

30/5/13

Dear Rt Hon Dr Vince Cable, Secretary of State for Business, Innovation & Skills,  
I have been contacted by . the Partner Business Manager from Punch Taverns who has asked me to write a letter to you detailing our positive experiences in regards to Punch's business model.

We have been tenants at . (a Punch property) for nearly five years. Our overall experience with Punch has been mostly positive. We were fully aware of how Punch pubs operate before we signed up to run one of their pubs, therefore we have managed to work with them successfully.

Our agreement is that we are tied on beer products which we pay above average market value for, but we were fully aware of these extra costs before we signed our agreement. We are tied on our soft drinks however Punch are competitively priced in this area and sometimes offer good deals in regards to wholesale prices. We are free to buy our wines and spirits from anywhere which gives us the opportunity to shop around to find new and different products. Because we are not tied to buy our wine from Punch it enables us to stand out in our local market place amongst other Punch pubs.

During our second year Punch approached us about refurbishing ' and they created a deal for us which increased our rent but invested substantially in the property to improve its overall appearance. This work was well overdue as the property was in decline. As tenants we would never have been able to do the work needed without help from Punch. Having the refurbishment has changed our business dramatically giving us a more desirable and profitable pub.

Due to the current economic climate, most banks are now asking for a thirty four percent deposit on all commercial mortgages. As a result of this running a Punch pub was the only way we could run our own business in a good location.

Punch's business model could be improved with greater flexibility on their tied products and local products more available from microbreweries. Overall Punch has exceeded our expectations. We are coming up to our five year rent review and having expected an increase to our rent they have approached us with a deal where our rent will remain the same for another five years. We are currently negotiating with them for a deal and we are awaiting their decision.

Yours Faithfully