
DRAFT STATUTORY INSTRUMENTS

2016 No.

The Pubs Code etc. Regulations 2016

PART 3

**Duties of pub-owning businesses in their dealings
with their tied pub tenants: rent proposals**

Duty to provide a rent proposal

15.—(1) Where any of paragraphs (2) to (7) apply, the pub-owning business must provide a rent proposal to the tied pub tenant.

(2) This paragraph applies where—

- (a) the tenant receives a notice from the pub-owning business under section 25(1)(1) of the Landlord and Tenant Act 1954;
- (b) the tenant requests a rent proposal within the period of 21 days beginning with the day on which the notice is received; and
- (c) the pub-owning business has not—
 - (i) within the time ordinarily allowed, opposed under section 24(1)(2) of the Landlord and Tenant Act 1954, the tenant's application for a new tenancy; and
 - (ii) within the time ordinarily allowed, applied to the court, under section 29(2)(3) of that Act, for an order for the termination of the tenancy.

(3) This paragraph applies where—

- (a) the tenant receives a notice from the pub-owning business under section 25(1) of the Landlord and Tenant Act 1954;
- (b) the tenant requests a rent proposal within the period of 21 days beginning with the day on which the notice is received; and
- (c) the pub-owning business—
 - (i) opposes the tenant's application under section 24(1) of that Act for a new tenancy; or
 - (ii) applies to the court, under section 29(2) of that Act, for an order for the termination of the tenancy.

(4) This paragraph applies where—

- (a) the tenant makes a request for a new tenancy under section 26(4) of the Landlord and Tenant Act 1954;
- (b) the tenant requests a rent proposal within the period of 21 days beginning with the day on which the request for a new tenancy is made; and

(1) Section 25(1) was amended by [S.I. 2003/3096](#).

(2) Section 24(1) was amended by section 3(2) of the Law of Property Act 1969 and by [S.I. 2003/3096](#).

(3) Section 29(2) was substituted by [S.I. 2003/3096](#).

(4) Section 26 was amended by [S.I. 2003/3096](#).

- (c) the pub-owning business has not—
 - (i) within the time ordinarily allowed, opposed the tenant’s application for a new tenancy under section 24(1) of that Act; and
 - (ii) within the time ordinarily allowed, applied to the court, under section 29(2) of that Act.
- (5) This paragraph applies where—
 - (a) the tenant makes a request for a new tenancy under section 26 of the Landlord and Tenant Act 1954;
 - (b) the tenant requests a rent proposal within the period of 21 days beginning with the day on which the request for a new tenancy is made; and
 - (c) the pub-owning business —
 - (i) opposes, under section 24(1) of that Act, the tenant’s application for a new tenancy under section 26 of the Landlord and Tenant Act 1954; or
 - (ii) applies to the court under section 29(2) of that Act.
- (6) This paragraph applies where—
 - (a) there is a change in the amount of rent or money payable in lieu of rent payable by the tenant under the tenancy or licence except where the change is due to an annual or other periodic indexation of rent which was agreed by the tenant when the tenancy or licence was entered into; and
 - (b) the tenant requests a rent proposal within the period of 21 days beginning with the day on which the change is notified to the tenant.
- (7) This paragraph applies where the pub-owning business notifies the tenant of a proposal to negotiate a new agreement with the tenant.
- (8) A pub-owning business is not required to provide a rent proposal where—
 - (a) the event in paragraph (6) occurs; and
 - (b) regulation 19(1) applies in connection with the initial or revised rent.

Contents of the rent proposal

- 16.—**(1) A rent proposal provided under regulation 15 must contain—
- (a) a proposal for, or information about the change in, the rent, or money payable in lieu of rent, which is to be paid under the tenancy or licence (“the initial or revised rent”);
 - (b) where a new tenancy or licence is proposed, any other terms of the tenancy or licence being proposed;
 - (c) the information specified in Schedule 2; and
 - (d) any other information which—
 - (i) the tenant requires to understand or negotiate the initial or revised rent in an informed manner; and
 - (ii) the pub-owning business would reasonably be expected to give to the tenant.
- (2) A pub-owning business is not required to comply with paragraph (1)(c) in respect of any information in Schedule 2—
- (a) which—
 - (i) has already been provided to a tied pub tenant in connection with the tenancy or licence; and
 - (ii) has not changed materially since it was provided; or

(b) which is not reasonably available to the pub-owning business.

(3) The pub-owning business must prepare the rent proposal in accordance with the RICS guidance, and the rent proposal, when provided, must be accompanied by written confirmation, from a member or fellow of the RICS, that the proposal has been so prepared.

When the rent proposal must be provided

17. A rent proposal provided under regulation 15 must be provided—

- (a) where regulation 15(2) applies, within the period of 21 days beginning with the day on which the tenant requests the proposal;
- (b) where regulation 15(3) applies, within the period of 21 days beginning with the day on which the court makes an order for the grant of a new tenancy;
- (c) where regulation 15(4) applies, within the period of 2 months beginning with the day on which the tenant makes the request for a new tenancy under section 26 of the Landlord and Tenant Act 1954;
- (d) where regulation 15(5) applies, within the period of 21 days beginning with the day on which the court makes an order for the grant of a new tenancy;
- (e) where regulation 15(6) applies, within the period of 21 days beginning with the day on which the request is made;
- (f) where regulation 15(7) applies, before the tenant considers the advice referred to in regulation 10(2)(a).

Further information and advice in relation to the rent proposal

18.—(1) The pub-owning business—

- (a) must comply with any reasonable request for further information which—
 - (i) is relevant to the negotiation of the initial or revised rent; or
 - (ii) may allow the tied pub tenant to understand that rent,

and which is made by the prospective tenant or a person acting on behalf of the tenant; or

- (b) must provide to the tied pub tenant, within the period of 7 days beginning with day on which the request was received, a reasonable explanation why the information required is not provided.

(2) The pub-owning business must advise the tied pub tenant to obtain independent professional advice in connection with the initial or revised rent before the tenant agrees that rent.