Heineken Pub Company Fined After Seriously Breaching Pubs Code

After completing her first investigation under the Pubs Code Ms Dickie said the nature and seriousness of the breaches by Star (part of the Heineken Group) that she had uncovered merited a financial penalty. The fine would act as a deterrent to Star and other pub-owning businesses she regulates from future non-compliance.

Ms Dickie said:

The report of my investigation is a game changer. It demonstrates that the regulator can and will act robustly to protect the rights that Parliament has given to tied tenants.

I will be holding discussions with all the companies I regulate following my findings about how they will ensure they are Code compliant. My message is that if anyone previously had any doubts about my resolution to act when I find breaches, they can have no doubt now.

Star — which operates the pub estate business of Heineken in the UK — had persisted in forcing its tenants to sell unreasonable levels of Heineken beers and ciders when they requested to go free of tie. This was despite repeated regulatory interventions and clear arbitration rulings from the PCA.

The PCA found the company had committed a total of 12 breaches with the result that it had frustrated the principles of the Pubs Code. As well as identifying how the company had offered stocking terms that had acted as a deterrent to tenants pursuing a free-of-tie tenancy, the PCA highlighted systemic corporate failures by Star in its approach to compliance.

Specifically, during the investigation she found that the company had included a responsibility in the job description of the company's Code Compliance Officer 'to ensure the Code is interpreted to the commercial benefit of Heineken UK'. This breached the Code requirement to appoint a compliance officer whose role is to verify compliance.

In the report of the investigation the PCA described Star as a repeat offender and said the company had been given opportunities to set itself on a compliant path "but intentionally or negligently failed to do so".

It failed to heed statutory advice, the PCA's regulatory engagement and learnings from arbitration awards. It did not engage frankly and transparently with its tenants or meet the standards required of a regulated business when engaging with the PCA.

Where it did change its approach, the efforts it made to comply were for the most part inadequate and not credible.

Ms Dickie's investigation covered the period from 21 July 2016, when the Pubs Code came into effect, until 10 July 2019. She found multiple breaches by the company relating to stocking obligations. In particular, up to August 2018 96 tenants who requested a free-of-tie option were told that 100% of the keg beer they sold had to be Heineken brands.

This was contrary to the legal requirement that stocking terms should not prohibit a publican selling competitor brands. After several arbitration rulings by the PCA, the company switched to a tiered approach as to the amount of own brands to be stocked and specifying 'must stock' brands.

However, this "crude" policy was still not reasonable and compliant in many cases. Tenants who sold little or no Heineken products at the time that they asked to go free of tie faced having to stock 60% Heineken keg products within one year. This approach could have a particularly significant impact on some former Punch tenants whose pubs were purchased by Star in 2017. Star had no documentary evidence to show how the percentages in the tiered approach were decided.

All of this served as a barrier to tenants pursuing a free-of-tie option. Tenants told the PCA that Star's proposed terms were inappropriate for the nature, size, location and trade of their pubs. They feared that they would lose their ability to react to local conditions and changing tastes during their tenancies; there was little demand for some products, including 'must stocks' and it would be a significant commercial risk for them to swap out currently popular products to make way for Heineken brands.

Ms Dickie said:

This has been a thorough and detailed investigation and I have concluded that Star used unreasonable and non-compliant stocking obligations in its proposed free-of-tie tenancies over a significant period. Indeed, some of those obligations were not stocking requirements allowed under the Pubs Code.

Despite meetings with me and findings I made in arbitrations, Star did not act in a timely, consistent or transparent way to correct what it was aware — or ought to have been aware — were instances of non-compliance. Supporting what Star's evidence identified, tenants told me that they felt pressured by the company into settling on unfavourable terms or that they simply abandoned their free-of-tie right altogether.

The evidence I reviewed led me to conclude that Star's policies and patterns of conduct served as structural barriers to tenants going free of tie. Protracted negotiations over unreasonable stocking terms would present a deterrent to tied tenants from effectively exercising their right under the Pubs Code to go free of tie. The

freedom to access these rights and for tenants to do the best for their business is now more important than ever given the uncertainty the pandemic has brought to the industry.

I am also aware that some of Star's free of tie tenants are already subject to terms that I do not consider compliant with the Code. This has resulted in unreasonable terms ending up in the market.

The company must change its mindset and become proactive in its approach to compliance. I have decided this can best be achieved by the imposition of a sanction that will serve as a deterrent to future non-compliant conduct by Star and other pub-owning businesses.

As well imposing the fine, which by law is based on the turnover of the whole of Heineken UK, the PCA has also ordered Star to make all its free-of-tie tenancies Pubs Code compliant and to ensure future Code compliance. Every free-of-tie tenancy agreed by Star must be audited and those tenants with non-compliant stocking requirements are to be assured that they will be made compliant or will not be enforced. All changes must be paid for by Star.

Ms Dickie has given the company six weeks to provide a detailed response to how it will implement her recommendations and she has ordered it to write to all its tenants explaining her findings, the measures Star is taking to respond to them and how these will affect tenants in practical terms.

Notes to editors:

The full investigation report can be accessed here.

International donor conference for urgent humanitarian support for Rohingya refugees

The United States, the United Kingdom, the European Union and the United Nations High Commissioner for Refugees will bring the international community together this month to address the Rohingya crisis.

At a virtual conference, they will urge countries to increase assistance for Rohingya refugees, host communities, and internally displaced people in Myanmar, more than three years since the latest phase of the crisis began in August 2017.

The UN has appealed for more than \$1 billion in aid to meet the humanitarian

needs of Rohingya refugees in Bangladesh this year, but so far less than half has been contributed. This leaves a significant funding gap, made worse by the COVID-19 pandemic.

The conference, which will take place on 22 October, aims to raise urgently needed funds to help vulnerable displaced Rohingya living in and outside of their native Myanmar. The funds raised are also expected to support critical services in host communities throughout South and Southeast Asia.

The conference will be an opportunity for the co-hosts to reiterate that any sustainable solution to this crisis must include the voluntary, safe, dignified and sustainable return of Rohingya refugees and other displaced people to their homes or to a place of their choosing. In this respect, the co-hosts will repeat the UN Secretary General's call for a global ceasefire and the cessation of fighting to enable safe and unimpeded humanitarian access to all communities in need of assistance.

Stephen E. Biegun, U.S. Deputy Secretary of State, said:

The United States is proud to stand with the UK, the EU, and the UN High Commissioner for Refugees as partners in leading this call to sustain the international crisis response to assist Rohingya refugees and other displaced people, as well as strengthen investment in affected host communities. As the world's most generous donor, we are a catalyst for the international humanitarian response and call on others to contribute to this cause — both longstanding partners as well as new and aspiring donors.

The UK's Foreign Secretary Dominic Raab said:

The Rohingya people have faced horrific brutality and were forced to flee their homes in the worst circumstances imaginable. We have taken action against the architects of this systemic violence, including through sanctions and we will continue to hold those responsible to account.

The UK has also been a leading donor since 2017 to alleviate humanitarian suffering of the Rohingya. The world must wake up to the severity of their plight and come together now to save lives.

Janez Lenarčič, European Commissioner for Crisis Management, said:

The Rohingya refugees have the continued full support from the EU at this critical time. Humanitarian partner organisations on the ground and host communities have responded with true solidarity to the plight of the Rohingya refugees. We are committed to step up our support to pledge further humanitarian, development and

stabilisation assistance. The international community must strengthen its shared efforts towards reaching a sustainable solution — one that cultivates conditions for voluntary, safe and dignified return of Rohingya refugees.

Filippo Grandi, the UN High Commissioner for Refugees, said:

Solidarity with the Rohingya people means more than just meeting their basic needs. Refugees, like everyone else, have a right to a life of dignity and the chance to build a safe and stable future.

Since the latest displacement of Rohingya during the exodus from Myanmar in August 2017, the overwhelming majority have been hosted in camps in Bangladesh. There are currently 860,000 Rohingya in camps in Cox's Bazar, the world's largest refugee settlement, while other countries in the region host up to an additional 150,000 Rohingya refugees. An estimated 600,000 live in Myanmar's Rakhine State.

Across South and Southeast Asia, many displaced Rohingya continue to live a life on the margins with no access to basic healthcare, clean drinking water, a reliable food supply, or meaningful work and educational opportunities. The COVID-19 pandemic has worsened living conditions, made access to services even more challenging, increased the risk of sexual and gender-based violence, and exacerbated the risk of infectious diseases for displaced Rohingya living in crowded camps, such as those in Cox's Bazar and in Rakhine State.

Notes to editors

- The conference will run from 8:00 a.m. to 10:30 a.m. Washington; 2:00 p.m. to 4:30 p.m. Geneva; and 7:00 p.m. to 9:30 p.m. Bangkok on October 22, 2020 and will be live-streamed on www.rohingyaconference.org.
- Funds raised at the conference will go to international organisations and non-governmental organisations working to alleviate the crisis on the ground in Myanmar, throughout the region, and as specified by the UN-led Joint Response Plan (JRP) in Bangladesh

UK's most promising scientists backed
by over £100 million government
investment to bring pioneering ideas

to market

- 101 of the UK's most promising future science leaders are being backed by a £109 million government investment to help turn novel science innovations into a reality
- from Edinburgh to Exeter, the successful projects include developing virtual labs to identify cancerous tumours more quickly, making food crops resistant to viruses and using AI technology to help reduce traffic congestion
- investment is part of the government's bold ambition to build back better through innovative science and research, establishing the UK as global science superpower

Over 100 of the UK's up-and-coming science and research leaders will benefit from a £109 million cash boost to convert their innovative ideas to transformational products and services, the government announced today (Thursday 15 October).

Tackling some of the world's greatest challenges, including climate change and terminal disease, each scientist and researcher will receive a share of £109 million to develop their 'blue sky' solutions to global issues such as food supply, cancer diagnosis and dementia treatment.

The investment will enable the UK's most promising scientists and researchers from across the UK to fund vital equipment and researcher wages, helping to drive forward their studies and projects at speed.

Announcing the successful fellows at today's Future Leaders Conference, Science Minister Amanda Solloway said:

We are committed to building back better through research and innovation, and supporting our science superstars in every corner of the UK.

By backing these inspirational Future Leaders Fellows, we will ensure that their brilliant ideas can be transferred straight from the lab into vital everyday products and services that will help to change all our lives for the better.

Among the next generation of UK science leaders being backed today is Dr Yoselin Benitez-Alfonso at the University of Leeds, who is working to make UK crops resistant to viruses and the effects of climate change such as depleted soils with little water or nutrients. This will help to ensure the UK's food supply remains strong during severe weather events in the future.

Another project, led by Dr Simon Mitchell at the University of Sussex, will develop personalised medicine to treat the most common form of non-Hodgkin lymphoma, a cancer that affects the immune system. By studying computer

simulated cancer patients using virtual reality technology, he aims to predict the possible progression of the disease and identify the most effective forms of treatment, helping to save lives.

Other projects announced today

University of Huddersfield

Dr Mauro Vallati aims to create an Artificial Intelligence-driven, autonomous traffic management system that will be able to use vast quantities of data to reduce traffic congestion — while monitoring the environmental impact of travel, such as vehicle emissions. The system will be designed to effectively manage congestion in specific areas by altering existing traffic light sequences and to communicate with vehicles to suggest that they drop speed, change routes to avoid congested areas or switch to electric power.

Advance Furnace Technology

Dr Zoe Tolkien is developing new, advanced semiconductors with reduced energy loss and greater lifespan which are critical to a range of new clean technologies, from electric cars to solar and wind power generators.

University of Nottingham

Dr George Gordon aims to develop advanced endoscopes — long, thin tubes capable of capturing images through optical fibres that will help to identify cancers that occur deep within the body and can be difficult to detect and treat, such as pancreatic and ovarian cancer.

University of Glasgow

Dr Joanna Birch aims to reduce the unwanted side-effects that radiotherapy can often have on cancer cells that remain after treatment, which can lead to treatment resistance or recurrence. She will develop new therapeutic treatments aimed at 3 cancers — glioblastoma, colorectal cancer and pancreatic cancer.

University of Sheffield

Dr Jennifer MacRitchie will lead a study that looks to combine technology and easy to use musical instruments to help improve the mental, physical and emotional wellbeing of those with dementia. She will seek to develop new ways for older people with dementia to create and engage with music.

University of Oxford

Dr Tobias Hermann aims to ensure that future spacecraft are able to re-enter the earth's atmosphere safely despite being exposed to extreme heat, which is currently a barrier to future space travel.

UK Research and Innovation Chief Executive, Professor Dame Ottoline Leyser, said:

Future Leaders Fellowships provide researchers and innovators with freedom and support to drive forward transformative new ideas and the opportunity to learn from peers right across the country.

The fellows announced today illustrate how the UK continues to support and attract talented researchers and innovators across every discipline to our universities and businesses, with the potential to deliver change that can be felt across society and the economy.

The government has committed over £900 million to its Future Leader Fellowship initiative over 3 years, which is being delivered through UK Research and Innovation (UKRI).

The work of the fellows will be central to the government's ambition for the UK to cement its status as a world leading science superpower, set out in its ambitious research and development (R&D) roadmap in July this year.

The funding committed to the fellows forms part of the government's commitment to increase public spending in R&D by £22 billion by 2024 to 2025, putting the UK on track to reach 2.4% of GDP being spent on R&D across the UK economy by 2027.

Notes to editors

The Future Leaders Fellowships scheme, which is run by UK Research and Innovation, will recognise up to 550 individuals with a total investment of £900 million committed over 3 years.

The scheme helps universities and businesses in the UK recruit, develop and retain the world's best researchers and innovators, regardless of their background. They can apply for up to £1.5 million to support the research and innovation leaders of the future, keeping the UK at the cutting edge of innovation. Each fellowship will last 4 to 7 years. Awardees will each receive between £400,000 and £1.5 million over an initial 4 years.

Round 6 of the Future Leaders Fellowships is currently open to applications.

<u>Transitional justice and ongoing peace</u> <u>processes in Colombia</u>

Thank you very much. Let me begin by thanking the SRSG for his briefing. Thank you, Carlos. And I just want to say how grateful the UK is for the hard work of the Verification Mission. And I'm very pleased that the Council has extended your mandate for a further year to continue your valuable work. And

I also want to welcome Foreign Minister Blum. It's very good to see you, Minister.

We were very encouraged to hear of President Duque's "new commitment to Colombia" to combat the serious impact of COVID-19. And I want to say to you that all of our countries are struggling from the social and economic effects of the virus. And we must seize this opportunity to build back better and create fairer, greener and more sustainable economies and societies. In Colombia, I think this will be impossible without the full and comprehensive implementation of the peace process as well. You are amongst friends, Minister, and you have our support today.

Mr President, we believe it is important to highlight some of the positive developments since our last discussion. Let me start with what might seem an unusual one: the FARC's recent apology for the thousands of kidnappings that the group carried out and the suffering they caused, combined with their claim for of responsibility for the death of Álvaro Gómez Hurtado, was long overdue. It caused new pain and it caused suffering, but it was also a vindication of the very purpose of Colombia's post-conflict transitional justice institutions. Truth and the acknowledgment of past crimes, however long ago, play a powerful role in a country's ability to heal, and I'm sure play a powerful role in Colombia's ongoing peacebuilding process.

More generally, we were pleased to see the continued progress made by those institutions of transitional justice institutions despite the challenge of COVID-19. Minister Blum, we look forward to hearing from your government regarding a future role for the Verification Mission in supporting Colombia in monitoring compliance with the sanctions of the Special Jurisdiction for Peace.

We also welcome the significant increase in the approval of protection measures of by the National Protection Unit. This will be some relief to the human rights defenders and social leaders facing constant threats, although additional resources are urgently required to continue this progress and to clear the backlog of requests. And these social leaders cannot afford to wait. We remain very concerned by the high rate of killings of community leaders, human rights defenders and other activists, as well as the worrying rise in multiple killings of civilians in recent months.

Mr President, it goes without saying that we condemn such violence and we condemn the armed groups responsible.

Now, a powerful deterrent to such killings is the bringing to justice of those who ordered them and of those who carried them out. We echo the call for all relevant Colombian institutions to support the Special Investigations Unit in the Attorney General's office to ensure that those responsible for this violence are put on trial.

More broadly, as we've emphasised in previous statements before this Council, the establishment of a public policy to dismantle illegal armed groups is vital for bringing lasting peace across Colombia. And it's encouraging that the National Commission on Security Guarantees met during the reporting

period. This should now be followed by concrete and realistic proposals for action to be implemented as soon as possible.

And the United Kingdom also welcomes the recent approval by the Colombian Congress of the use of additional funds from mineral royalties to implement the PDETs and the progress being made in these areas. It's imperative for the remaining roadmaps to be finalised and for the PDETs to be implemented in order to bring peace and stability to these regions. The state needs to increase and strengthen its presence in these rural areas to allow peace and prosperity fully to take hold.

Now, Mr President, in this anniversary month of the UNSCR 1325, let me echo the SRSG. As we recall, the Colombian peace process was notable for the importance it placed on the involvement of women and the mainstreaming of gender in the final agreement. In fact, I'd go so far as it's an example for others in terms of peace processes. All that we know is that an inclusive peace process is far more likely to be a sustained, lasting and successful peace process. And we encourage all the parties in Colombia not to lose sight of this and to ensure the full implementation of the Comprehensive Programme for the Safeguards of Women Leaders and Human Rights Defenders.

Let me conclude by saying that we applaud the Colombian government and the Verification Mission for the progress that they have continued to achieve despite a global pandemic. While many significant challenges remain, the need for a lasting and sustainable peace is clear, and the UK will continue to support Colombia on this journey.

Thank you, Mr President.

Readout of PM phone call with European Commission President Ursula von der Leyen and European Council President Charles Michel

Press release

The Prime Minister has had a phone call with European Commission President Ursula von der Leyen and European Council President Charles Michel.



This evening the Prime Minister spoke with Ursula von der Leyen, President of the European Commission and Charles Michel, President of the European Council.

The leaders discussed the latest state of play of the negotiations on our future relationship with the EU, ahead of the October European Council.

The Prime Minister noted the desirability of a deal, but expressed his disappointment that more progress had not been made over the past two weeks.

The Prime Minister said that he looked forward to hearing the outcome of the European Council and would reflect before setting out the UK's next steps in the light of his statement of 7 September.

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