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**From:**  
**Sent:** 20 June 2013 13:29  
**To:** Pubs Consultation Responses  
**Subject:** FW: Government Consultation Pub Companies and Tenants April 2013"  
**Importance:** High

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:** 03 June 2013 14:39  
**To:** Enquiry Enquiry (Other Government Departments)  
**Subject:** Re: Government Consultation Pub Companies and Tenants April 2013"  
**Importance:** High

Rt Hon Dr Vince Cable,  
Secretary of State for Business,  
Innovation and Skills,  
Dept for Business, Innovation and Skills

Dear Sir

Re: Government Consultation Pub Companies and Tenants April 2013

Testimonial for Punch Taverns

I write to offer a balanced view as to Punch Taverns and their managemnet of leased properties with their leaseholders. I am aware pubcos have, on the whole had some bad press over the past few years, but this I believe needs to be tempered with some reality as to what is fact and what is fiction in the real world of a relationship between a leaseholder and the pubco Punch.

I have listed some points below under a variety of headings offering my opinions from a year relationship with Punch as a long leaseholder:

Rent:

**Initial Offer:** At the start of my initial offer to purchase a year lease from Punch for the lease of the pub I now run I was able to put in an offer based on my own belief as to what the business might generate and offer an annual rent accordingly. As with any such purchases of property/ businesses as I made a better offer than others looking at the same business I was successful in obtaining the lease.

What many seem to forget is just like purchasing a house the price is what you are happy to pay for it at the time and if you find that a similar proprty is sold cheaper a year later it is not the the vendors fault. I took an educated

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decision to buy the lease and made what I believed to be a reasonable offer.

In addition to this the survey I had completed identified a number of issues with the building and Punch agreed to repair the main issues such as a new cess pit and deferred rent for three months while this work was being completed.

**Reviews:** The lease I signed allowed for year reviews of the rent but some years into the agreement it became clear the business was not viable based on the rent I had agreed at the outstart. The Business Relationship Manager linked to me at the time initially challenged what I was doing to try and grow the business and when they reviewed this with me agreed assistance was required to try and help me. This was done by short term rent reductions and some free beer over a period.

Despite this and only being years into my agreement the BRM obtained agreement to reduce the rent from on a permanent basis.

When the year review was due I was able to undertake a further review with my BRM and after opening my books to Punch and evidencing I was looking to generate business from other sources such as Specials days, competitively priced drinks, various food offerings and regular marketing Punch agreed to reduce the rent still further to :

**Business Rates:** There is a designated Rates Advisor provided through Punch at a nominal annual fee which has allowed me to challenge my current business rates and receive a small reduction from the Valuation Office based on factual information relating to how my business is suffering in the local economy.

I have also been able to receive rural rate relief through my local Council which has again helped my cash flow situation.

What is not helpful is the delay by the Government in the next Business Rate Valuation being moved from 2015 to 2017. With the reduction in turnover throughout the past 5 years I would have received a sizeable reduction in my business rates from 2015 which will now not happen due to the Government's deferring the 5 year review with no reason.

### **Marketing & Design and Print**

Punch offer a discounted Print and Design Company to produce menus, advertising material etc as required. My BRM has been able to pay for a large proportion of this when I have made orders as part of their support in developing my business.

There are regular training sessions offered through Punch with BRM support to give you ideas on how to boost sales through events like the 2012 Olympics, wine sales, themed nights etc. All are free and if attended found to be informative and a valuable source of additional sales opportunities.

There are also regular Punch generated publications offering deals for running themed days such as Mothers Day etc and offers of reduced prices on new and seasonal product lines.

### **Punch Buying Club:**

This website allows online weekly purchasing of stock and also provides details of current offers which can be taken up relating to drinks and marketing opportunities.

### **Financial Support:**

Whilst I have a weekly rent commitment and must pay for any stock when it is purchased their financial support  
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team will always look to work with you if cash flow becomes an issue usually taking any debt issues and spreading the payment out over a few weeks to allow you to get back on your feet.

A lot of the time financial issues arise when the leaseholder / tenant hide away and don't deal with the issue when it first arises. I have always found Punch supportive in assisting me if you are up front with them at the beginning of any issues.

#### **Roadshows:**

I have attended the annual roadshow held by Punch so I can access all the suppliers to see what is new in products which are normally offered at a discounted rate. With the roadshows being held in October it allows you to plan well in advance for Christmas and lets you review your current drinks offerings to see if there is anything new that may compliment what you already stock.

#### **Relationship with BRM:**

I have always found this to be the most important relationship throughout my dealings with Punch since taking on the pub. It has helped that previous to this I had no experience in banking. Any reasoned debate with Punch through the BRM will always be listened to and supported where possible. This has been evidenced time and time again with my dealings through my current Senior BRM who has always been supportive, fair and pro-active in the support of all of my endeavours in taking my business forward.

#### **Summary:**

Whilst I have listed a number of reasons in support for Punch Taverns I do not in any way suggest they are perfect in all that they do. I would however state they have developed their business relationship with me throughout my dealings with them.

If there was one thing I would look to change at present is the prices I am having to pay for beer products through Punch. I recognise they need to make money from sales of stock to me and my agreement signed at the start of my lease was clear in what I would have to buy from them.

I do however feel something could be done to improve this element of my agreement with Punch. One suggestion is the ability to increase my weekly rent for a reduction in price for stock. This offer was available a year ago but for some reason got withdrawn. I would find it easier to pay more for beer during the busy weeks and to pay a reduced rent so then in the quieter weeks the beer purchases will only relate to the volumes I am selling at that time thus making my overheads less in those weeks.

I hope these comments are of some use but should you require any clarification or additional information please do not hesitate to contact me.

Many thanks

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