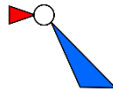


## 447 EA

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<b>bncdoc.title</b>	[Hansard extracts 1991-1992]
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<447/c>	<p>guest beer provision. This found that some 40 per cent. of the tenanted pubs of the national brewers were now offering guest beers. That figure could well increase significantly. The survey found that Wadworths, Youngs, Fullers, Marstons and Adnams among the regionals had all done particularly well from the provision, accounting together for nearly 30 per cent. of the guest beer market. Several new micro-brewers have sprung up. The Morning Advertiser of 30 October reported the story of Jim Botur, who spent his redundancy money from Matthew Brown on starting his own independent brewery. He said: 'We have received a lot of support from both free trade customers and tenants who are now able to stock a guest beer in their pubs. We were confident that the new Beer Orders would give us the opportunity we needed.' The hon. Gentleman referred to recent increases in the price of beer which, I agree, have been large. As the brewers do not have to comply with the main measure of the orders until 1 November 1992, it is too soon to judge what impact the orders will have on prices. I notice that the steepest price rises in past years have been in pubs tied to the national brewers. The beer orders target precisely those brewers, by ordering a reduction in their tied estates by 11,000 outlets. Customers will have more choice of outlet and beer. They can shop around if some prices rise too far. We have asked the Director General of Fair Trading to review the orders in late 1993, when their effectiveness can be properly assessed. Mr. Richard Alexander (Newark) Apart from what the customer may or may not find with the price of beer, is it not the case that what the hon. Member for Rotherham (Mr. Crowther) has described would not have taken place if the beer orders had not been passed by the House? Mr. Redwood I am not sure whether that is true. We can never be sure, because those events took place. However, there were changes under way in the brewing industry before the beer orders were drafted and put to the House. We saw leading brewers thinking about segregating property from brewing, and we saw one major brewer thinking about introducing new styles of lease, which is the main burden of the hon. Gentleman's criticisms. One can argue that there were changes under way in the brewing industry before the beer orders came along. I am not sure whether all those changes are the result of the beer orders or the threat of the beer orders. I and the Secretary of State are worried about the notices to quit that some brewers have issued to</p>
 <p>Key:</p> <p><u>Footprint</u></p> <p><u>ConEn1</u></p> <p><u>Footprint</u></p> <p><u>ConEn2</u></p> <p><u>Footprint</u></p> <p><u>ConEn3</u></p>	<p><u>many</u> of <u>their tenants</u></p> <p>. The major brewers do not have to evict <u>tenants</u> to comply with the requirement that they release pubs from ties by 1 November 1992. Closure of a pub does not help them to comply with the orders in any way. Most of the notices have been issued to allow the brewers to renegotiate existing agreements; few will result in eviction. The Secretary of State and I have urged the brewers concerned to keep the number of notices sent out to an absolute minimum, and to make their purpose clear to <u>tenants</u>. The timing of notices was determined by the fact that <u>all tenants</u> will be protected by the Landlord and <u>Tenant</u> (Licensed Premises) Act 1990 by July 1992 as a result of the legislation that we enacted last year at the <u>tenants'</u> request. I remember seeing a delegation from the <u>tenants</u> at that time. The Government moved swiftly to meet their requirement to introduce the landlord and <u>tenant</u> legislation. Mr. William</p>

	<p>Cash (Stafford) Does my hon. Friend agree that, in certain cases, it has been extremely difficult for some smaller pubs to be able to pay the amount of money that some of the brewers have been asking them to pay? Mr. Nicholas Winterton (Macclesfield) It is impossible. Mr. Cash It is a simple point, but it has caused certain distress. Mr. Redwood I know that tenants are worried by the extent of the price rises for their rents that the brewers are suggesting. Mr. Winterton Are you? Mr. Redwood But that will be determined by the marketplace. There will be independent review in cases where agreement can not be reached. Of course I would like tenants to have realistic rent demands and then have successful businesses on the back of them, and I hope that the rent demands will turn out to be realistic in relation to the actual security of tenure offered under the new style of lease and in relation to the business opportunities offered under that style of lease as well. The hon. Gentleman fairly pointed out that there is a larger range of business opportunities available under the new leases, and that, of course, will be reflected in the rent charged under those lease arrangements. The longer-term leases which many brewers are insisting should replace existing tenancy agreements represent a different kind of lease with a different rental price on them. Over the summer, the Secretary of State and I met to encourage them to adopt best practices in dealings with their tenants. At our prompting, all the major brewers have now agreed to allow independent arbitration or assessment of rent in difficult cases where agreement can not be reached. They have accepted the need to be flexible towards tenants who would have real</p>
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