

## **Main Changes to Updated Draft Pubs Code – 14<sup>th</sup> November 2014**

The changes to this updated version of the Pubs Code reflect amendments to the Small Business Enterprise and Employment Bill as tabled by the government on 13 November, as well as other changes that clarify existing provisions in the Code but that do not change the substance. This version of the Code does not reflect any changes to the Bill made at the House of Commons Report Stage.

The main changes in this version of the Code mean that the following requirements in the Code would apply only to large pub-owning businesses:

- designation of an employee as a code compliance officer and the requirement to produce an annual compliance report.
- ensuring that rent assessments are signed off by a qualified Royal Institution of Chartered Surveyors (RICS) valuer.
- requirements in regard to qualified persons set out in part 4 of the Code. which now rest on the requirement that the tenant has completed accredited pre-entry training which meets the Qualification Curriculum Authority's standards.
- requirements in relation to the training and practices of business development managers set out in part 9 of the Code. In addition the requirement for business development managers to record all business discussions and agreements with tenants has been qualified and it will now apply only to discussions about rent, repairs and matters impacting the tenant's business plan.
- requirement to inform tenants of the arrangements for treatment of their rent deposits.

Other more technical changes relate to existing Code provisions but do not change their scope. They include:

- the requirement to explain the process by which an agreement 'contracted out' of the Landlord and Tenant Act 1954 might be renewed, including the timeframe of notification to renew or otherwise.
- the information provided to tenants for rent assessments. This should be accurate when it refers to historic data, and reasonable where projected data.
- clarification that disputes about repairs may be arbitrated by the Adjudicator.
- a requirement for pub-owning businesses to inform their tenants when they cross the 500 tied pub threshold. Currently the Code requires only the Adjudicator to be informed.
- further clarification of the application of parts 7 and 8 of the Code to tied pub agreements that charge payments in lieu of rent.