

7th June 2013

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Dear Mr Cable

I am writing to you with regard to recent developments within the leased pub sector. As I understand it, Government is planning to regulate the industry in order to ensure that Pub Companies treat their tenants fairly and not create an anti-competitive environment for leased pubs to operate in.

Whilst I am a staunch believer that the beer tie does not allow a level playing field between leased and managed pub businesses and must be removed if pubs are once again to flourish, there are some mitigating factors.

Leased pubs can offer a low cost entry into the Pub sector for hospitality entrepreneurs, with the added assistance of a network of professionals able to give good business advice to those who are less experienced.

Pub Companies can help with Capital Projects to increase the commercial viability of businesses that, left to their own devices, would probably not find funding.

Pub Companies can provide a "one stop shop" of services, using the economies of scale available from having a large pub estate, reducing costs for owner operators.

I have witnessed over the past 5 years, a transformation in the culture at Punch Taverns, which has provided a much better environment for dialogue and co-operation between lessee and lessor. This welcome shift in culture leads me to believe that it is possible for Pub Companies to find their own way to developing a sustainable and mutually beneficial model, without the need for legislation.

I believe the way forward is to further encourage Pub Companies to make the changes to provide that level playing field and punish those which do not. I am sure that if the Government goes down the legislation route, then savvy Pub Companies will find different routes to avoid the spirit of the changes in law.

Yours faithfully

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