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**From:** [REDACTED]  
**Sent:** 19 June 2013 17:17  
**To:** Pubs Consultation Responses  
**Subject:** FW: pubco beer tie

| Consumer & Markets | Consumer & Competition Policy | Department for Business, Innovation & Skills |

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:** [REDACTED]  
**Sent:** 04 June 2013 11:45  
**To:** Enquiry Enquiry (Other Government Departments)  
**Subject:** pubco beer tie

Please find below an email I've sent to my local MP regarding the beer tie issue.

Dear Julian

I wanted to send you a quick email on the Pubco beer tie issue, and my experience as a tenant with Punch Taverns.

I'm very new to the trade – I took on the tenancy of the [REDACTED] at the beginning of this year. Whilst I'm aware there are lots of issues with some pubcos and breweries being very heavy handed with their tenants, I have to say that our experience my Business Relationship Manager, [REDACTED], and with Punch Taverns has been extremely positive. There are a few key points I'd like to make.

Firstly, the whole beer-tie issue is the result of an important financial factor: the cost of a freehold pub is generally ten times that of a pub with a tenancy agreement. I would have been unable to buy the [REDACTED] as a freehold because the cost would have been far beyond my means. Instead, I am a tenant of Punch Taverns – and a happy tenant because I am running and living in a pub that I would have been unable to otherwise.

The payback to Punch Taverns of losing 90% of the freehold price is that I am obliged to buy all of my beer through them. Yes, the cost is more than I would have to pay if the [REDACTED] was a freehold pub, but – and this is an important point that is often lost in the argument – the prices I charge to customers are competitive with and often cheaper than freehold pubs. Why? Because freehold pubs have to regain their huge initial investment. So even though their cost per barrel is lower, their cost of running the whole pub is far higher.

Secondly, through Punch Taverns we are able to buy high quality real ales from an impressively wide range of local and national suppliers. These are sourced, vetted and negotiated with by Punch. Frankly it would be at best unrealistic, at worse impossible for me to locate, product test, and negotiate with the large range of suppliers that I can buy from through Punch. CAMRA members who come to the [REDACTED] are constantly surprised by the real ales that I am able to access through Punch, a prime example being that the [REDACTED] was the first pub [REDACTED] to offer Iron Maiden Trooper. In the last six months, we have sold close to 100 different real ales from all over the country.

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Thirdly, while I am responsible for the cost of maintaining the interior of the building, Punch Taverns are responsible for maintaining the structure of the building itself. This is a crucial point because many, many pubs are old buildings that require significant ongoing structural maintenance. I am not responsible for this: Punch Taverns is. Following a significant refurbishment programme in August of last year, Punch Taverns have recently spent tens of thousands more on the make it an even more attractive pub that sits in and is now a genuine part of the community around it.

Finally, Julian, could I ask you to ask any friends, colleagues or peers who live in ( of the I. Anyone – and I can confidently say this – who has enjoyed a drink here in the last six months will tell you that the is an attractive and successful community pub that offers every customer a superb range of real ales, lagers, draught ciders and wines.

Yes, I'm a pubco tenant. But I've proved in just six months that it is possible to be a happy – and successful – pubco tenant.

Best wishes

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