

Bulletin

October 2017

Tenant survey

The PCA is launching a tenant survey to find out how much tied pub tenants know about the Pubs Code and how it is working for them.

Paul Newby has commissioned independent research company, Growth for Knowledge (GfK), to carry out the telephone survey during November. 400 tenants representing the six pub-owning businesses regulated under the Pubs Code will be contacted directly by GfK and interviews should take about 15 minutes.

The survey will cover topics such as tenants' awareness of their Code rights, their experiences in exercising these rights and their relationship with their pub-owning business. It will also look at how the PCA can share information more effectively with tenants in future.

If you are contacted by GfK please find time to answer the questions as this survey will provide very valuable information for the PCA. It will help identify key issues that need further work and action with the pub-owning businesses. All responses will be confidential and non-attributable. The PCA will publish the results early in 2018.

New Deputy Pubs Code Adjudicator appointed

The PCA is pleased to welcome Fiona Dickie who has been <u>appointed</u> as Deputy Pubs Code Adjudicator.

Ms Dickie was called to the Bar in 1993, has been a Vice President of the Valuation Tribunal since July 2009 and was appointed Judge of First-tier Tribunal (Property Chamber) in 2013. She takes up her role on 1 November and will support Mr Newby in enforcing the Pubs Code.

Independent Assessor fees

When a pub-owning business and a tied pub tenant jointly appoint an Independent Assessor to determine the market rent of a pub, the Pubs Code requires the fees to be shared equally by both parties.

As a guide to appropriate fees you may find it helpful to refer to the fee structure agreed between RICS and its members for cases where the PCA is required to appoint an Independent Assessor when parties have been unable to agree. The fee structure is published on the PCA website as well as on the RICS website.

You can read more about the appointment of Independent Assessors on the <u>PCA website</u>.



Reporting Unfair Business Practices to the Secretary of State

The PCA has received a number of enquiries about whether, following the recent MRO review, he will make a report on unfair business practices to the Secretary of State for Business, Energy and Industrial Strategy.

Mr Newby is rigorously pursuing tenants' concerns with the pub-owning businesses and intends to publish the outcome of that work in the coming weeks. He is prepared to use his statutory enforcement powers to ensure compliance, if necessary.

His power to make a report to the Secretary of State is a different matter; it relates to the effectiveness of the Pubs Code not its enforcement. Legislation provides the PCA with a mechanism to make recommendations to ministers about business practices that he believes are unfair to tied pub tenants, and are designed to avoid the Pubs Code but are not breaches of the Pubs Code. The PCA will not make such a report unless he is satisfied that any action of a pub-owning business meets this definition.

Investment exceptions

The PCA has been asked for his view on whether the contractual obligations of a tied pub tenant as well as those of their pub-owning business are excluded from a qualifying investment that delays the tenant's right to a Market Rent Only (MRO) option.

The Pubs Code enables a tied pub tenant to make a request for a MRO option in certain circumstances. However, this right can be restricted for a period of time where a written investment exception agreement is in place between the tied pub tenant and the pub-owning business for a significant investment in the tied pub.

In order to be a qualifying investment under the Pubs Code, the amount of the investment must be equal to at least twice the pub's rent. Contractual obligations of either the tied pub tenant or the pub-owning business – such as repairs and maintenance – are excluded from what may constitute a qualifying investment.

Factsheet 9 – Investment Exceptions provides further information.

Find out more about the Pubs Code

The PCA has produced six short videos which provide information to tied pub tenants on their Pubs Code rights and explain the role of the Adjudicator. They are available on the PCA
Website. We encourage tied pub tenants to watch these videos so that they are aware of their rights under the Code and the strict time limits that apply when exercising these rights.

The PCA Enquiry Line, staffed by expert caseworkers, can also provide specialist information about your 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.

