

May 2022

PCA – Tied Tenants Survey 2021-22 Executive Summary

**Prepared for the Pubs Code Adjudicator by
Ipsos**



Contents

1 Executive summary	4
2 Further reading	8

1 Executive summary

In 2021, Ipsos was commissioned by the Pubs Code Adjudicator (PCA) to undertake three annual waves of the PCA tied tenants survey, following on from similar work undertaken by Ipsos in 2017 and 2019. This year, Ipsos interviewed 614 tenants across the six pub companies that own more than 500 tied pubs in England and Wales. Ipsos selected a representative sample of tenants to participate at random from pub names and postcodes shared by pub companies and checked against PCA records of numbers expected (more information can be found in the accompanying technical annex). Interviews took place by telephone in January and February 2022. Topics included awareness of and familiarity with the pubs code, tenant satisfaction with the pub company relationship, the experiences of new tenants and perceptions of the PCA and how it communicates. More detail on how this work was conducted can be found in the technical annex that accompanies this and other research outputs.

A representative mix of tenants were surveyed by region and the estate size of the various pub companies. In terms of demographics, two-thirds of tenants surveyed were men (67%) and 69% were aged over 45 (although one in ten were aged 16-34). Tenants surveyed were overwhelmingly white (98%). Almost one in ten (8%) said their day-to-day activities were limited 'a little' or 'a lot' because of a health problem or disability lasting at least 12 months. Most tenants were single operator outfits (88%), with approaching half (48%) having held tenancies, either at their pub or another, for ten years or more. The demographic profile and experience levels of tenants was similar to that seen in previous years.

The Pubs Code and tenant rights

Tenant awareness of the Pubs Code has increased since 2019. Overall, 84% of tenants surveyed this year had 'read, seen or heard anything in relation to the Pubs Code' in the past. This reflects a significant increase on the 78% that said the same in 2019 and 77% that said so in 2017. Tenants from Admiral (92%) and Greene King (91%) were the most likely to say they had heard of the code before. When asked about their *depth of knowledge*, 79% said they were either 'very' or 'quite' aware of the Pubs Code before the survey took place, as opposed to being 'not very aware' or 'not aware at all'. This marks a significant increase on the 68% that were either 'very aware' or 'quite aware' in 2019 (+11 percentage points). Again, tenants of Admiral (86%) and Greene King (90%) were the most aware of the code.

When prompted, a majority of tenants are familiar with various code rights. Around six in ten are familiar with the right to request MRO in certain circumstances (61%), rights when receiving a rent assessment proposal regarding an existing tenancy (61%) and rights when receiving a rent proposal regarding a new or renewed tenancy (62%). However, this means that just over one in three tenants are *unfamiliar* with their rights in each of these areas. Moreover, when it comes to the right to price match premises insurance on the open market, 53% of tenants overall are familiar with their rights in this area and 44% are unfamiliar. Looking deeper, we see that when taking an average across the four areas, tenants from Greene King and Admiral tend to be the most familiar with their rights (average score of 70% and 68% respectively), with tenants of Punch (50%) and Marston's (44%) the least.

Taking a step back, it is clear that whilst tenants generally demonstrate good levels of awareness of their code rights overall, there is a significant minority that are unfamiliar with them, with the right to price match premises insurance on the open market appearing to be the least understood. Levels of familiarity do also vary by pub company. Interestingly, there does not appear to be a relationship between familiarity with rights and experience of them. For example, 38% of tenants surveyed say they have

received a rent proposal from their pub company in the past two years and 16% say they have requested an MRO option to go free of tie in that time, yet tenant familiarity with rights in each area is the same.

Tenants that had experienced each of the four code events were asked how satisfied they were with how their pub company dealt with them at the time. In most cases, tenants were more satisfied than dissatisfied with how their pub company responded. However, among those requesting an MRO option, 32% were satisfied and 47% dissatisfied. This suggests that the MRO process is more of a pain point for tenants than various types of rent proposal or price matching premises insurance on the open market. However, we should note the specific circumstances of this group here. As these were tenants that had requested an MRO option but then remained tied for whatever reason, this is naturally a partial picture of those experiencing the MRO process overall. Furthermore, just n=96 tenants in our survey had requested an MRO option in the past two years, so satisfaction was asked of a relatively small group of tenants.

A logical follow-on question to the discussion above is where do tenants get information about the code from? Survey results show that tenants that had heard information about the code in the past 12 months were most likely to have done so through their pub company or business development manager (45%). However, when asked where they would go if they wanted information about the code in future, almost half (49%) say they would turn to the internet / google. These figures suggest that both the pub companies and various digital communications channels have a role to play in informing tenants about their code rights and the code in general.

The tenant / pub company relationship and new tenant experience

Overall, 62% of tenants surveyed are satisfied with their relationship with their pub company and 22% are dissatisfied. Tenants from Admiral (80%) were the most satisfied and tenants from Punch the least (47%). These satisfaction figures and results by pub company closely match a similar question asked in the survey related to satisfaction with the type of tenancy arrangement tenants use. Meanwhile, tenants that started their tenancy with their pub company since the code came into effect were generally more satisfied with the relationship (67%) than those taking on their tenancy before then (56%). 18% of tenants that started their tenancy with their pub company since the code came into effect were dissatisfied with the relationship compared to 27% who had taken on their tenancy before then. Similarly, younger tenants tended to be more satisfied than older tenants.

In order to better understand the relationship between tenants and their pub company, some detailed questions were asked about the relationship between tenants and their business development manager and code compliance officer. BDMs are well known, with 98% of tenants surveyed aware of who their BDM is. However, only one in four tenants were aware of who their CCO is (27%). The relationship with BDMs is generally positive, with 76% saying BDMs are fair in discussions. Tenants from Admiral and Marston's tend to give BDMs the best scores reflecting strong overall satisfaction scores for those pub companies. Repairs and dilapidations are a key pain point for tenants overall, with 39% agreeing they are satisfied with how their BDM handles them and 42% disagreeing. Tenants from Marston's (72%) and Admiral (62%) give the best scores here and tenants from Stonegate the lowest (just 27% agree).

Tenants were also asked some questions about their experiences as new tenants. These questions were only asked of tenants that became tied with their current pub company since the Pubs Code came into force in 2016. Recall of information received as new tenants was generally high, particularly for rent and deposit information (91%), details of tied obligations (91%) and information about maintenance and repairs obligations (86%). However, just 36% recalled an introduction to their CCO. Nevertheless, 83%

of tenants said information received at this time was useful and just 14% said it was not. However, fewer (59%) said their sustainable business plan was useful in managing their tenancy. 27% said it was not useful and 10% did not recall agreeing one.

Taken together, these findings reflect the importance of BDMs in fostering good relationships between pub companies and tenants, both when the tenancy begins and throughout the tenancy too. Information received when the tenancy begins is generally seen as useful and scores for BDMs specifically are generally positive. However, scores can vary by pub company and the pain point of how repairs and dilapidations are managed remains. Other notable areas to consider include the low awareness of CCOs among tenants and the significant minority that do not find their sustainable business plan useful in managing their tenancy. These may be areas to address in future.

Perceptions of the PCA

Turning to perceptions of the PCA itself, our survey results find that 54% of tenants were either very or quite aware of the PCA before the survey took place. This reflects a statistically significant seven percentage point increase in awareness from 2019, although results this year are very similar to the 53% that said the same in 2017. Tenants from Admiral (70%) and Greene King (68%) are most aware of the PCA. Meanwhile a majority of tenants surveyed trust the PCA to regulate the pubs industry independent of the government (57%) and the pub companies (58%) but in both cases around one in three do not. Tenants of Admiral and Marston's were typically most likely to trust the PCA in both instances.

In terms of specific PCA communications activity, one in three tenants claim to have used the PCA website in the past two years (32%). Tenants mostly use the website to get information about the Pubs Code (71%), within that the most common reasons for visiting cited were to get general information about the code (40%) or information about MRO (11%). Those using the website usually recall a positive experience, with seven in ten visitors saying the website was easy to navigate and use (72%), the information was helpful (71%) and the information was clear and easy to understand (70%). Of course, two-thirds of tenants claim not to have visited the website in the past two years, so there is at least the potential for more engagement between the PCA and tenants via the website in future. Meanwhile, very few tenants (5%) recall using the PCA enquiry line in the past two years.

Conclusions

Overall, there are many positives to be taken from these results. Awareness of the Pubs Code and the PCA have both increased since the last survey was undertaken in 2019 and tenants are typically familiar with their rights in four key areas of the code. Six in ten tenants are satisfied with their relationship with their pub company overall and they typically afford good scores to BDMs too. Meanwhile, the overwhelming majority consider information received as new tenants to have been useful and almost six in ten think their sustainable business plan is useful in managing their tenancy. In terms of the PCA, a majority trust the PCA to regulate the industry independent of government and the pub companies and those tenants that have used the PCA website in the past two years seem to have had a reasonably positive experience.

There are, of course, areas for improvement or consideration:

- Tenant familiarity with code rights can be strengthened further. At least one in three are unfamiliar with their rights in specific areas and rights pertaining to premises insurance appear to be the least understood amongst tenants overall.

- Whilst tenant satisfaction with the relationship with their pub company is healthy overall, this is not the case for one in five tenants and the picture is variable by pub company.
- Meanwhile, whilst BDMs typically score well, the handling of repairs and dilapidations remains a pain point for many.
- Whilst the information provided to new tenants is generally seen as useful, few tenants recall being introduced to their CCO, reflecting low awareness amongst tenants as to who their code compliance officer is.
- For some tenants, the sustainable business plan is either not seen as useful in managing their tenancy or is not recalled in the first place. Although a clear majority asked about it do find it useful, some do not.
- Although the majority of tenants trust the PCA to regulate the industry independently, there is still around one in three tenants that do not. A useful benchmark for future reference.
- The PCA website seems to be viewed reasonably well amongst those that have used it in the past two years but two-thirds of tenants have not seen the need to visit in that time. This raises the question of whether it could be better utilised as a resource for tenants in future. Further investigation may be required to understand why tenants are not using the PCA website more often.

2 Further reading

For further information please consult the slide pack, technical annex and full data tables that accompany the publication of this executive summary.

Our standards and accreditations

Ipsos' standards and accreditations provide our clients with the peace of mind that they can always depend on us to deliver reliable, sustainable findings. Our focus on quality and continuous improvement means we have embedded a "right first time" approach throughout our organisation.



ISO 20252

This is the international market research specific standard that supersedes BS 7911/MRQSA and incorporates IQCS (Interviewer Quality Control Scheme). It covers the five stages of a Market Research project. Ipsos was the first company in the world to gain this accreditation.



Market Research Society (MRS) Company Partnership

By being an MRS Company Partner, Ipsos endorses and supports the core MRS brand values of professionalism, research excellence and business effectiveness, and commits to comply with the MRS Code of Conduct throughout the organisation. We were the first company to sign up to the requirements and self-regulation of the MRS Code. More than 350 companies have followed our lead.



ISO 9001

This is the international general company standard with a focus on continual improvement through quality management systems. In 1994, we became one of the early adopters of the ISO 9001 business standard.



ISO 27001

This is the international standard for information security, designed to ensure the selection of adequate and proportionate security controls. Ipsos was the first research company in the UK to be awarded this in August 2008.



The UK General Data Protection Regulation (GDPR) and the UK Data Protection Act (DPA) 2018

Ipsos is required to comply with the UK GDPR and the UK DPA. It covers the processing of personal data and the protection of privacy.



HMG Cyber Essentials

This is a government-backed scheme and a key deliverable of the UK's National Cyber Security Programme. Ipsos was assessment-validated for Cyber Essentials certification in 2016. Cyber Essentials defines a set of controls which, when properly implemented, provide organisations with basic protection from the most prevalent forms of threat coming from the internet.



Fair Data

Ipsos is signed up as a "Fair Data" company, agreeing to adhere to 10 core principles. The principles support and complement other standards such as ISOs, and the requirements of Data Protection legislation.

For more information

3 Thomas More Square
London
E1W 1YW

t: +44 (0)20 3059 5000

www.ipsos.com/en-uk
<http://twitter.com/IpsosUK>

About Ipsos Public Affairs

Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector. Its c.200 research staff focus on public service and policy issues. Each has expertise in a particular part of the public sector, ensuring we have a detailed understanding of specific sectors and policy challenges. Combined with our methods and communications expertise, this helps ensure that our research makes a difference for decision makers and communities.

