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From: REEVELL, Simon [simon.reevell.mp@parliament.uk]

Sent: 14 June 2013 14:19

To: Pubs Consultation Responses

Subject: Consultation Submission

Please find below my submission to the Pub Companies and Tenants consultation, which has attracted considerable interest from my constituents.

I support the introduction of a statutory Code for all companies which own more than 500 pubs and which covers all of the companies' non-managed pubs. The Code should enshrine the principles of fair and lawful trading, and that the tied tenant should not be any worse off than the free-of-tie tenant. It should provide the tied tenant with the right to request an open market rent review if they have not had one in five years and if the owners significantly increase drink prices or in the event of an incident beyond the tenant's control occurring. It should also increase transparency by requiring owners to produce both tied and free-of-tie rent assessments and contain provisions to abolish the gaming machine tie and mandate that no other products than drinks may be tied, provide a guest beer option in all tied pubs and ensure that flow monitoring equipment is not used both to establish whether a tenant is complying with purchasing obligations or as a evidence in enforcing such obligations.

I believe that the Government's draft statutory Code should be adjusted to ensure that a 'market rent only' option is available to licensees; that all contracts must be fair, reasonable and compliant with all legal requirements; and that it is absolutely clear that all rent assessments should be based on an interpretation of the RICS guidance which recognises that tied licensees must be no worse off than their free-of-tie counterparts.

I am concerned that a self-regulatory Board will not share the same commitments as the Government and that it is not regarded as independent by many licensees. For this reason, the Code should be periodically reviewed and enforced by an independent Adjudicator with powers to arbitrate individual disputes, investigate breaches of the Code and impose sanctions in the form of recommendations, requirements to publish information and impose financial penalties. The Adjudicator's powers should go so far as to render unfair contract terms unenforceable, in line with those afforded to the OFT in the case of Unfair Contract Terms in Consumer Tenancy Agreements. The Adjudicator should be funded through industry levies and I am content that those who breach the Code should pay a proportionately higher share of the costs.

Kind regards,
Simon

Simon Reeve
Member of Parliament for Dewsbury

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