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Rt Hon Dr Vincent Cable MP
Secretary of State
Department for Business, Innovation & Skills
1 Victoria Street
London SW1H 0ET

11 June 2013

Dear Vince

Please accept this as a submission to the Pub Companies and Tied Tenants consultation. As well as expressing my own view, I make this submission on behalf of over 30 Battersea constituents and landlords. Many of them are CAMRA members who have contacted me with concerns about the tied model; I am also a member of the All-Party Parliamentary Save the Pub Group.

I very much welcome the measures that the Coalition Government has already put in place to support the UK pub industry, including allowing pubs to be listed on Asset of Community Value registers, and scrapping the Beer Duty Escalator.

The issue of the relationship between larger pub companies and their tied lessees has been the subject of debate and scrutiny for many years, prompting four Select Committee reports and two backbench-led debates, the latter of which resulted in this consultation and proposed legislation. This is, therefore, an important, once-in-a-generation opportunity to address the problems which have been identified with the tied model over a number of years. I very much hope the Government will consider carefully the submissions made to the consultation and, where necessary, legislate to end any unfair or uncompetitive practices. Some pubs in my own constituency have fallen foul of some of these practices.

The precept guiding the Government's proposals is that no publican should be worse off in a tied agreement than one who is not tied. To achieve this, the Government has proposed a statutory code, overseen by an independent adjudicator, which would apply to pub owning companies with more than 500 pubs. This is a welcome commitment. However, from my conversations with local landlords, including

, who are members of the Independent Pubs Confederation, I know that there is concern about how the Government's proposals might be delivered. They inform me that the proposed approach would not sufficiently address any issue but rent, and even then within limited circumstances. It would not affect the requirement to purchase 'own-brand' produce from their pub owning company. I understand from conversations with local landlords that the pub owning companies can change product prices or quantities at any

time. If new terms involving higher rents and product prices are implemented, landlords can find themselves financially ruined in a short space of time.

Therefore, I very much welcome the fact that the Government is consulting on a 'Market Rent Only' option, which would give landlords the freedom to purchase goods not produced by their tied company, and to pay a 'market' rent, if they feel that the terms presented in their contract are unfair. **I would like to offer my strong support for this option.** The local landlords I have spoken to tell me that a Market Rent Only option would allow landlords to purchase beer where they like, and negotiate for a better rent rate, empowering them with, effectively, a useful bargaining chip. For example, if a tied agreement began to significantly financially disadvantage a landlord for being tied, they would be free to sever the agreement with no commitments to purchase products from their pub owning company.

It is, of course, worth noting that not all landlords are dissatisfied with the tied system. Therefore, another benefit of the Market Rent Only option is that it does recognise that some pub owning companies do have a positive and mutually beneficial relationship with their lessees and would allow that situation to continue, if that is what the tenant wants. I also understand that a Market Rent Only option is strongly supported by the rapidly expanding UK microbrewery industry. They anticipate that the proposed 'guest beer' option for tied landlords would allow them to expand into wider markets which are presently denied to them by the requirement of tied landlords to purchase products from their pub owning companies.

To conclude, I would like to reiterate my strong support for a Market Rent Only option. The clear message that I get from my local landlords and the South West London branch of CAMRA is that this is the only practical option to deliver on the Government's commitments and ensure a sustainable future for the British pub industry. The Government has a rare opportunity to reform a system which has attracted widespread criticism, and to show further support for our pubs. Great local pubs are of huge importance to my constituency and many of the people who live there, so I very much hope that this opportunity is taken.

I would be most grateful if your office could acknowledge receipt of this submission.

Kind regards



Jane Ellison

Member of Parliament for Battersea, Balham & Wandsworth

cc: Rt Hon George Osborne MP, Chancellor of the Exchequer