



What Tied Pub Tenants Need to Know

Rent Proposals



How to use this factsheet:

This factsheet is for tied pub tenants who want to know more about the duties of pub-owning businesses in relation to **rent proposals**.

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

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Terms and abbreviations

Term/abbreviation	What it means
Code	The Pubs Code etc. Regulations 2016
PCA	Pubs Code Adjudicator
POB	Pub-owning business (often referred to as pub companies)
LTA	Landlord and Tenant Act 1954
Rent Proposal	A proposal made in accordance with Part 3 of the Code
RAP	Rent Assessment Proposal (a proposal made in accordance with Part 4 of the Code)
MRO	Market Rent Only
MRO Event	An event which gives a tied pub tenant the right to request the MRO option from the pub-owning business (to go free of tie).

At a glance...rent proposals

A rent proposal contains details of the rent that a POB proposes you pay for your pub tenancy. It is intended to help you understand and negotiate the amount of rent.

You may receive a rent proposal from your POB when:

- You are negotiating a new agreement;
- You are renewing your tenancy under the LTA; or
- The POB changes the rent payable for your tenancy (certain exceptions apply).

Depending on the circumstances, in order to be entitled to a rent proposal you may need to request one from your POB. The time limits for you to request a rent proposal can be found in this factsheet.



Rent Proposals

A rent proposal tells you the rent which the pub-owning business (POB) proposes you will pay under your tied tenancy. It also includes information to help you understand the proposal and negotiate.

When should I receive a rent proposal from the POB?



See Pubs Code – Regulation 15

New Agreement

The POB **must** provide you with a rent proposal if it wants to negotiate a new agreement with you. You do not have to ask for this.

On Request (where the following applies)

You may ask for a rent proposal in relation to your **existing tenancy** when either:

- you are renewing your tenancy under the LTA
- the POB changes the rent, unless:
 - that change is because of annual or other periodic indexation of rent which you agreed when you entered the tenancy; or
 - that change in rent meant that you had the right to receive a Rent Assessment Proposal under the Code.

How long do I have to request a rent proposal and how long does the POB have to provide it?

 See Pubs Code – Regulation 17

There are strict deadlines for requesting a rent proposal. The following table will help you to work out when you can request a rent proposal and how long the POB has to provide this to you.

Your Request		POB's Response	
What gave you the right to request a rent proposal?	Time limit to request a rent proposal	Has the POB opposed your application for a new tenancy - or - applied to the court to end the tenancy?	Time limit for the POB to provide its rent proposal
I received a notice under Section 25(1) of the LTA	Within 21 days of you receiving the notice	No	Within 21 days of your rent proposal request
		Yes	Within 21 days of the court ordering the grant of a new tenancy
I requested a new tenancy under Section 26 of the LTA	Within 21 days of your request for a new tenancy	No	Within two months of the day, you requested a new tenancy under Section 26
		Yes	Within 21 days of the court ordering the grant of a new tenancy
I have been notified of a change in rent (or money payable instead of rent)	Within 21 days of you being notified of the change	N/A	Within 21 days of your rent proposal request
I have been notified of a proposal to negotiate a new agreement	No request necessary	N/A	Before you consider independent professional advice in relation to preparing your business plan.

What must a rent proposal include?

 See Pubs Code – Regulation 16

The POB **must include** in its rent proposal:

- The proposed amount of rent (or money payable instead of rent). This will either be the “**initial rent**” for the new tenancy, or the “**revised rent**” where the rent is changing under your existing tenancy.
- Any other **proposed tenancy terms** (where the POB is proposing a new tenancy).
- Information in **Schedule 2** of the Code.

The POB does not have to give you any information in Schedule 2 which it has already given you in connection with the tenancy and which has not materially changed since. It also does not have to give you any Schedule 2 information that is not reasonably available to it.

- Any **other information** which you need to understand or negotiate the initial or revised rent in an informed manner and which it would be reasonable to expect the POB to give you.

What else must the POB do?

 See Pubs Code – Regulation 18



Comply with any **reasonable request** for information which you or your representative makes, which is relevant to negotiating the initial or revised rent or which may help you to understand that rent. If the POB does not provide the information, they must give you a reasonable explanation as to why they are not providing it within 7 days of your request.





Advise you to obtain **independent professional advice** in connection with the initial or revised rent before you agree to it.



Prepare the rent proposal in line with the **Royal Institution of Chartered Surveyors (RICS) guidance**. A member or fellow of RICS must confirm in writing that the POB has done this. The POB must then give you this written confirmation with the rent proposal.

How is a rent proposal different to a rent assessment proposal?

Where the POB has to conduct a rent assessment under the Code, it must send you a document called a Rent Assessment Proposal (RAP). Although a rent proposal includes similar information to a RAP, it does **not** allow you to request the Market Rent Only (MRO) option.

-  Receiving a rent proposal **is not a MRO event** that allows you to request the MRO option (to go free of tie).
-  Receiving a RAP **is a MRO event**.



For more information about Rent Assessments (including when the POB must send you a RAP), see factsheet:

[What Tied Pub Tenants Need to Know – Rent Assessments and Rent Assessment Proposals.](#)

The POB has not done what the Code requires in relation to the Rent Proposal. What can I do?



See **Small Business, Enterprise and Employment Act 2015 – s.48 and s.49**

If the POB has not acted in line with the Code you can make an **arbitration referral to the PCA**. To make a referral, you must first do the following:

1. **Notify the POB** of the alleged non-compliance.
2. Allow **21 days** to pass beginning with the date you notified the POB.
3. Make an arbitration referral to the PCA within **4 months** beginning with the date you could have first made the referral.





If you have any queries or concerns about the steps your POB is required to take or has taken when providing a Rent Proposal, you may wish to 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 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 [factsheet on Pubs Code disputes](#).
- **Getting help and support** with the Pubs Code and arbitration, see our helpful [factsheet](#).

The POB must not subject you to any detriment for using the Pubs Code



[See Pubs Code – Regulation 50](#)

Your POB must not subject you to any detriment because you exercise, or try to exercise, any right under the Code. You can report this to the POB's CCO or make an arbitration referral if appropriate.

Unenforceable terms



[See Pubs Code – Regulation 57](#)

Any term in your tied agreement that penalises you for requiring the POB to act, or not act, in accordance with your Code rights cannot be enforced.

Questions about this factsheet

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



Complete our [online enquiry form](https://www.gov.uk/pca) at www.gov.uk/pca



Email: office@pubscodeadjudicator.gov.uk



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

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

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](https://twitter.com/pubscodepca)



Access other PCA factsheets in the series:

['What Tied Pub Tenants Need to Know'](#)



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