

*These notes refer to the Small Business, Enterprise and Employment Act 2015 (c.26) which received Royal Assent on 26 March 2015*

# **SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015**

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## **EXPLANATORY NOTES**

### **BACKGROUND AND SUMMARY**

#### **Part 4: Pubs Code and Adjudicator**

58. There have been longstanding concerns about imbalance, unfairness and lack of transparency in the relationship between tied pub tenants and pub-owning businesses. These concerns have been explored by several Business Select Committees over a period of ten years, with further evidence supplied by responses to a Government Call for Evidence in 2012 and correspondence to Ministers. This led to a public consultation in 2013 and the Government Response to that consultation in June 2014. In response to the concerns about the relationship between tied tenants and pub-owning businesses, Part 4 of the Act introduces a statutory Pubs Code for England and Wales setting out obligations on certain pub-owning businesses in their dealings with their tied pub tenants, and an independent Pubs Code Adjudicator to enforce it. It also gives those tenants the option, at certain trigger points, to replace their tied arrangements with a market rent only agreement. The objective is to ensure that tied tenants of certain pub-owning businesses are no worse off than free-of-tie tenants, that tied agreements offer a fair share of risk and reward to both parties and that the relationship between them is based on the principle of fair and lawful dealing.