

Business, Energy and Industrial Strategy Committee

Oral evidence: Pubs Code Adjudicator, HC 589

Tuesday 12 July 2022

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Members present: Darren Jones (Chair); Tonia Antoniazzi; Ms Nusrat Ghani; Paul Howell; Mark Jenkinson; Charlotte Nichols; Mark Pawsey.

Questions 72 - 111

Witnesses

III: Fiona Dickie, Pubs Code Adjudicator; Alesha De-Freitas, Deputy Director, Competition Policy, BEIS.

Examination of Witnesses

Witnesses: Fiona Dickie and Alesha De-Freitas.

Q72 **Chair:** We welcome Fiona Dickie, who is the Pubs Code Adjudicator, and Alesha De-Freitas, who is the deputy director for competition policy at the BEIS Department.

Fiona Dickie, you have been in the room to hear all the evidence this morning. It has been pretty critical of the performance of your predecessor and you as the Pubs Code Adjudicator. What is your initial response to that criticism?

Fiona Dickie: My initial response, having listened to the evidence of the stakeholders this morning, is that I did not hear any facts or data, or instances or specific evidence, to back up a lot of general allegations. What I really would impress upon the Select Committee is that it is important that you understand that this is a statutory review that is in train in relation to the period from April 2019 up until March 2022. It is very important that the conversation is up to date.

The pubs code was introduced to address serious issues in an industry that Parliament would not have chosen to regulate, had it not had good cause. Four Select Committees did find evidence of bad practices in this industry. They found evidence of lack of transparency, delay in opening rent negotiations, ignoring of verbal agreements and repairing agreements, and even harassment of vulnerable tenants.

It is very important to look at the evidence to understand how far we have come. When I came to this industry from outside of the pub trade, I was really struck by how many different perspectives and opinions there were, and how assertions seemed to take precedence over evidence.

Very early on, I committed myself to the evidence. I have a lot of evidence for the Secretary of State in my statutory review submission in relation to all of the issues that you have been discussing today. If I do not get the opportunity to share that with you in summary today, it will be in my statutory review submission, but I am here to provide you with all the evidence and information that you need to understand how best you can support the industry.

Q73 **Chair:** There was a criticism earlier that the basis of your evidence and the data collection that your office brings in may be skewed towards the pubcos or pubco-influenced groups, and an assertion that you refused to meet some of the tenant groups. Is that right?

Fiona Dickie: I think the reference was to my recent tied tenant survey. I have just conducted the first tied tenant survey since 2019. It is the first since I took up office as adjudicator. Were it not for the pandemic, it would be my third annual survey.



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It contains some very important results to show us the temperature in the regulated tied sector. That survey was carried out entirely independently by Ipsos MORI. The published methodology for that survey can be found on my website. It explains exactly how it selected the tenants. Yes, the pub companies provide all the tenant details, but then Ipsos MORI verifies that it has the right number of tenant details, so that it is clear that the pub company has come with open hands. Ipsos MORI then selects the ones that it is going to engage in the survey. I am absolutely confident that that data is reliable.

I upped the number of tenants engaged in that survey from 400 to over 600, specifically so that I could get more statistically reliable evidence of tenant attitudes, and also specifically so that I could compare the pub companies. That has not been done before. For example, I now know that the most satisfied tenants of pub companies are at Admiral: 80% of its tied tenants are satisfied with the relationship that they have with that pub company; 12% are dissatisfied. At the other end of the scale, 47% of Punch tenants are satisfied in their pub company relationship. I am satisfied that that data is reliable, and criticism of that is not justified.

Q74 Chair: What about the assertion that you do not meet with the tenant groups?

Fiona Dickie: I meet and engage with a range of stakeholders. I seek not to have favourites, but what I always do when I am engaging with them is to ask them to provide me with evidence to support general assertions that they make.

I have a small office in Birmingham. We are only about 12 people. We work very hard. We have a very big brief. We have also been confined to our homes for two years under Covid, so, yes, engagement could have been better. We have recently engaged with a wide range of stakeholders in relation to our forward-looking strategy for the next three years, and partnerships are going to be a big part of that strategy.

Could engagement with stakeholders have been better? Yes, but I would defend any particular step that I have taken, based on whether I have found that a particular stakeholder has some evidence that is going to help me on my journey.

Q75 Chair: Just on that point, we have oversight of lots of BEIS bodies, regulators and adjudicators. Let me give you one example. Ofgem, the energy regulator, meets frequently with billpayers to understand the pressures that they are facing. They do not expect a billpayer to come with quantitative evidence about how they or their group of people are faring in the energy market, because they are a consumer. They do not have the financial ability to come with evidence in the same way that a big company might do.

Do you not recognise that, for some of these tenants, who are probably struggling to make ends meet, asking them to come with research papers or evidence excludes them from the process of being able to feed into



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you with their adjudications?

Fiona Dickie: No, I apologise if I was not clear. When I was talking about stakeholders, I was referring to representative groupings that want to discuss and engage constructively about how we make this industry better. My office is available to tied tenants who want to inquire about their code rights and to engage with me about how they can further their code interests. My staff are available to answer their inquiries. I also have engaged directly with tenants through, for example, code compliance officer-arranged events. I had a public meeting in March.

Q76 **Chair:** Can I just stop you a second? There are two points that I want to follow up on. First, you just said that you are willing to meet with people who are constructive, so are you making a decision that some campaign groups that legitimately represent tenants are not being constructive and, therefore, you will not meet with them? Is that a decision that you take?

Fiona Dickie: No.

Chair: What did you mean by that?

Fiona Dickie: I have not declined to meet with anybody. I have asked for evidence and—

Q77 **Chair:** What did you mean by your comment about meeting with groups that are constructive?

Fiona Dickie: That is a good principle to apply.

Q78 **Chair:** It assumes that, therefore, there are some groups that are not being constructive. Is that what you are saying?

Fiona Dickie: As I said at the beginning, it is an industry with an awful lot of tension in the past and an awful lot of perspectives, and I seek to maintain my independence while furthering the rights that Parliament gave to tenants. The most important engagement that I have done—and I have done a lot of it—is engaging directly with tenants. If you want me to discuss the survey results, I am happy to do so.

I also think I have been straight when I have said that engagement and partnership could be better. We have recently engaged about resetting our partnership strategy and are about to publish that and move forward.

Q79 **Chair:** The reason I am concerned is that your role, as I see it, is to engage with stakeholders, however they form themselves. It is for them to decide how they make their groupings, their trade bodies or their campaigning organisations. You should be listening to all of them, at least as a courtesy.

Fiona Dickie: I agree, and my office, although it is small, has its ears open all the time.

Q80 **Chair:** Yours is a full-time role, is it?



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Fiona Dickie: Yes. All the issues that are before the Committee today are ones that my office is aware of, engaged with, understands and is seeking to understand better.

Q81 **Chair:** When did you last meet the British Pub Confederation?

Fiona Dickie: It was before the pandemic, possibly in 2018.

Q82 **Chair:** That is a very long time ago, is it not? Why have you not met with them since 2018?

Fiona Dickie: I am afraid that I cannot even refer to the correspondence. I am happy to go away and look at any requests for meetings that I have had and how I have responded to them.

Q83 **Chair:** Should you not be asking to speak to them? They said to us earlier that they were trying to speak to you and cannot get hold of you.

Fiona Dickie: I have engaged with them. We have just recently done this strategy, and we have interviewed a number of stakeholders—I think Mr Mulholland was one of them—and that was in May this year.

Q84 **Chair:** What about the Campaign for Pubs?

Fiona Dickie: I would have to check whether they were involved in the same series of meetings around our partnership strategy. Possibly they were.

Q85 **Chair:** Ms Dickie, there is a problem here. I am requesting that you find the time to meet with them, and I would like to be told when you have that in your diary, please, in the next three months.

Fiona Dickie: Certainly.

Q86 **Chair:** Thank you.

Alesha, can I come to you, please? There have been some concerns today about competition and consumer pricing pressures within the pubs market. We requested information from the pubcos earlier about the alleged differential pricing between tied pubs and those that are not tied. Do you have any concerns about that from the Department's perspective?

Alesha De-Freitas: First, I would like to thank you for inviting me here today to speak. It is really important that the Committee inputs as part of the statutory review.

When it comes to competition in the pubs market, it is the role of the CMA to investigate if markets are uncompetitive. CAMRA, which is not here today, has a special role in being designated to refer super-complaints to the CMA, if it has a particular reason to do so. The Government have not raised any issues specifically with the CMA to date.

Q87 **Chair:** How often does Ms Dickie send issues to the Department about unfair practices, bad behaviour or concerns generally about the relationship between pubcos and tenants?



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Alesha De-Freitas: We meet Ms Dickie frequently in different ways. She has, to date, had six-monthly meetings with the Minister, where they will discuss her annual report. If you are referring to her powers under raising unreasonable grounds, none has been specifically raised with the Minister.

Q88 **Chair:** Are you surprised by that?

Alesha De-Freitas: It is for Ms Dickie to identify and raise issues with us formally. Several issues are raised informally as well through discussions with the Minister, and we have a very open dialogue about the way that the market is moving and things that are changing.

Q89 **Chair:** Just lastly—forgive me if I have this wrong—but we also have a Groceries Code Adjudicator in the Department. Do you have oversight in a similar way? You do. How do the two compare from your perspective?

Alesha De-Freitas: They are very different organisations. The groceries code came about from an investigation by one of the CMA's predecessors, so it is a competition policy instrument, whereas the pubs code originated, as you have heard, from Parliament and from the campaigning organisations.

Fundamentally, while both have fairness at their heart, they regulate two very different sectors with very different sets of players in them. The groceries code regulates the entire groceries market and suppliers to 14 supermarkets, and those suppliers may be very big companies in their own right, or they may be very small.

The pubs code regulates about a quarter of pubs in England and Wales, so it does not look at the whole model. In many cases, tenants have one pub. They might be new to the market. They are individuals who are putting their heart and soul in, as well as, in many cases, their life savings. The way in which you have to engage with the sectors is very different. The adjudicators have a lot of discretion in how they discharge their functions, and their decisions reflect the markets that they regulate.

Q90 **Chair:** Ms Dickie, would you like to see any change in the statutory scope of your powers in comparison to other adjudicators?

Fiona Dickie: There is one area, and it does relate to the unfair business practice provisions, which have been in discussion this morning. In relation to a suspected breach of the code, I have powers to launch an investigation. When I do so, I have powers to require the production of evidence from the party under investigation, under pain of criminal sanction, and I exercised all those powers in relation to the Star investigation.

The unfair business practice provisions were introduced by way of amendment to the Act, and they did not come with a suite of powers by use of which I could collect evidence. It is important to understand what an unfair business practice is under the statute. By definition, it is not a



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breach of the code; it is behaviour to the detriment of tied tenants—and, therefore, there must be somebody within the definition of a tied tenant in mind—that is unfair and is designed to avoid the operation of the code.

For that purpose, in order for it to be an unfair business practice and for me to make a referral to the Secretary of State, I would need evidence of intent that the particular business practice was for the purpose of avoiding the operation of the provision of the code, rather than some other commercial reason.

Without powers to require the production of evidence from pub-owning businesses, that does not make the operation of that provision as easy as it might.

Chair: That is useful, thank you.

Q91 **Charlotte Nichols:** We realise that the name “adjudicator” is a misnomer. You do not adjudicate, but rather you arbitrate. Why did you decide not to arbitrate yourself, as your predecessor did, but instead use the dispute resolution scheme managed by the Chartered Institute of Arbitration?

Fiona Dickie: I was appointed as deputy in December 2017, principally to deal with a massive backlog in arbitrations. I did so for approximately 18 months, working extremely hard to deal with the very serious delays and backlog in arbitration disputes, establishing, as I did, various core principles to assist the industry and the process moving forward.

It was apparent that I also needed to be available to regulate the industry. Arbitration is an extremely absorbing exercise that involves just two parties and, at the same time, I have an entire industry to regulate. The legislation gives me the power to appoint alternative arbitrators, which I began to do.

It then became apparent to me that a better service for tied tenants would be to procure under contract the discharge of the management of the arbitration by tender, which was done, and it is now tendered to the Chartered Institute of Arbitrators. It is a new contract. I have not given it my powers. I still appoint the arbitrator personally in every case.

The arbitration function provided by the Pubs Code Adjudicator has been transformed since the commencement of the code. I can say that, at the peak, in 2018, the maximum number of open arbitration cases in process at the PCA was 118. As of today, it is 28. That is over a 76% reduction in the number of open arbitration disputes, and that speaks to a number of things.

It speaks to arbitrations being dealt with more swiftly, it speaks to the hard work of the pub company code compliance offices in reducing the areas for dispute and negotiating more effectively, and it speaks to all the steps that the PCA has taken to smooth the process for tied tenants—for example, requiring the pub companies to complete a compliance checklist before they even make the offer, in order to ensure that the offer is



reasonable.

Q92 **Charlotte Nichols:** What is the most significant amount of your time spent on as the adjudicator?

Fiona Dickie: We are a very small team and I work across the piece, but I am involved in strategic direction at the organisation. I put transparency very high up my agenda, so I seek to promote good communications with tenants, outreach and being a public face for the code.

I would like to talk a little about the outreach as well because, when we talk about the MRO, I do have statistics for the whole industry, if you want them, about take-up and the number of offers, which is more complete than was provided by four of the six today.

My concern is take-up. There are currently 8,500 regulated pubs. Since the commencement of the code, just over 1,300 MRO notices have been served. There has to be a gateway for the exercise of that right, but it seems to me that there is a shortfall in the number of tenants who have the confidence to exercise that right. For me, that is a really big concern.

There is no necessity to be interested at all in going free of tie if you serve an MRO notice. What Parliament intended is that the tenant should have the opportunity to compare the tied and the free-of-tie option in order to negotiate the best deal for their pub. In effect, the MRO process could—I would like to say “should”—be part and parcel of every tied rent review so that the tenant can get the best deal.

I did a small-scale survey of tenants who had exercised the right to MRO since 2019. Nine out of 10 of those tenants who went through the MRO process and decided to stay tied got a better tied deal as a result. One of them, who is on my website, is a Greene King tenant who decided to stay tied. He negotiated a deal that made him £65,000 a year better off as tied.

The MRO process is a very powerful tool for tenants to lever the best deal and to choose what is right for them. I would like to see more positivity around the process because it is so powerful and is working so much better than it was in the period subject to the first statutory review. As for the number of tenants actually going free of tie, the 3% that you are talking about is not something I recognise. It is important to look at the number of tenants who actually exercised the right to serve an MRO notice because the reason why they choose to is maybe another issue—a confidence issue.

Of the tenants who have served an MRO notice, of those whose MRO process ended this year, 38% have gone free of tie. Of those whose MRO process ended last year, 34% chose to go free of tie. That is compared to 2016 when that percentage was 0% and 2017 when that percentage was 7%.



The MRO process, as it is now, represents a much more accessible option to tenants. It does not take as long; it is not as difficult. Is it perfect? No. The dispute resolution that Parliament determined is arbitration. We have done a lot to make sure that that arbitration works better for tenants, is of a better standard and works more swiftly. Really, I would like to raise the level of debate to now and how the MRO process is working for tenants, because it is a very valuable right.

Q93 Charlotte Nichols: Alesha, do you believe that the existing market rent-only option for tenants is the same as that which Parliament voted for and Ministers promised?

Alesha De-Freitas: It reflects the fundamental principles of the code: “fair and reasonable treatment” and “no worse off than free of tie”. As Fiona said, we recognise that, in the original way the code was implemented, although tenants had MRO rights in name, they were not exercising those rights for a variety of reasons, but it was mostly to do with the time and cost that it was taking them to exercise those rights, so take-up was very poor. I do not think that is what Parliament intended.

Under the changes that we brought in following the first statutory review, we have changed the way that the MRO process works, so now there is more time for tenants and pub-owning companies to negotiate in advance of going to arbitration. In some ways, that is a bit counterintuitive because you would think that would work against a tenant. Actually, we found that tenants who were taking up the MRO rights—as Fiona says, there are plenty who do not—were pre-emptively having to refer that negotiation to arbitration because the time window was so short that, if they did not do it early in the process, they lost that opportunity.

We have extended that period with the hope that the two parties can come to a commercial arrangement within three months and allow for that commercial negotiation. That should bring the cost and time down of going through that MRO process. Tenants can still refer after 21 days. If they feel like their pubco is not engaging constructively and reasonably, they can still refer to the PCA. That change will make a big difference, we hope, in terms of making this a far more accessible right and something that all tenants can take up because, as Fiona says, it is not about how many choose to go free of tie. It is how many feel that the commercial deal they are under best reflects their business needs.

Q94 Tonia Antoniazzi: I have a question for Fiona around gaming machines. Your recent ruling on gaming machines seems to be controversial. Licensees believe it is wrongly interpreting the legislation and the code. How would you respond to that?

Fiona Dickie: I have not issued a ruling. I have consistently held a view on what the legislation actually means written on the page. I wrote an article for the *Morning Advertiser* a couple of months ago and I think that is the ruling, if you like, that is being referred to. In that article, I wanted



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to raise the conversation about this provision in advance of the statutory review, because it is an opportunity for tenants to give evidence to the Secretary of State if they consider that the legislation as drafted is not sufficiently furthering the aims and objectives of the code.

There is an argument—a viewpoint—that the code as ultimately enacted does not reflect what Parliament said at one point in the consultation process that it intended to enact: to prohibit a tie on gaming machines. The legislation as drafted does not do that. I have never made a ruling on that. That is my interpretation of the words in the legislation. It entitles the tenant to refuse to have gaming machines at all, but, if they want gaming machines, it does not prohibit the pub-owning business from providing those under a tie.

The degree to which this is a concern of tenants and is impacting on their pocket is not clear to me. In response to communication from Mr Mulholland, I encouraged him in advance of the statutory review to seek information from tenants about whether this is a matter of concern for them. For example, I think it would really assist the Secretary of State to have some idea of how much, if at all, this is impacting tenants' pockets. I do not, for example, know whether they are getting good deals under the gaming machine tie from their pub company, so more understanding is needed about whether this should be a priority for the Secretary of State. This is an opportunity at the statutory review to have a good look at this.

Q95 **Chair:** Shouldn't you be doing that work, not Mr Mulholland? If this is a concern from industry, shouldn't you be using your powers to ask the companies and tenants for the information and data you need to decide whether to refer it to the Secretary of State?

Fiona Dickie: I work consistently across a lot of issues. I will, in my submission in relation to the statutory review, do my very best to assist the Secretary of State. I cannot replace the submissions of all stakeholders in the industry. The statutory review is an opportunity for anybody with a stake in this industry to put in evidence about what they think is important. I merely wrote an MRO article because I thought perhaps this might be something that tenants thought was important and wanted to discuss.

Q96 **Chair:** It has been brought to our attention, which is why we are asking questions about it, so there is concern from at least a number of stakeholders.

Fiona Dickie: That is a good thing, because it was my article that started that, so, in a way, I am quite pleased.

Q97 **Chair:** My concern is that your article has caused confusion, not clarity. It has caused a debate where there is no real action now being taken to resolve the issue. My concern is that, really, it ought to be your job to do that.



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Fiona Dickie: It is the Secretary of State's responsibility to review the code and to consider any changes to it. He will do that on the basis of submissions from stakeholders. I, of course, will make mine, but I am only one voice.

Q98 **Chair:** Tell me if I am wrong, but my understanding is that, if there is a concern from your stakeholders, for example on gaming machines, you are empowered to engage the companies, tenants and others to request evidence to take an informed view on whether this is a problem and then decide yourself whether you wish to refer it to the Department, maybe as an unfair business practice as opposed to an issue about breach of the code or not. Is that not right?

Fiona Dickie: I have to say that there is not strong evidence from tenants engaging with me around the gaming machine issue.

Q99 **Chair:** You have decided not to do it. You have the power to do it, but you have decided not to.

Fiona Dickie: If I could just answer your question, there has been concern expressed to me from gaming machine providers that are concerned at being cut out of the market. My genuine intention is to give tenants an opportunity to understand the issue and to come forward to tell me or the Secretary of State whether this is important to them. It has been quite low as a matter of profile since the beginning of the code. I was trying to raise the profile of the issue.

Q100 **Chair:** My question was whether you have the powers and the responsibility to look at an issue such as this, which you have not answered. Do you have the powers to look at this if you were asked to do so?

Fiona Dickie: I do not have the power to change what the code says.

Q101 **Chair:** I am not asking that. I am asking for someone independently to look at whether this is an issue. Is that not you?

Fiona Dickie: The pub companies are complying with the law as it is written down, or at least I have no reports of breach of the law as it is written down, but I am aware of the debate about whether that is what Parliament intended.

Q102 **Chair:** I am sorry, but you are not answering my question. I am trying to understand whether you have the authority to do some work on this and whether, if you do, you have decided not to do so.

Fiona Dickie: I am sorry if I am not being clear. This is not a question of seeking to avoid the operation of the code. It would not be an unfair business practice, no, because that has to fall within the definition of seeking to avoid the operation of the code. The operation of the code, as I have said, is as I have described. There is no evidence they are seeking to avoid that so, no, it is neither a code breach nor an unfair business



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practice. There is an issue and I thought it healthy for the industry to raise that, so that the Secretary of State could look at it.

Q103 **Chair:** You are telling me that this is not an issue that we would need to look at. Why did you write about it in your article?

Fiona Dickie: I have a monthly column in the *Morning Advertiser*, in which I write about issues for the industry, and I was aware of stakeholder concern about what this provision is doing. I do read everything that comes into the office. I understood that some stakeholders thought that it banned the tie, so I thought that it was a good idea to state clearly what I think the code actually means because it is my job to publicise what I think the code does in fact mean.

Q104 **Paul Howell:** Are you confident that the existence of the adjudicator and the powers that the adjudicator has are enough of a deterrent to prevent bad practice in the industry?

Fiona Dickie: The powers that I have to conduct an investigation are very serious powers. Parliament has given me the power, if I find a breach of the code, to impose a financial penalty of up to 1% of gross domestic turnover. I obviously have to exercise those powers proportionately and fairly, but I have demonstrated in relation to the Star investigation that I am prepared to go that far. I imposed a fine of £2 million on Star in respect of its breach of the code. In total, I found 12 breaches of the code. I am currently engaged in large-scale litigation in the High Court in defending Star's appeal against that financial penalty.

The powers are very effective. There is always a question of resource. I have to be frank. We are a very small team. We always have to prioritise what we do. We cannot be all things to all people, but we try to, and do, lever the resources to maximum effect when we are assessing what must be the priorities based on the intelligence that we get.

Q105 **Paul Howell:** Do you agree, Alesha?

Alesha De-Freitas: I would not want to pre-empt the statutory review. The reason we are doing it is so that we can hear from all stakeholders about whether they think the powers are sufficient to achieve the rights under the code. I would welcome all contributions on that.

Q106 **Paul Howell:** What is your own opinion?

Alesha De-Freitas: We have seen an improvement in relationships between the pubcos and tenants since the creation of the code, so I think that things are heading in the right direction. Is that sufficient? I will leave it to others to decide, but I think things are improving. As you say, some of the things that we have brought in as Government and some of the things that Fiona has been doing as an independent regulator should also continue that path to improvement.

Q107 **Paul Howell:** Fiona, is there anything that you would want to change in those powers?



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Fiona Dickie: I have already talked about the powers in relation to an unfair business practice. I genuinely do not really have anything else to offer in respect of powers apart from that comment. If I may, I do have a comment about the suggestion that the MRO is not delivering on Parliament's intention. It is fair to say that the people involved in the delivery of this legislation, some of whom you heard from today, can feel very proud of themselves for that. It is a very powerful tool for tenants. I am confident that the way MRO is being delivered is what Parliament intended. I say that on judicial authority.

There has been some argument for some time that this is what the MRO ought to have been: the new lease is a starting point, you just change what you need to by deed of variation to get to a compliant MRO tenancy, and you independently assess the rent. The High Court, in June 2020, found that "it is to my mind obviously wrong in law" to use the existing tied lease as the starting point for the MRO. That is a matter of settled law.

The MRO process can and does include a right for a tenant to have the market rent independently assessed. That system of independent assessment is working well. I surveyed, as I said, tenants who had used it. The satisfaction level with that independent assessment process is very high. The MRO rent offers that the pub companies start with are often too high. That is an area of concern for me. I am taking steps in relation to that.

One step the Secretary of State has taken is to change the legislation to require the pub company to specify the MRO rent when making the offer of the tenancy. I am then fleshing that out in guidance that I am about to issue, setting out the particulars that the pub company has to provide with the MRO rent, really making sure that these rents are commercial when they are offered. That guidance includes a number of other steps that are intended to make the MRO process smoother and more effective for tenants, such as limiting the pub companies' ability to charge terminal dilapidations, smoothing the transition in relation to any deposit and rent in advance and other measures. That will be published shortly.

Q108 **Mark Pawsey:** Ms Dickie, you have told us that you have 12 people in your team, but you have said on several occasions today that that is a very small team. Would you rather it was larger—yes or no?

Fiona Dickie: Yes.

Q109 **Mark Pawsey:** Okay, that is fine. If it is yes, Alesha, how much does the operation of Ms Dickie's department cost BEIS?

Alesha De-Freitas: It costs us nothing. It is all levy-funded. The Secretary of State approves a levy every year.

Q110 **Mark Pawsey:** Who pays the levy?

Alesha De-Freitas: The pub-owning companies.



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Mark Pawsey: It is funded by the pub-owning companies.

Alesha De-Freitas: It is funded by the pub-owning companies, so, to grow that organisation, you would need to charge—

Q111 **Mark Pawsey:** The pub-owning companies are also paying for the cost of subcontracting work to the Chartered Institute of Arbitrators. That is all included within the budget.

Alesha De-Freitas: Yes.

Chair: Thank you. That brings the session to an end, so thank you both, and our previous panels, for your contributions today.