compared to the trade source. Nothing wrong with free and open trade, you may say, but it is the on-trade that is berated for any alcohol based anti social issues, the on-trade that suffers through every negative health story driven through consumption, and the on trade that suffers with every new marketing campaign from the supermarket giants looking to tap into the complete, ready meal package of meals and wines for a set price.

The other elephant in the room is the application of VAT to all our goods we provide, a penalty for saving the public the cost of their cooking source, saving their energy bill for heating them whilst they eat, their water bill for washing up after them, and employing their children as they pass through university to boot! At it's current level, 20% of our end retail price is a significant portion of the final cost, leaving available margins at an all time low, whilst we operate in such price conscious times, with operating costs escalating at a gallop around us.

I wonder whether your consultation will question the level of business rates that are now applied to our pubs, and establish the services provided for those rates. Again, this significant cost comes with very little benefit to the business, and with a convoluted appeal process should you have the time to pursue a claim.

Instead of blaming the Pubcos, I feel it is the above points that have a greater impact on the decline of an industry unique to our country, and these are issues that lay firmly at the feet of government policy and legislation. The British Pub is often replicated around the world, but ALWAYS fails to deliver the experience found within our pubs, and it is the British Pub that features in our history and heritage. The British Pub has historically held a major part in the fabric of society, and I think it is right that all parties involved in it should look at their role, and adapt policies where needed, to ensure a viable existence for future publicans.