



Office of the Pubs Code Adjudicator
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30 December 2020

Dear Minister Scully,

Outcome of the Statutory Review of the Pubs Code Adjudicator and the Pubs Code

Thank you for your letter of 3 November setting out the outcome of the first statutory review of the Pubs Code Adjudicator and the Pubs Code. I thought you would wish to understand the steps that my office already has in train, and those in the pipeline, to address the important points from the review and to implement the guidance issued pursuant to section 65(7) of the Small Business, Enterprise and Employment Act 2015.

Arbitration timescales, publication of awards and new rules

You note the progress that has been made in respect of resolving long-standing arbitration cases, including through the use of alternative arbitrators, and the publication of a number of arbitration awards to improve transparency. I have been working to secure further resource to support a more efficient award publication process and have recently published further awards and case summaries from older cases to support the transparency agenda. These new steps should enable a smoother process in future.

I welcome your commitment to considering how the Market Rent Only timescales and the dispute resolution procedure within the Pubs Code might be improved. My team and I will work with your officials to support their development of options for consultation and exploring the scope to develop effective dispute resolution arrangements.

PCA's functions and increasing awareness of Pubs Code rights

As you have noted my office is already working with your officials on developing a set of key performance indicators. I am in complete agreement on the importance of new tenants understanding their Code rights and enabling the Code to provide its full reach from the outset of the tied relationship.

Pubs Code enquiries to 0800 528 8080 or enquiries@pubscodeadjudicator.gov.uk
Website: www.gov.uk/pca



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As you are aware, I commissioned user research earlier in the year to understand the most effective ways to communicate Pubs Code rights to tied tenants. As part of the PCA wider awareness and transparency strategy, this project will be crucial to develop a thorough understanding of the breadth of tenants needs and the barriers to information sharing that currently exist. This project is expected to lead to improved methods and approaches by the PCA and others in communicating Pubs Code rights, so that tied tenants can be fully aware of those rights and how to exercise them.

This user research will lead to an evidence-based plan to provide clarity on what the Pubs Code can do for tied tenants and give confidence in how the PCA can promote, ensure compliance with and enforce the Code. I envisage that the outcome of this research will be published shortly and will be focused on digital developments including how accessible and easy to locate information is the PCA website such as awards, improving communication channels, enquiry handling and engagement with our stakeholders.

Statutory Guidance issued by the Secretary of State to the Pubs Code Adjudicator pursuant to section 65(7) of the Small Business, Enterprise and Employment Act 2015

I am currently taking the following steps to implement the statutory guidance. For ease of reference, I have followed the same lettering as in your letter.

- a) In relation to the use of external arbitrators, my office is in the process of developing service standards to which all arbitrators appointed by the PCA will be required to adhere in taking on Pubs Code arbitrations. These standards will be aimed at promoting timeliness, quality, and consistency across arbitrators. I am also considering options to ensure delivery of further Pubs Code arbitrator training to make arbitration as effective as possible.
- b) I fully appreciate the need where possible to give stakeholders information about how the PCA deals with reports of alleged non-compliance. This must be consistent with the regulatory agenda and within the legal framework under which I am bound to operate. My office is considering in what ways it can be clearer how the information received from stakeholders about alleged non-compliance with the Pubs Code is managed by the PCA.
- c) I understand that providing more public information about when regulatory interventions have been successfully used can support tied tenant confidence in the ability of the PCA to bring meaningful change. My team is considering opportunities for doing this.

I have been developing ways of more effective communication with tied tenants, including a monthly Morning Advertiser article. I expect to use the



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outputs of the user research to further develop the digital offering of PCA information and I welcome your offer of working with your officials on improving the PCA website.

- d) Prior to the publication of the Statutory Review findings the PCA had already started work to engage with the Code Compliance Officers (CCOs) for the regulated pub owning businesses (POBs) to improve new entrant experience and their understanding of their Code rights. This includes seeking an action plan to enable objective measures to benchmark new tenant confidence and Code awareness that can be in place by April 2021. I met with the CCOs at the end of November about this.

I welcome the opportunity to work with your officials on the issues you have highlighted. I remain committed to ensuring that the core Pubs Code principles bring about effective change in the industry through the Pubs Code and welcome the opportunity to update you on further progress in due course.

Yours sincerely,

Fiona Dickie
Pubs Code Adjudicator