

Claim No: L80LS031

IN THE COUNTY COURT AT CENTRAL LONDON

Royal Courts of Justice, Strand, London WC2A 2LL

Date: 2 April 2026

Before:

HHJ JOHNS KC

Between:

STAR PUBS TRADING LIMITED

Claimant

- and -

GUNMAKERS ARMS (ESSEX) LLP

Defendant

David Holland KC (instructed by DLA Piper (UK) LLP) for the Claimant
Stuart Cakebread (of Cerulean Law) for the Defendant

Hearing dates: 9 & 10 March 2026

APPROVED JUDGMENT

HIS HONOUR JUDGE JOHNS KC:

Introduction and brief background

1. Star Pubs Trading Limited (**Star**), formerly known as Punch Partnerships (PTL) Limited, is a major pub company. A significant and growing number of its pubs are run on the Just Add Talent, or JAT, model. That is what Star says it intends for the Gunmakers Arms, 133 Chester Road, Loughton IG10 2JL (**the Premises**). This case raises the question of whether the JAT model will involve occupation by Star for the purposes of a business carried on by it at the Premises.
2. The defendant, Gunmakers Arms (Essex) LLP (**GAE**), is the tenant of the Premises. In 2012 it took an assignment of the 20-year term created by a lease dated 10 January 2005. The tenancy continues by virtue of the security of tenure provisions in Part II of the Landlord and Tenant Act 1954.
3. Star, being the company entitled to the reversion on the tenancy, gave notice on 1 March 2024 under s.25 of the 1954 Act expiring on 9 January 2025 and opposing the grant of a new tenancy on the ground in s.30(1)(g), being the own occupation ground. It also specified the ground in s.30(1)(a), namely failure to comply with repairing obligations, but that is no longer relied on. It then brought these proceedings for termination of GAE's tenancy under s.29(2) of the 1954 Act. Star's case is that it intends to occupy the Premises by entering into a management services agreement under its JAT model with an operator company yet to be identified.

Evidence

4. Star's model management services agreement (**the MSA**) was in evidence. The MSA is an agreement between Star (referred to as SPTL), and an operator (referred to as the Operator), in respect of a specified public house (referred to as the Pub). Clause 2 is a central provision.

"2.1 SPTL appoints the Operator to manage the Business on its behalf and to provide the Services to SPTL pursuant to the terms and conditions of this agreement.

2.2 SPTL grants the following to the Operator:

(a) authority to manage the Business; and

(b) permission to access and use the Pub and to use the FF&E and Operating Implements, insofar as is necessary to allow the Operator to perform its obligations under this agreement. This permission will terminate immediately on the termination of this agreement."

5. As to the other defined terms used in that central provision: "Business means the business of SPTL operating as a public house from the Pub."; FF&E is a reference to fixtures, fittings and equipment as defined in the MSA; and "Operating Implements means all cooking utensils, dishware, glasses, cutlery, tableware, silverware, uniforms, linen, tools, kitchen utensils and other items of a similar nature (in the ownership of SPTL) required for the Business's operation".

6. That central provision reflects the background as set out at the start of the MSA.

“A SPTL is the owner of the Pub, the FF&E and the Business. SPTL intends to appoint the Operator and the Operator agrees to manage and operate the Business on behalf of SPTL and for no other purpose.

B This agreement sets out the terms upon which the Operator will manage and operate the Business on behalf of SPTL.”

7. Under the MSA, the operator is entitled by clause 5.1 to a management fee comprising two elements: a base fee, being a specified percentage of “Revenue”, a defined term for turnover excluding certain items including income from gaming machines at the Pub, paid weekly; and a 20 percent profit share, paid quarterly.

8. I will refer to other significant terms when turning to decide whether the MSA will involve occupation by Star for the purposes of a business carried on by it at the Premises.

9. I heard oral evidence for Star from Mr Mick Howard. He heads up the JAT model for the UK and described it in this way: “Under the JAT concept, Star enters into an agreement called a Management Services Agreement ... with a company owned by a self-employed operator to provide management services and employ staff to deliver our retail offer across the pubs in the Star estate... the business remains that of Star whilst the operator manages the pub on Star’s behalf.” [10]. He told me that 226 of Star’s pubs, representing just under 10 percent of the estate, are now run on this model. He also described the process for a pub to be converted to the JAT model. That involved the pub being identified as a candidate as part of an annual regional estates review, the proposal then being approved by the regional commercial panel and a paper consequently being prepared to go to the commercial review group. Once that senior group has “signed off on the proposal”, that represents the final approval and instructions are given for what he referred to as a hostile s.25 notice. He said that the commercial panel meeting which decided that the proposal for the Premises to be converted to the JAT model should go forward took place on 5 January 2024, with the final approval of the commercial review group coming on 15 February 2024.

10. I also heard from Mr Paul Relph. He runs the Premises as a family business through GAE, of which he is a member together with his wife, son and daughter. He said he had been told untruths by Star in the past and so does not believe what he is told now. He considers the MSA a form of franchise agreement under which the business run at the JAT pubs is not Star’s business.

Decision

11. Under s.30(1)(g), Star must establish “that on the termination of the current tenancy the landlord intends to occupy the holding for the purposes, or partly for the purposes, of a business to be carried on by him therein”.

12. The question of the landlord’s intention is one of fact and has two related aspects: whether there is a fixed and settled desire to do that which is said to be intended; and whether the landlord has a reasonable prospect of bringing it about. The first aspect is subjective, the second objective. See *Humber Oil Terminals Trustee Ltd v Associated British Ports* [2012] EWHC 2043 (Ch).

13. There can be little doubt on the evidence, and I find, that Star intends that the Premises will be run using its JAT model. There is no obstacle to Star carrying out such a desire within

a reasonable time from the termination of the tenancy. And I am satisfied it has such a fixed and settled desire. JAT is an established model, increasingly used by Star. The documents are consistent with Mr Howard's clear evidence that a decision has been taken to bring the Premises within the JAT part of its pub estate. Those documents include a commercial panel decision spreadsheet of the London and Northern Home Counties panel, a written proposal to the commercial review group, and the s.25 notice itself. Such a notice opposing the grant of a new tenancy on the own occupation ground, on the evidence in this case, flows from and so is evidence of the decision.

14. Mr Cakebread pointed out there is no document in evidence signed by the commercial review group indicating its approval of the proposal. But that does not cause me to doubt that a decision was made. That there was such a decision was Mr Howard's evidence which, Mr Cakebread volunteered, he was not really able to dispute. Further, given Star's processes, there would have been no s.25 notice specifying the own occupation ground unless a decision had been taken.

15. Mr Cakebread also highlighted a difference between Star's pleaded case that it would be another group company, Punch Taverns (Jubilee) Limited (**Jubilee**), which would occupy the Premises by way of the MSA, and the evidence given at trial that Star would be entering into the MSA directly. He made clear that he was not taking a pleading point. Rather, this was a factor to be taken account of when deciding whether there really was an intention for Star to run the Premises using the JAT model. I do take it into account, but the change does nothing to undermine Mr Howard's evidence as to that intention. He explained that whereas it was Jubilee that ran the JAT pubs, following a rationalisation of group companies, it is now Star that does so. I am satisfied, on that evidence, that the intention remains. It is simply that the way it is to be carried out has shifted.

16. The real question in this case is whether the arrangements represented by the MSA will amount to Star's own occupation of the Premises for the purposes of its business. Star's case is that the operator under an MSA is running Star's business on its behalf. GAE disagrees and emphasises the absence of Star personnel on site. It highlighted by its skeleton argument that the operator company has physically to occupy the Premises by its staff as the business cannot be carried out remotely, and that Star provides no staff and has no on-site presence. From those facts it was argued that the business at the Premises must therefore be carried on and run by the operator company.

17. The correct approach to the question can be gathered from three decisions recently reviewed by the President of the Upper Tribunal, Lands Chamber in *Vodafone Limited v Icon Tower Infrastructure Limited* [2025] UKUT 58 (LC) at [110] – [116].

18. In *Dellneed Ltd v Chin* (1987) P&CR 172, a claim to a sub-tenancy relying on a written agreement labelled a management agreement, Millett J concluded that "It is plain that what was paraded as a management agreement was in truth nothing of the kind. Whatever the true relationship of the parties created by the agreement it was not the relationship of owner and manager of a business. The business which Dellneed was 'to manage' was its own." Significant factors, among others, which led to that conclusion were that the agreement required Dellneed to pay a weekly sum which must be for use of the premises, required Dellneed to keep the premises in repair, and reserved only a limited right to Mr Chin to enter.

19. Next is *Teesside Indoor Bowls Limited v Stockton-on-Tees Borough Council* [1990] 2 EGLR 87. In this case, the council landlord successfully resisted the claim to a new tenancy

of an indoor bowling green on the own occupation ground in s. 30(1)(g) of the 1954 Act. It relied on a lengthy written management agreement it had concluded with a company to run the business at the site. The business had previously been that of the claimant tenant. Lloyd LJ, with whom the other members of the Court of Appeal agreed, referring to the detailed provisions of the agreement, said, “Nobody suggests that any of these provisions – and there are many others which point in the same direction – are a sham. They give the Council almost complete control over the operation of the company in running the club, as indeed the judge found... It follows that as between the council and the company the council always intended to occupy, and have in fact occupied, the premises for the purposes of a business carried on by them through the company as the council’s agents”.

20. The third case is *Brumwell v Powys County Council* [2011] EWCA Civ 1613. It was a claim to a new tenancy of a caravan park under Part II of the 1954 Act. The Court of Appeal dismissed an appeal against a decision that there was no tenancy. It listed at [41] a number of features of a written operator agreement which, it said, “points strongly to the conclusion that Mr Brumwell carries on the business on behalf of the Council.” They included the detailed obligations on Mr Brumwell as to what he must do in running the caravan park, revealing that the council retained a high degree of control. “The fact that the operator Agreement spells out these duties in such detail is a strong indication that he is carrying on the business of the Council as its agent.” The features which weighed with the Court of Appeal also included that the council’s approval was required to pricing.

21. While *Dellneed* and *Brumwell* were not cases considering s.30(1)(g) of the 1954 Act, I do not accept Mr Cakebread’s submission that they have no application to the present case. The question of occupation for business purposes is one that also arises when considering whether there is a business tenancy at all within s.23 of the 1954 Act, as spelled out by Lord Nicholls in *Graysim Holdings v P&O Property Holdings* [1996]AC 329 at 335B: “In Part II of the Act of 1954 ‘occupied’ and ‘occupied for the purposes of a business carried on by him’ are expressions employed as the means of identifying whether a tenancy is a business tenancy and whether the property is part of the holding and qualifies for inclusion in the grant of a new tenancy. In this context ‘occupied’ points to some business activity by the tenant on the property in question.” I consider that *Reynolds & Clark, Renewal of Business Tenancies, 6th Ed.* is correct at 7-284. “Under ground (g), the landlord has to show that he intends to ‘occupy’ the holding. Occupy has the same meaning as in s.23.” And at 1-047. “Occupation is a matter of fact; it is to be distinguished from the concept of possession, which connotes the legal right to be in occupation of land rather than the fact of actual occupation. The question arises, both in the context of s.23(1) in considering whether the tenant occupies with the consequence that the Act applies, and in the context of s.30(1)(g) where a landlord asserts an intention to ‘occupy’ for the purposes of his own business.”

22. Applying the approach from that trio of cases, I have reached the clear conclusion that Star’s decision that the Premises shall be run on the JAT model does involve an intention to occupy the Premises for the purposes of a business carried on by Star through the operator company as Star’s agent. My reasons for that conclusion are as follows.

23. First, the terms of the MSA will give Star a striking level of control over the business at the Premises. Some of the most significant examples are these.

24. Under the MSA, it is Star, not the operator, which enters into all the contracts involved in running the business at the Pub, save only the staff contracts. That includes contracts for the

supply of all the food and drink consumed at the Pub. Clause 4.6(d) of the MSA is in these terms.

“SPTL shall, in accordance with good pub management, acting reasonably and in good faith, enter into all contracts required to operate the Business (save for any contracts relating to the Pub Employees), including, without limitation, contracts for purchasing FF&E, Operating Implements and Operation Products, energy and telecommunications subscription and supply contracts, cleaning contracts, pest control contracts, contracts for the maintenance of lifts, heating, air-conditioning systems and all other plant and equipment installed in the Pub from time to time, advertising and promotion contracts, and contracts relating to the use of rooms and all other services provided by the Business.”

“Operating Products” as defined includes food and drinks.

25. Accordingly, orders, including for food and drink, are, under the terms of the MSA, placed on Star’s behalf, using details supplied by Star (clause 4.6(i)).

26. It is Star that fixes the prices at which products are sold to customers at the Pub. Clause 4.6(f)(ii) provides, “The Operator will ensure that ... all items offered for sale in the Pub are advertised and sold at the prices specified by SPTL and in accordance with the policies set out in the Manual (and, for the avoidance of doubt, the Operator shall have no authority to negotiate such prices on behalf of SPTL)”. This goes beyond the pricing control in *Brumwell*, where the council’s role was to approve pricing.

27. “The Manual” is a reference to a lengthy document setting out in enormous detail precisely how the business at the Pub is to be managed. It was in evidence. It includes a cash management policy, a stock management policy, and an operator management policy. The level of detail extends to such things as the hours the Pub should be open, and the hours between which food should be served. The MSA includes obligations to act in accordance with the Manual. Including as to marketing.

28. Clause 4.13, dealing with marketing, is another provision which reveals the high degree of control Star will maintain over the business at the Premises.

“(a) The Operator shall:

- (i) on a local basis;
- (ii) acting in accordance with SPTL's instructions and marketing budget;
- (iii) in compliance with their obligations under this agreement; and
- (iv) in accordance with the provisions of the Manual,

implement such marketing and promotional activities as are determined by SPTL and advised to the Operator. The costs of such marketing, promotional and advertising actions shall be approved, and paid for directly, by SPTL.

(b) The Operator shall not provide their own promotional material to potential customers without the prior approval of SPTL.”

29. Mr Cakebread described the terms of the MSA and the Manual in closing as stringent operating requirements. They are. In my judgment they compel a conclusion that the business run at the Premises will be Star's business.

30. Second, there is a notable absence of clauses of the type which often indicate a tenancy. There is no covenant to pay a periodic sum for occupation. In that way, this case can be seen as a clearer one than *Brumwell*, where a substantial fixed periodic sum was payable. Very significantly, there is no real limitation on Star's access to the Pub (see cl. 4.20 of the MSA). Further, the repair and maintenance obligations are on Star, not the operator (see cl. 4.3 of the MSA).

31. I do not ignore the possibility of a licence to occupy for the purposes of running the Premises as the operator's business, but such a licence falling short of a tenancy would be somewhat unusual and, I am satisfied, is not the result of the MSA. The level of control over the business points clearly to the business being Star's.

32. There are a number of other features of the arrangements which, while not the primary factors leading to that conclusion, fit better with it. They include: that the premises licence is Star's (cl. 4.5 of the MSA); that the risk of unprofitability is largely with Star rather than the operator (while acknowledging that the operator's liability for staff costs presents some risk); and that the arrangements for a significant aspect of the business at the Pub, being gaming machines, do not involve the operator at all. As the Manual makes clear, those arrangements are made between Star and the games machine suppliers. Mr Howard's evidence, which again makes sense and I accept, is that this is a very profitable revenue stream. It is one that, reflecting the operator's exclusion from the arrangements, is outside the definition of "Revenue" under the MSA and so does not form part of the operator's base fee (though it is taken into account when calculating the operator's profit share).

33. There are phrases in the promotional material on Star's website that are capable of giving a different impression. I was taken to a JAT website brochure entitled "Want to run your own pub?". It began, "So you're interested in ... running your own business?", and elsewhere referred to "your own business". But, at most, the brochure gave mixed messages. It also referred to the applicants "running our pubs". And the references to "your business" can, in that context, be understood as referring to the business of the operating company which manages the JAT pub for Star. In that regard, note 12 to the brochure said that "Your business must be set up as a limited company ... registered in the UK". Further, it was clear from elsewhere on the same website that what was in view was a management agreement. In the end, the question is anyway one of construction of the MSA, not the promotional material; as Mr Cakebread rightly accepted.

34. It was not suggested that the MSA was a sham. The word sham did not appear in the skeleton argument for GAE. Nor was such an argument made in closing. The evidence rather precluded any such submission. Mr Cakebread quite properly probed in cross examination to see if an argument could be made. He put what might be thought the most promising clause for founding such a case to Mr Howard. That was clause 4.20 dealing with access. It included the agreement of the operator that Star, its agents or invitees, "can at any time ... make use of any part of the Pub in any way that does not materially affect the operation of the Business". But Mr Howard was clear that areas of the JAT pubs are indeed used by Star. He told me Star frequently uses functions rooms in the pubs for meetings. I accept that evidence, it making much sense. I would add that there are, as Mr Howard said, benefits for operators under the MSA as compared with a tenancy. Perhaps most notably, the lower level of business risk. The

operator is not required to come up with a fixed rent every month, irrespective of trade. That can cause obvious problems under a tenancy if trade is not as hoped.

35. The argument for GAE is correct in saying that the operator will be occupying the Premises by its staff. But that observation reveals no problem with Star's case. The operator was the one employing staff in *Brumwell*. And there do not appear to have been any council employees on site in *Teesside*. Further, even on the topic of staff, Star has a significant element of control. That includes being able to require removal of a member of staff (cl. 4.11(d) of the MSA). In my judgment, the observation that the operator will occupy the Premises by its staff begs the key question, being whether the operator will be occupying on behalf of Star. For the reasons I have given, it is clear to me that the answer to that key question is in the affirmative.

36. It follows that there will be an order for termination of GAE's tenancy of the Premises. without the grant of a new tenancy.