

Pubs Code Adjudicator Builetin

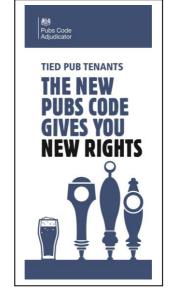
June 2017

Pubs Code information leaflet

The Pubs Code Adjudicator has produced a leaflet alerting tied pub tenants to the new rights and protections available to them. It emphasises the importance of tied pub tenants knowing about the rights - particularly because the Pubs Code has strict deadlines - and explains where to find out more information about them.

Each of the regulated pub-owning businesses has agreed to send copies of the leaflet to their tied tenants. Some will include the leaflet when they send out rent assessment proposals. Others will distribute it to tenants with marketing material and magazines. In addition, some pub-owning businesses have agreed to include the leaflet on their websites.

You can also see the leaflet <u>here</u>. Organisations wanting to distribute the leaflets to tied pub tenants can request copies from the PCA. Contact <u>office@pca.gsi.gov.uk</u>, providing details of numbers required and contact addresses.



PCA advice note on Calderbank Offer Letters

Some tied pub tenants have received Calderbank Offer letters from their pub-owning business in relation to tied rent arbitrations and the PCA has been asked to provide advice on their use. Calderbank Offers are also known as without prejudice offers.

The PCA has published an advice note on the website and you can read the full document <u>here</u>.



Regulation 50: Detriment

A number of issues relating to regulation 50 of the Pubs Code concerning detriment have been raised with the PCA. The following information sets out the position on regulation 50:

- Regulation 50 of the Code requires a pub-owning businesses not to subject a tied pub tenant to any detriment should the tied pub tenant exercise, or attempt to exercise, a right under the Code.
- The Pubs Code sets out specific processes for particular issues. As a result MRO disputes cannot be referred to the PCA under regulation 50. For example if a tied pub tenant wishes to challenge the terms and conditions of a MRO proposal (including the effect it will have on the tenant if accepted) this must be done under regulation 32 and according to its relevant timescales. It is this regulation that gives the PCA the power to require a pub-owning business to issue a different MRO proposal if appropriate.
- A valid regulation 50 referral could be made, for example, in circumstances where a tied pub tenant issues a MRO Notice and, as a result of doing so, finds that the pub-owning business refuses to deliver the tied products on time, or at all. The tied pub tenant has exercised a Code right to ask for a MRO proposal, and because of this has been subject to detriment by not receiving products for sale as usual.
- In a regulation 50 dispute the tied pub tenant must give 21 days' clear notice to the pub-owning business of the alleged breach before referring it to the PCA. The tied pub tenant must include in their complaint details of the Code right they exercised/attempted to exercise and what detriment they have been subjected to as a result of exercising that right.
- Time and resources are wasted if a complaint is made under the wrong Code regulation. A referral risks being rejected if it is not made under the correct provision and within the relevant timescales. The PCA encourages tied pub tenants to seek their own independent professional legal advice for their specific circumstances.



More tools and templates

We are continuing to update the library of tools and templates to help guide tied pub tenants and their representatives as well as pub-owning businesses through the Code processes. A new document is now available on the PCA website (<u>www.gov.uk/pca</u>):

Pubs Code: <u>Market Rent Only (MRO) Negotiation Period Flowchart</u>. This identifies the different actions that tied pub tenants may take during the negotiation period from when they receive a MRO full response to when the MRO procedure ends with a tenant entering into an MRO tenancy. The flowchart also explains relevant deadlines that tied pub tenants need to follow.

Arbitrations

Questions about the process of arbitrations and the time it takes for disputes to be resolved continue to be asked. The PCA believes it would be helpful to provide some explanation about arbitrations under the Pubs Code.

Arbitration is designed to help resolve disputes under the Pubs Code and the intention is to obtain settlement without undue delay or expense. However, there is no set time it will take for a case to reach a conclusion and there are a number of issues can influence timing. These include: how many people are involved, how quickly the parties agree to procedures and provide relevant information and evidence, and how complicated the individual case is. Another important factor is that either the tied pub tenant or pub-owning business can request a case to be halted while they continue discussions themselves and this can stretch to a number of months.

Further information on Arbitrations is in Factsheet 14 on the PCA website - www.gov.uk/pca

PCA Enquiry Line

This is now staffed by dedicated caseworkers who can provide specialist information about your new rights, the Code and its processes.

Call **0800 528 8080** Monday to Thursday 9.30am to 5pm and Friday 9.30 to 4pm to speak to the caseworkers.

