

What Tied Pub Tenants Need to Know

Short Agreements



How to use this factsheet:

This factsheet is for tied pub tenants who want to know about short agreements and their rights under the Pubs Code.

It provides information to support tenant understanding. It is not a substitute for the Pubs Code legal framework.

Our website also contains other useful information about accessing your Pubs Code rights: www.gov.uk/pca

Contents

What is a short agreement?	3
I have a short agreement. What Code rights apply to me?	3
When will I have full Code rights?	4

At a glance...short agreements

Most rights in the Pubs Code do not apply to short agreements. But you do have some Code rights before you enter into a short agreement. This factsheet sets out what these rights are.

A short agreement in the Pubs Code is a tied agreement which is either a tenancy at will or a tied tenancy which (including when considered together with any other agreements) entitles the tied tenant to occupy the pub for under 12 months.



Terms and abbreviations

Term/abbreviation	What it means
Code	The Pubs Code etc. Regulations 2016
MRO	Market Rent Only
Market Rent Only Option	The option for you to occupy the tied pub under a MRO-compliant tenancy and to pay a rent you have agreed with the POB in line with the MRO procedure or, failing such agreement, the market rent
PCA	Pubs Code Adjudicator
POB	Pub-owning Business (often referred to as pub company)
Rent Assessment	An assessment of the rent you must pay in relation to an existing tenancy
Pubs Entry Training	Training which is designed to raise awareness of the matters involved in operating a pub and entering into product ties and other agreements
Rent Assessment Proposal	A proposal made in accordance with Part 4 of the Code
Rent Proposal	A proposal made in accordance with Part 3 of the Code
TPT	Tied Pub Tenant (including a prospective tenant)

Short agreements

What is a short agreement?



See Pubs Code - Regulation 2(1)

Your tied tenancy will be classed as a short agreement under the Code if it is either:

- 1. A tenancy at will; or
- 2. An agreement entitling you to occupy the pub for less than 12 months.

You must consider your short agreement with any other short agreements between you and the pub-owning business (POB) for that pub because you will have full Code rights if together, they entitle you to occupy the tied pub for 12 months or more.

I have a short agreement. What Code rights apply to me?



See Pubs Code - Regulations 14 and 54

If you and the POB enter into a short agreement, you have the right to receive certain information from your POB before entering into the agreement.

Before entering into a short agreement, the POB must:

- Provide you with **information** about:
 - the rent payable and arrangements for paying utility bills
 - maintenance and repair obligations
 - > responsibility for utility and safety certificates
 - > obligations in relation to the purchase tied products and services, the payment of deposits and the transfer of employment rights
 - liability for fees, charges and penalties.
- Advise you to complete **pubs entry training** unless any of the following apply:
 - the POB has previously granted you a tied agreement (that is not a short agreement)
 - you have at least one other pub under a tied agreement (that is not a short agreement)
 - > you can show three years' relevant business management experience.

All other Code rights will **not** apply to you, such as the right to request a Market Rent Only option, Rent Proposal or Rent Assessment Proposal.

Information about these and other rights applying to Tied Pub Tenants (TPTs), including those who do not have a short agreement, can be found on the Pubs Code Adjudicator website.

When will I have full Code rights?

You will have full Code rights at the point you enter an agreement that entitles you to occupy the tied pub for more than 12 months.

When calculating the 12-month period, you add together all tied agreements you have had between you and the POB for that pub. For example, if you had a tied agreement with a POB to occupy a pub for six months and then you entered another agreement to occupy the pub for ten months, when entering into the second agreement you would be entitled to full Code rights. These agreements do not need to be back-to-back, there could be a gap between them.

Once you have been on a tenancy at will for 12 months, you will have full Code rights.



If you have any queries or concerns about the status of your pub agreement or your Code rights, you may contact your POB's **Code Compliance Officer (CCO)**.

To find out more about the role of the CCO and for their contact details, please see our helpful factsheet

If you have a dispute with your POB about whether it has complied with its duties under the Code, you may be able to refer the dispute to the PCA for arbitration. To make an arbitration referral, please complete the Referral Form.

For more information about:

- Making a referral to the PCA and what may be referred see our <u>factsheet on Pubs Code disputes</u>.
- Getting help and support with the Pubs Code and arbitration, see our helpful factsheet.

Questions about this factsheet

For **general queries** about the information in this factsheet, you may contact our enquiry service.

Please note, we can provide information about your rights, the Code and our processes. We cannot advise you about your case.



Complete our online enquiry form at www.gov.uk/pca



Email: office@pubscodeadjudicator.gov.uk



Call **0800 528 8080** to request a call back

This factsheet provides information to support tenant understanding. It is not a substitute for the Pubs Code framework.

You may find it helpful to take independent professional advice before making any decisions that may affect you and your business.

Find out more

Follow the PCA on social media @pubscodepca









Access other PCA factsheets in the series:

'What Tied Pub Tenants Need to Know'



