



# Department for Business, Innovation & Skills

## **Small Business, Enterprise and Employment Act: The Pubs Code Adjudicator and the Pubs Code fact sheet**

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## The Pubs Code Adjudicator and the Pubs Code

### Aims of the measure:

- The introduction of a Statutory Pubs Code and independent Adjudicator will address the imbalance in bargaining power between large pub owning companies and their tied tenants. It will help ensure fair treatment for the sole traders and small businesses that run thousands of tied pubs across England and Wales.

### Measure(s) will:

- Provide tied tenants of large pub-owning companies with increased transparency, fair treatment, the right to request a rent review if they have not had one for five years, and the right to take disputes to an independent Adjudicator.
- Following amendments made in the House of Commons, the measures also include a Market Rent Only option. This requires large pub-owning companies to offer their tied tenants the right to become free-of-tie at certain trigger points. The tenant would then pay a market rent for the pub but be able to purchase beer and other products from any source.

### Specific outcomes and impacts:

- The Adjudicator will arbitrate disputes and investigate systemic breaches of the Code, with the power to impose sanctions – including financial penalties – if it finds the Code has been breached.
- Tied tenants will have a strengthened, more informed negotiating position in dealing with their pub owning company; and pub owning companies will have to behave as the best ones already do, treating tied tenants fairly and offering them a fair share of risk and reward.

For further information, go to:

<https://www.gov.uk/government/consultations/pub-companies-and-tenants-consultation>



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