



CONSTRUCTION • INTERIORS • DESIGN • MANAGEMENT

Pubs Consultation
 Consumer and Competition Policy
 Department of Business, Innovation and Skills
 3rd Floor, Orchard 2
 1 Victoria Street
 Westminster
 LONDON
 SW1H 0ET

6th June 2013

Dear Sirs

Government Consultation on Pub Companies and Tenants April 2013

We are a leading pub refurbishment company who have, over the years, worked with most of the major pub companies. We have annual revenue in the region of £7.5m and employ 50 people from the North West of England as well as utilising the skills of countless others through the various sub-contractors and agencies engaged to carry out up to 90 significant projects nationwide every year.

As an example, we have worked closely with Punch Taverns for about 15 years and have carried out many refurbishments for them and their partners. We benefit from the financial support they give to their partners in this way and in our experience clients like Punch go to great lengths to ensure that the financial implications of the tie are proportionate relative to the business plan of the lessee and the level of investment being proposed, amongst other factors.

It concerns me therefore that a new piece of legislation is now being proposed which if it were to become law might have a detrimental effect on our industry and our business. In particular, imposing a mandatory free-of-tie option within a statutory code would inevitably lead to a reduction in investment levels within the industry were it to be enforced. In our experience, a well-designed and implemented refurbishment often returns higher levels of revenue for the lessee than was envisaged, benefitting all parties. Without the tie Investment is unlikely to take place to the same level which could have serious implications for our company and those working in it.

Pub companies like Punch appear to be making progress in trying to financially de-lever their businesses by downsizing and selling viable pubs to other operators or unviable pubs for alternative use. They appear to have set a course which redresses historical financial problems and they need their partners' businesses to be successful in order to be successful themselves. I note a recent press report that Punch Taverns have become the first pub company to have their Code of Practice accredited by BIBAS, which can only confirm that self-regulation is having a positive effect on the industry. I can only hope the progress being made is seen by Government as an indication that intervention, in this instance, is not required.

Yours sincerely

A. M. Snook BA ACA
Finance Director