

LONDON ASSEMBLY

Green Group

**Darren Johnson AM**

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

Dear Sir/Madam,

Response to the consultation on pub companies and tenants

As members of the London Assembly, myself and my Green colleague Jenny Jones are writing to formally respond to the consultation on pub companies and tenants.

I should like to express my support for Option 3 in the draft statutory code for tied pubs which is currently out for consultation. This option would offer tied tenants the ability to buy products from the open market and pay a fair market rent for buildings they are leasing.

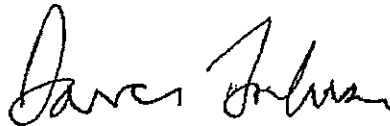
In support of my argument, I should like to draw your attention to a 2009 report by the Office of Fair Trading which concluded that the average tied leasee is being overcharged by exploitative pub companies by around £12,000 per annum or £230 per pub per week, after higher "wet rents" and lower "dry rents" are factored into the equation (pages 62 to 64 of the report).

Legislation is urgently needed to free pubs from the present highly exploitative arrangements before they are forced to shut down. The Department for Business, Innovation and Skills has already concluded that pub companies will continue to overcharge tied tenants unless they are prevented from doing so by law.

Pubs are a vital part of our heritage and there is a clear need for new legislation, especially in the presently adverse economic climate, to protect pubs against the threat of closure. For this reason I give full support to Option 3 in the draft statutory code.

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Yours sincerely,



Darren Johnson AM

Green Party Member of the London Assembly



Jenny Jones AM

Green Party Member of the London Assembly