



Press Release from The British Institute of Innkeeping (BII)

PCA must take decisive action to end confusion over Market Rent Only option

The British Institute of Innkeeping (BII) has responded to the Market Rent Only Verification Exercise report published today by calling for the PCA to act now to end the uncertainty and confusion surrounding the process.

Since the inception of the Pubs Code the BII has constantly pointed out that without clarification the Code can be interpreted in many ways. The resulting uncertainty has led to many referrals to the PCA and is adding costs for all parties particularly tenants and lessees who are always under time and financial pressures. The proof of this lies within today's report which shows only 11 MRO agreements being completed from nearly 500 applications with 130 referrals to the PCA from July 2016 to April 2017.

Mike Clist, the BII's CEO, said: "This is a complicated piece of legislation, and there were always going to be challenges in how it was interpreted. Our view is that it is the clear role of the PCA as the arbiter of the process to clarify any areas where uncertainty abounds. The delays to date in doing this are bringing stress and hardship to many of our members as they await clear guidance on how to proceed. That said, we are aware that many of our members have secured good tied deals with their pub companies and that many still wish to remain tied and have faith in the tied system. The Code was intended to give our members a choice should they so wish and to date we feel that choice is subject to too many delays.

"We now need the PCA to take decisive action by giving clear guidance on what is acceptable and what is not and that the backlog of referrals be cleared and delays in obtaining an MRO agreement where requested shortened. It is these delays and not knowing the likely outcome for their businesses that is causing anxiety amongst our members.

"The BII is committed to helping our members to understand the process and make their applications for MRO should they so wish. We will continue to work with POB's, PCA and other trade organisations to this end. It should be remembered that we are only just over a year in to the process and that there are still a vast number of tenants and lessees of the big six estates that still have the right to apply for MRO over the next four years. As an industry we need to address the problems now or this backlog will just continue to grow and frustrate all concerned."

ENDS