

PCA ensured Star retracted position on RPI rent increases

News story

Star has changed its policy about RPI rent increases being a Pubs Code rent event



What was the issue?

Tenants have the right to a Code Rent Assessment Proposal (RAP) if during the previous 5 years there has been no concluded rent assessment (and/or, in the Code's first 5 years, a rent review). The PCA identified arbitration cases in which Star declined to provide the tenant with a RAP because, it argued, the annual Retail Price Index (RPI) rental increase during the previous 5 years was a rent assessment or rent review under the Pubs Code.

The PCA was aware that Star had already argued this same point unsuccessfully in a previous arbitration. Star had the option of appealing that award but chose not to do so.

What did the PCA do?

Arbitration awards are not binding in future cases. However, the PCA told Star's Code Compliance Officer (CCO) that it was concerned with its position and that the company should have reconsidered it on receipt of the award. This included revisiting its view of the relevant law and applying it consistently to ensure it complied with its Code duties.

The PCA asked Star to confirm the steps taken to ensure and verify its compliance and mitigate any impact on tenants.

What was the outcome?

In light of the PCA's intervention, the CCO replied promptly to confirm that Star had now changed its position and would no longer identify RPIs as Code

rent assessments or reviews, and would be open about this to its tenants, including those in all ongoing arbitration cases.

Star will inform tenants of the change on their publican channel shortly and BDMs continue to be updated as appropriate. The CCO is available to answer any questions from tenants.

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