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14 JUN 2013

RT Hon Dr. Vince Cable
Secretary of State for Business Innovations and Skills
Dept. for Business Innovations and Skills

May 2013

Received in
Central Drafting Unit

17 JUN 2013

cc.

Dear Mr Cable,

Re: Government Consultation Pub Companies and Tenants April 2013.

My Business partners and I write to you in support for our pub company, Punch Taverns PLC. It is our understanding that your committee is consulting on a new code of practice for pub companies. We agree whole heartedly that large companies should be regulated and have a code by which they are bound. We are aware of Punch's code and would make two points;

- 1 – In our experience, Punch conducts themselves in line with their code.
- 2 – If we were unhappy with any aspect of our relationship, we are aware of the complaint and escalation process.

It is our view that the current self-regulated approach is therefore working.

Having read correspondence to and from your committee, we understand that you are concerned about the relationship and differences between tied and free of tie leases. What is the concern? As pub operators, we have chosen a tied tenancy which offered us a low cost entry to the pub industry. Our premise is located in city centre, just opposite football stadium. In such a prominent position, if our rent was calculated in the same way as any other retail unit, i.e. GBP per square foot, our rent would be well over £30000 pa; this is not taking into consideration the available accommodation. We have negotiated a tied tenancy and our rent for the term of the agreement is not half of this retail rent figure, your proposal to treat all agreements in a similar way to free of tie retail agreements therefore concerns us greatly. Our agreement is tied for certain products; however we have

negotiated good discounts on our tied products and have the benefit of good payment terms and frequent deliveries. I have other business interests so traipsing around different suppliers and taking in multiple deliveries is not convenient to me. In the main, the pub industry is populated by well informed business people such as ourselves and we are very capable of negotiating a deal which we are happy with. I fail to understand why our government needs to hold the hand of people who cannot negotiate professionally. Negotiation is a key business skill and as you are the Secretary of State for Business Innovations and Skills, perhaps you should offer your experience to the publicans who need to improve such skill. People who need your help to negotiate on basic issues should not, in my view, be self-employed. We have just entered into a joint investment with Punch and is being renamed and launched to a different market, if we owned the pub freehold, we would not be able to afford this investment, so again the partnership works. It seems that you are listening to the few and I hope that you take the opinion of the majority in time.

Yours sincerely,