



REBALANCING THE TIED PUBS TRADE

PCA Strategy Report

August 2022

ABOUT THE PCA

The Pubs Code Adjudicator (PCA) is the **independent regulator responsible for enforcing the statutory Pubs Code (the Code)**. The Code regulates the relationship between all pub companies (referred to as pub-owning businesses in the Code) owning 500 or more tied pubs in England and Wales and their tied tenants.

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Acknowledgements

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TABLE OF CONTENTS

Introduction	4
Executive Summary	5
1. Where we have come from	6
Evolution to now	8
2. Where we are now	10
6 Strategic Insights	12
Tenant timeline	13
Strategic Insights	15 - 20
Tenant Survey Insights	21
3. Where we are going	23
Future Strategy	25
Success Criteria	28
Key Performance Indicators	29
Conclusion & Next Steps	30



INTRODUCTION

This report is the result of a review and listening process by the Pubs Code Adjudicator (PCA) of key sector stakeholders, both externally and internally. In developing the strategy outlined here, we have drawn on the findings of the recent independent Ipsos survey for tied tenants, which had around 614 respondents; conducted 35 hour-long interviews with stakeholders from across the pub industry, and engaged the internal PCA team via a series of workshops.

That insight-gathering process has formed the backbone underpinning the strategy we've developed. It has also provided us with a good overview of how the business landscape for the pub trade has changed over the past two years and how the context that tenants and pub-owning companies now operate in has become increasingly turbulent and complex at a macro level.

Some strategic issues currently facing the pub industry are outlined below in Figure 1.

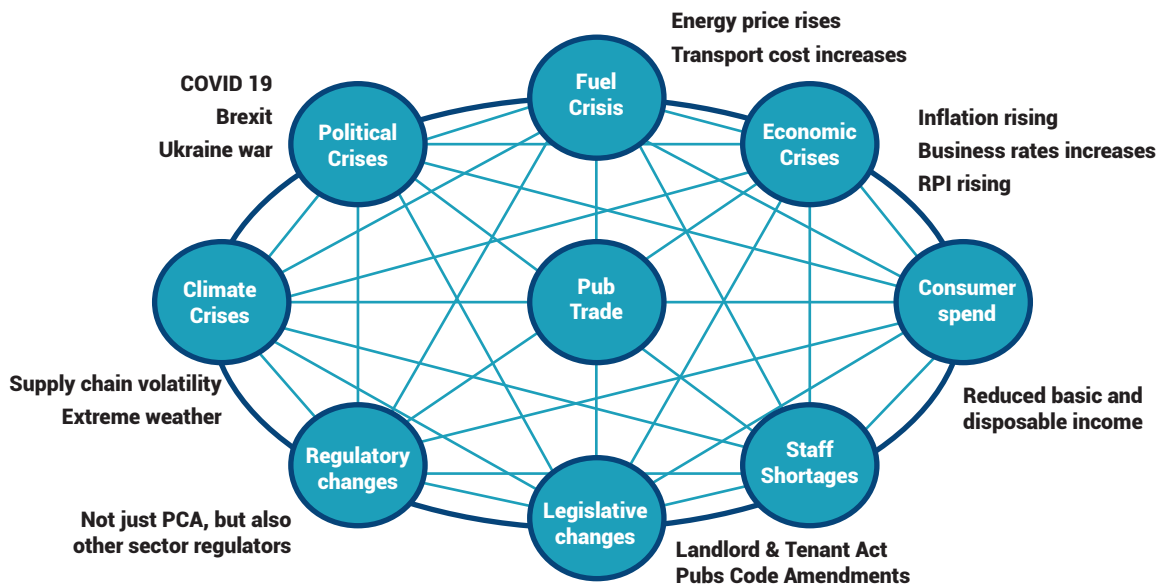


Figure 1. Macro environmental factors affecting the pub trade as an industry.

This isn't an exhaustive list, as the situation is complex and constantly changing. What it does indicate is that these factors need to be borne in mind when the PCA develops advice and guidance or makes decisions. The PCA has shifted further in to the regulatory

role over the last two years and needs to develop this pathway, to place greater weight on listening and talking to people, to make meaning and resolve issues as well as keeping the space in which to make impartial regulatory decisions.

EXECUTIVE SUMMARY

The Pubs Code is, in essence, about restoring balance in the relationship between tied pub tenants and pub-owning companies so that it works better, and so that those tenants' businesses can thrive.

The fundamental responsibility of the regulator is to promote and protect the rights Parliament gave to tied tenants of pub-owning companies, furthering the core Code principles of fair and lawful dealing and being no worse off than if they were free-of-tie.

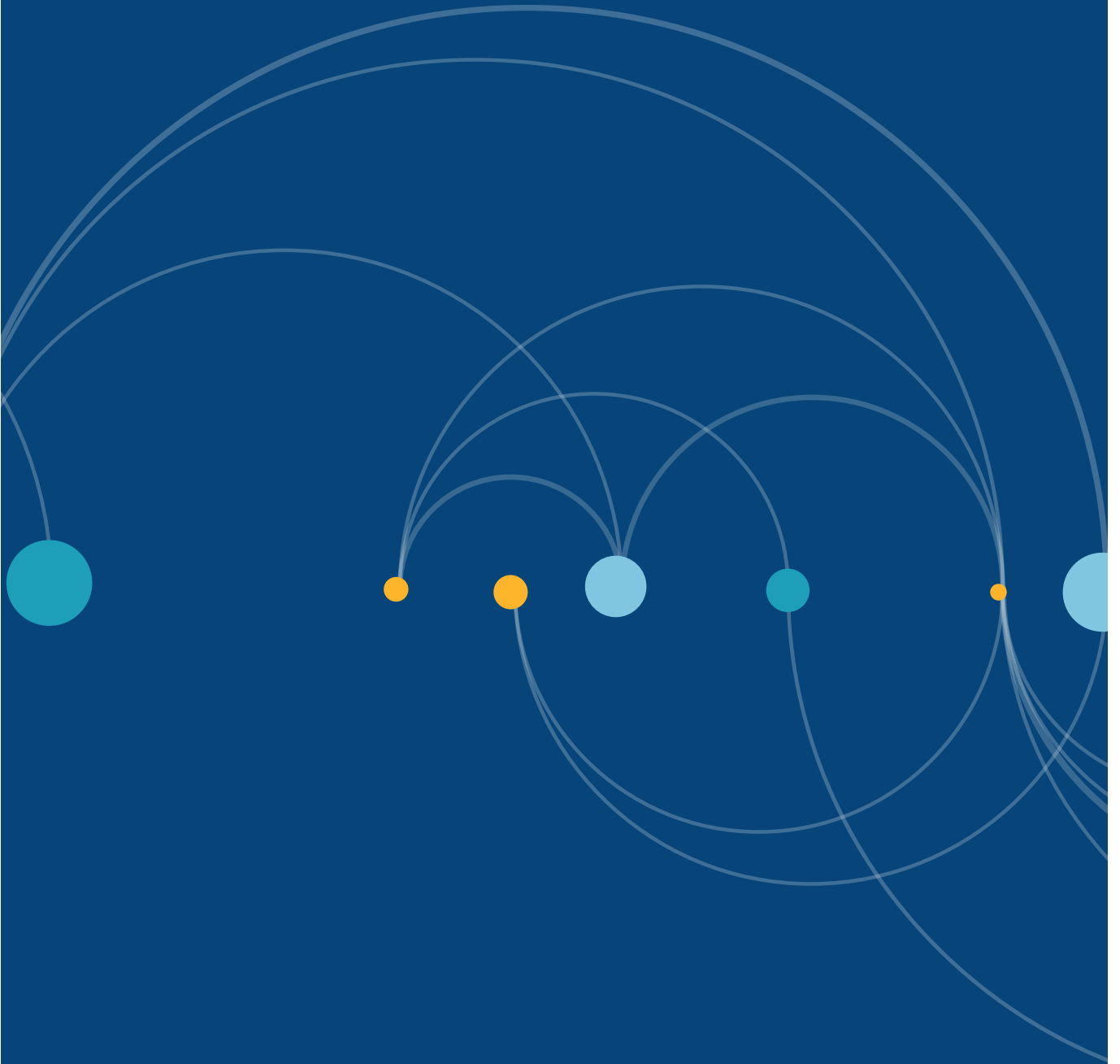
To further tenants' Pubs Code rights, however, the regulator must be more than just an Enforcer. I can use my voice to leverage deeper and wider cultural change across the sector. In doing that I need to engage and partner with key stakeholders for the good of tied business relationship. Effective partnerships can bring greater value than working in isolation, in an echo chamber and with limited resource. It can help to bring about dialogue which benefits the industry, raising standards across the sector and improving access to quality professional support for the tenant. All of this is in the interests of tied tenants and will play a part in helping in the serious challenges facing the pub trade, empowering small businesses to prosper. In this way, Code rights can play a part in advancing the interests of tied tenants and thus promote the health of the industry as a whole.

The journey of the Pubs Code Adjudicator (PCA) has been a process of development. The Covid-19 pandemic meant a new focus to make sure tenants' Code rights were protected, as the entire industry concentrated on its very survival. Moving forward, in recognition of the benefits of support that business partnership can bring, there is an opportunity for a reset for the PCA and the tied relationship to meet multiple trading challenges now and in the future.

That is what this strategy is about. It represents the first time the PCA, in consultation with key cross-sector stakeholders, has developed a future-focussed approach towards meeting the needs of the sector. I want to thank all of those that took part in this consultation and I hope this strategy demonstrates that we are actively listening to you. I look forward to collaborating with you all on making this strategy happen over the coming year.



Fiona Dickie



WHERE WE HAVE
COME FROM



Picture credit:
Anna-Louise Clarke, Halley's Comet, Milton Keynes



Picture credit:
Chris Windle, Your Friendly Local, Rotherham

EVOLUTION TO NOW

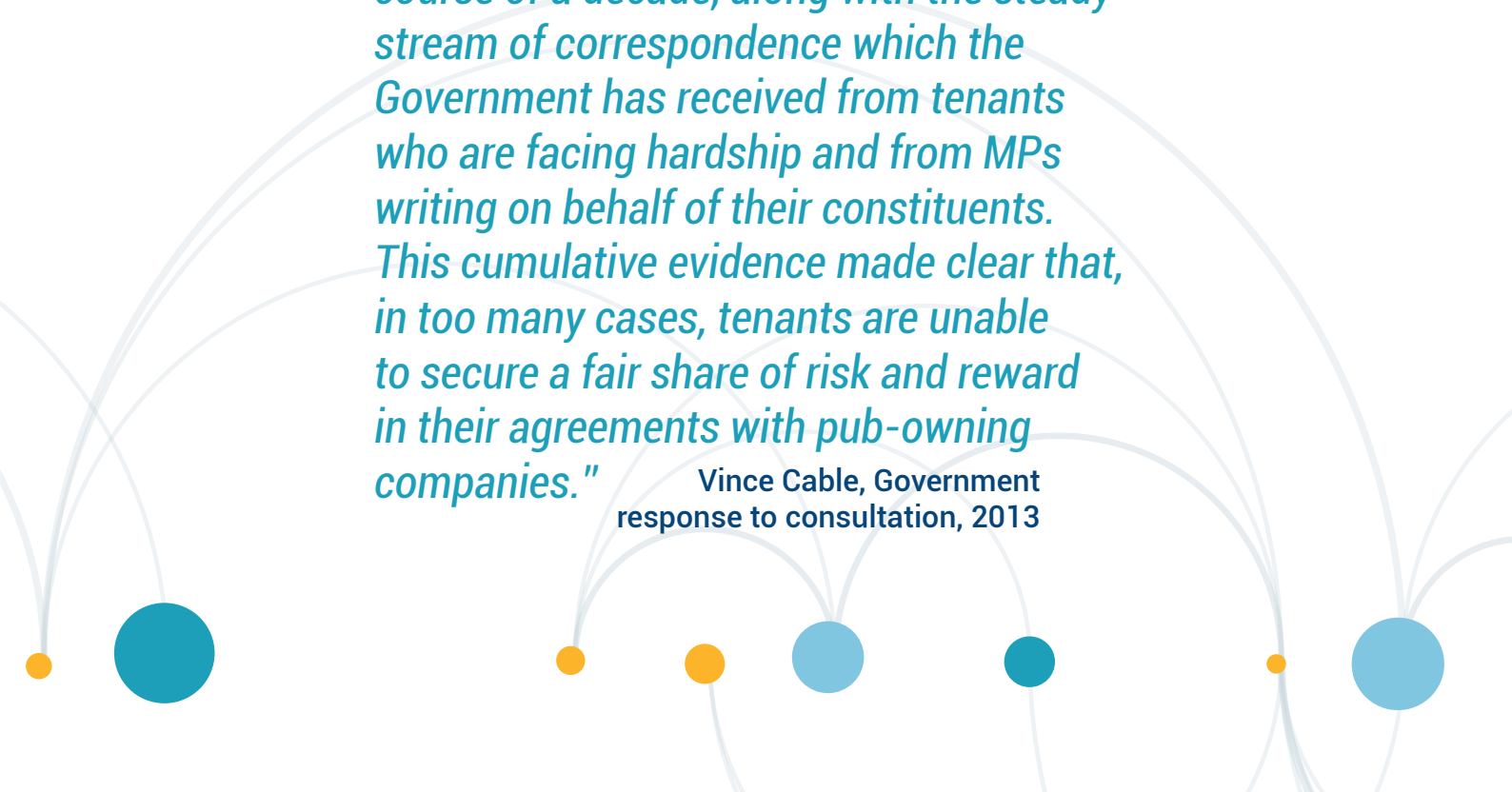
The PCA exists to enable tenants to negotiate and find the best deal for their businesses by ensuring their pub-owning companies observe the Pubs Code and provide them with the right information at the right time. Disputes over the Code can be decided impartially by arbitrators appointed by Fiona Dickie, the Adjudicator, and administered by our partners at the Chartered Institute of Arbitrators (CI Arb). The PCA and the PCA's Office also act as a Regulator, ultimately serving to protect the rights that the Pubs Code has given to hard-working tenants, the beating heart of villages, towns and city communities across England and Wales.

When we were originally set up in 2016, the state of play within the industry had fallen out of balance – with a number of tied tenants feeling that they had not been treated fairly.



“The scale of the problem has been demonstrated by the extensive evidence presented to four BIS Select Committee inquiries into the relationship between pub-owning companies and their tenants over the course of a decade, along with the steady stream of correspondence which the Government has received from tenants who are facing hardship and from MPs writing on behalf of their constituents. This cumulative evidence made clear that, in too many cases, tenants are unable to secure a fair share of risk and reward in their agreements with pub-owning companies.”

Vince Cable, Government response to consultation, 2013



EVOLUTION TO NOW

The first few years of the PCA office's operations were focused on resolving individual cases through statutory arbitration and bedding in the new legislation. Over the past six years, the key stakeholders within the industry have had a chance to see how the legislation works in practice and we have moved to a point where the PCA has been able to focus more on Regulation rather than Arbitration, in terms of:-

- **Raising tenants' awareness of their rights**
- **Working with pub-owning companies and trade bodies to mitigate external pressures that could impact on tenants' rights**
- **Working with pub-owning companies to understand and engage with their obligations to support tenants to access these rights**
- **Improving the training and support for our arbitrators**
- **Delivering impartial regulatory decisions**

These are our aspirations. Having listened to publicans via the independent Ipsos poll and to our other key stakeholders via a series of 35 depth interviews in April / May this year, we are not there yet, and we know there is much to do. We will elaborate on our strategic insights in the next section as well as the initiatives we plan to put in place to address them in the final section.

This is our first strategy report. We hope that it shows that we have taken time to listen and absorb the feedback from across the industry. As ever, the proof is in the pudding. We look forward to discussing the strategy outlined here with key stakeholders in a collaborative way so that we can realise it to the benefit of everyone.



An abstract graphic on a teal background. It features several overlapping white arcs of varying radii. Along the horizontal midline, there are seven colored circles: a large dark blue circle on the far left, two small orange circles, a medium light blue circle, a small dark blue circle, a small orange circle, and a medium light blue circle on the far right. The arcs connect these circles and extend across the top of the frame.

WHERE WE
ARE NOW



Picture credit:
Tony & Beckie Bayliss, The Maldon Grey, Sudbury



Picture credit:
Ian Jones, The Romily, Cardiff

6 STRATEGIC INSIGHTS

Taking stock of the many macro external impacts on the industry and having listened to the feedback from all the key sector stakeholders, we have identified 6 areas for where we are doing well but could be even better or where we are not meeting expectations currently.

This section summarises these areas, which include:

1. Solid Foundations

2. Active Listening

3. Effective Signposting

4. Clear Parameters

5. Great Expectations

6. Arbitration Excellence & Beyond

These then form our strategic priorities, detailed in the next section on, **'Where we are going'**.

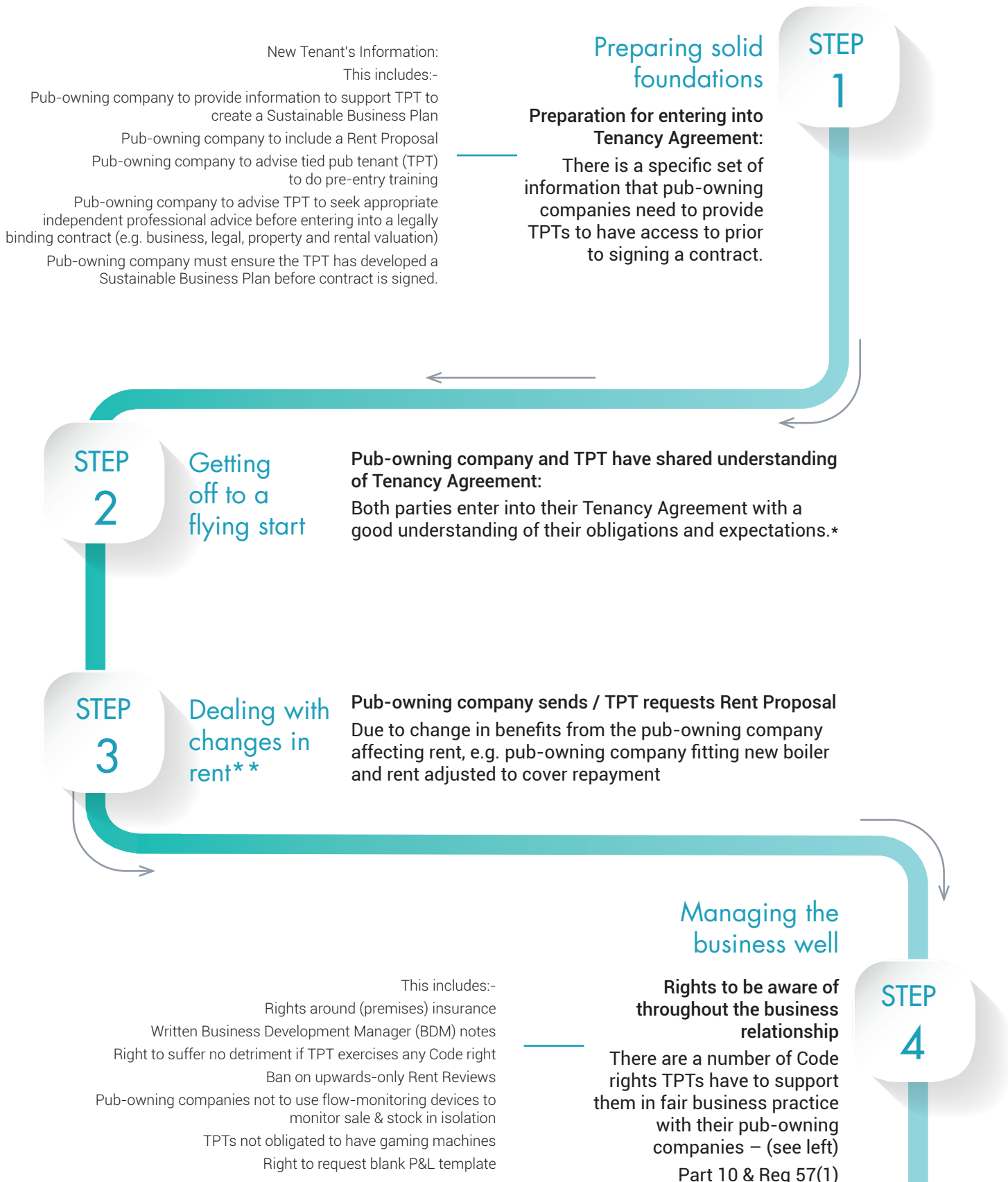
To put this in context, we have developed an overview of the tenant's journey in relationship with their pub-owning company in relation to the Code over time, called, 'The Tenant Timeline' see Figure 2 overleaf.



TENANT TIMELINE

Over approximately 5 years

Figure 2. Tied Pub Tenant's Relationship Lifecycle with Pub-owning company in relation to the Code



Mid-term Rent Review

STEP
5

Automatic Rent Review

(If it's in your contract) Pub-owning company provides TPT with Rent Assessment Proposal to review rent (Reg 19(1)(a)) or TPT can request rent review if not had one in 5+ years (Reg 19(2)(a))

STEP
6

Dealing with trading emergencies

TPT sends pub-owning company MRO notice because a 'trigger event' has happened under Reg 25 and/or asks for a rent review under Reg 19(2)(c)

STEP
7

Sense checking you are getting a good deal and comparing deals

TPT sends pub-owning company MRO notice because of a significant increase in price (SIIP) of pub-owning company products + services Reg 24 and/or asks for a rent review under Reg 19(2)(b)

STEP
8

End of term renewal

TPT requests MRO from pub-owning company because the lease is up for renewal Reg 26(2)

Steps in Tied Pub Tenant's Relationship Lifecycle with Pub-owning company

Reasons TPT can request to go free-of-tie (MRO option)

- * The Code only relates to specific elements of the TPT and Pub-owning company relationship around transparency of information provision and fair dealing.
- ** Investment in a tenant's property can delay right to MRO.

1. SOLID FOUNDATIONS

Regulators are rarely brought into a sector where things are running like clockwork. Prior to being setup in 2016, the pub industry was rife with stories of bitter acrimony and injustice for some tenants. The PCA was brought in to restore balance to the industry, to bring the pendulum to rest, through

inspiring fairness across all the different levels of stakeholders through arbitration (synonym: 'peace making') and regulation (synonym: 'balancing'). Here are the insights we heard from sector stakeholders around this:



"I think they could create more balance within the tenant-pub-owning company relationship. The Code speaks to that balance, but it's going to come under a huge amount of pressure with the macroeconomic situation and other pressures going forwards."

"Quarterly meetings to look at challenges coming up; that bring really material issues that need interpretation; and that work out how we can resolve issues together, will be much needed as we go through the next two years."

"The more open communication can be, the better, to be honest. Even if you had cross-party discussion with tenant representatives and the PCA on matters that needed to be moved on, that would be good."

"There's untapped potential in using a trade body structure or trio of trade bodies to identify issues and pass the ones that need it up. Formalising informal structures going forwards will be incredibly helpful."

"We need to have more inclusive round tables to foster trust and mitigate the perception that there's an 'inner circle' of people who talk to the PCA and an outer circle who are excluded."



"We haven't had any face-to-face meetings with pub-owning company CCOs or CEOs yet. So, just that dialogue to build relationships would be useful."

"There's a concern that the PCA will start to unpick other property law pieces – around dilapidations or the sanctity of the contract. COVID brought up that fear, because some laws were torn up during that time. If we can get the facts, if we can get the clarity around the law as it stands and how it's being amended, all the better."

"There is a structural failure to have an agreed set of facts and the minister and PCA operate a "blank sheet" approach in deleting history and former enquiries under which tenants lose ground or are placed back on the starting line."

"The GCA, if they hear things that are going wrong, they actually just ring up the relevant Chief Exec and say, "this is what your buyers are doing. It's contrary to the Code, tell me why it's happening?" And, in discussing that context, that Chief Exec knows to act on it now and they get it sorted out. That would be a very good practice for the PCA."

"There's a real fear around saying or doing the wrong thing."

Opportunity

There's an opportunity for the PCA to restore balance to the industry by building relationships with cross-sector stakeholders and facilitating discussions about strategic challenges that promote 'fairness' and whole system thinking.

2. ACTIVE LISTENING

Arbitration and Regulation by their nature require a certain amount of directing and controlling communication, but there is a perception that the PCA comes across more as 'judgemental' than 'balanced' at times

and that the flow of communication between the PCA and wider stakeholders is too formal, legalistic and one-sided. Here are the insights we heard relating to this:



"It would be interesting to know from a tenant point of view, what they think their rights are under the Pubs code to see whether they understand the Pubs code as a whole, or just certain bits of information that they've read."

"The GCA uses it's supplier survey to put League Tables out about who the best and worst big companies are to drive real, positive change."

"Find someone who looks and feels more like real publicans to communicate key messages, not a surveyor or a lawyer, but someone like them that they can actually identify with."



Opportunity

There is an opportunity for the PCA as regulator to cultivate a more two-way communication flow going forwards that role models the fairness, seeking of shared understanding and mutual respect that they wish to see across the sector.



"I have more of a legalistic training than most people and I find a lot of the communication, on first read, absolutely bamboozling. I think the PCA has tried to do fact sheets. I know historically they did some videos, but they're still very legalistic."

"It would be nice if we could receive communication via a letter or email that doesn't have this tone of 'you're in trouble. I'm telling you off'... just have an open conversation without worrying you're going to give something away that might be used in evidence against you."

"We do inevitably from time to time have correspondence with the PCA and, it tends to be, you know, very, very legalistic."

"If the PCA would like something from us, we get really tight deadlines and not a lot of information. If we would like something from the PCA, we either don't hear back on our feedback or we get something back saying, "why hasn't this been provided?" When, quite often, it has."

3. EFFECTIVE SIGNPOSTING

The signposting and support for tenants along their journey currently is fragmented and overwhelming at times, resulting in some tenants not accessing their full rights under

the Pubs Code or not finding the right trusted, independent advice if they wish to negotiate with their pub-owning companies.



"It's about the resources being there to make sure that the facts get out to the publicans, and that they have that targeted support."

"The BII have got the accredited panel. I think that's going to help a lot because you'll have this select group of people that are trained within the Pubs Code area that can give tenants 30 minutes advice for free."

"There are definitely industry bodies that could be used more effectively to help triage tenants. For example, PIRRS and PICAS, who deal with the Code for smaller companies not regulated by the PCA, are a good 'one-stop-shop' to sift and sort issues that could flow up or down potentially."



Opportunity

There is an opportunity for the PCA to signpost and support tenants along their journey better in collaboration with other sector stakeholders, particularly if they have issues along the way.



"The legal side of independent advice is really, really lax compared to the level of accountancy and financial planning they get from independent accountants, the legal side is a mystery, even to me... it's way behind the accountancy in terms of choice and transparency."

"Since the PCA was established, tenants have wanted a helpline, wanting to have somebody to talk to, to identify where they ought to go and what they ought to do next and it isn't something that the PCA's been able to deal with. Particularly around Landlords taking pubs back into ownership is going to be a real point of friction."

"I've never known an industry where lay people are expected to navigate and understand such complex legal frameworks. I mean, I don't need to be a chartered accountant or a structural surveyor to buy a house, but it feels like you have to have this set of experts and those experts aren't always on your side, even though they might claim to be."

"One of the big issues we face is the sheer volume of information we need to provide. Schedule One information for new tenants is just so long - they're already getting lots of information to think about regarding the pub, what they're taking on, how they need to run it... it's just hard to get them to then focus on the Pubs code."

4. CLEAR PARAMETERS

Different stakeholders have different expectations, which is resulting in a lack of alignment and blurred boundaries as to where the PCA's remit starts and finishes. This is getting in the way of people knowing

how to interact with the PCA openly and transparently and is resulting in frustration and, at times, disconnection. Here is what we heard from stakeholders:



"More need for helpline support, clear signposting for tenants... and honesty and clarity about what the PCA can and can't do. What's a commercial rent issue? What's a PCA issue?"

"I think previously the PCA has been focused very precisely on MRO as a pinch point. As we come through the next 2-3 years, the need will be far more of a regulator - advice and support more than arbitration, picking up on 'behaviours' and the much softer elements of the Code."

"What would really help is to have a central 'Hub of Information' of industry average costs and practices for the average Publican between the PCA and the BII, who have all the data among their accountants."

"It's almost as if they need some communication saying, 'The Pubs Code is not just about going free-of-tie and MRO, there's a lot more to it.'"



Opportunity

There is an opportunity for the PCA to reclarify their role and scope, as the industry enters a new era post-COVID with a series of macro environmental challenges lying ahead that will create potential pinch points for tenants and pub-owning companies.



"More collaboration, more advice and guidance, please. The job description of the PCA when it was established said to, 'provide guidance.'"

"I sometimes think where the trust breaks down in other parts of the sector is when they don't understand the limitations of what a regulator can't do and, therefore, get frustrated and / or want the regulator to be on their side. And that's not what a regulator does and that's not what arbitration is."

"The idea that MRO allows all tied tenants to be free and to make lots more money has evolved, I think. A lot of tenants realise that it's not quite that simple. This is a serious move, and that you're not necessarily better off on your own. So, I think people are taking a bit more of a considered view of things now."

"I think it's about being open to all parties. So, if advice is needed on something and a pub-owning company asks for it and the next week a tenant or their representative asks for it, that you really are open and clear and consistent on that."

5. GREAT EXPECTATIONS

Both tenants and pub-owning companies voiced some uncertainty as to what is expected of them at key points across the tenant's journey. For tenants, this is leading to them struggling to navigate the

complexities of the Pubs Code when they want to access their rights. For pub-owning companies, this is resulting in them, at times, not fulfilling their obligations under the Code. Here is what we heard around this issue:



"As the law has developed and the PCA's practice has developed, they've been able to make more pronouncements and announcements of what they expect and that helps, because both sides know exactly what is expected of them."

"A lot of regulation culture is to set rules and tick boxes, then sort of try to get around the rules rather than entering into the 'spirit' of the regulations. The whole point of the Pubs Code is to get both sides to talk to each other and sort things out in a way that's fair to both. It's not to put pub-owning companies out of business, and it is to make things fairer for tenants."

"A brief anonymized summary of decisions about the pre- and post-MRO rents and what the average outcomes have been, without having to read the in-depth decisions, would be massively helpful."



Opportunity

There is an opportunity for the PCA to more clearly articulate what is expected of pub-owning companies and tenants at key points across the tenant's journey, and to better outline how their response is likely to be managed as a result



"It's really important when new tenants sign up to a new trade agreement or sign up to MRO later on that they understand these are serious business arrangements. It's a serious business contract that should not be entered into lightly."

"Sometimes the problem is a proliferation of information. I readily have the conversation advising tenants, 'Have you received your letter about this being a trigger point in your agreement?' and they say, 'I don't know, I've received hundreds of letters. I don't know if I've had my Section 'X' letter, my RAP reached that point.'"

"At the moment benchmarking info harms discussions where tenants are under-advised, because it is often outdated, using a clunky categorization system that means people who don't use a specialist accountant are getting misled and caught out."

"It's simple things like if we had a relationship with the PCA's office where they could just phone us and speak to us about specific issues it would make things a lot simpler and stop a lot of time-wasting trying to find a piece of information out of a 20-page document where we've got hundreds of figures."

6. ARBITRATION EXCELLENCE & BEYOND

Arbitration is the last course of action when all other avenues of negotiation and compromise have been exhausted. At that point, it's critical that tenants and pub-owning companies feel they can rely on a

high quality, consistent and cost effective service to resolve matters. That hasn't always been the case to-date and, although the PCA has plans underway to address this, here's what stakeholders had to say:



"The statutory review is bringing in a 40-day negotiation period up front so that nobody can put a referral in to protect their position. Hopefully this will improve relations because then you won't have that outside source straightaway."

"It is really complicated and there are a small number of really acute pinch points where you might need an arbitration approach that are inevitably commercial – it's rent reviews and dilapidations, so it's entrance, exit and mid-term reviews. Those are the 3 areas that the PCA needs to focus on."

"The most helpful thing the PCA could do is create some expectations over time limits."

"I think depth interviews like this once a year or a conference or training day... We have tribunal training days every now and then, but it would be good to go around the issues of the day that come up and build a bit of cohesion."

"I've always found the PCA friendly and helpful. but I know Fiona professionally, so it's easy enough for me to write an email and ask a question or get a steer if I need one. That's not always the case for other arbitrators."



Opportunity

There is an opportunity for the PCA to work hand-in-hand with a key group of arbitrators to enable a high quality, consistent and cost effective service through ongoing training and continuous support and improvement as the legislation and case decisions evolve.



"The Chartered Institute appoint Chartered Arbitrators and they've got very few Landlord & Tenant arbitrators or valuers. A lot are from other disciplines and they're going to be struggling if they've got no hands-on practitioner experience in relation to the market."

"Our concern is around consistency. I've got no issue with alternative arbitrators, but what training have those guys had? There's also huge differences in costs. We need some sort of consistency around that."

"There are far too many people arguing about too many things and taking points that they shouldn't have taken – it doesn't serve the tenants and it just wastes everyone's time & money."

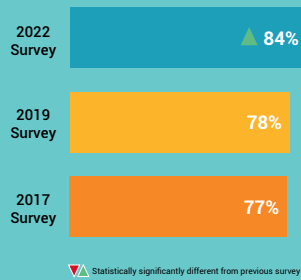
"For a number of arbitrations, tenant advisors put standard wording on to protect their position saying, 'we'll come back to you once we've worked it out'. There's a perception that pub-owning companies don't negotiate, but how can we negotiate when we don't know what the points are?"

"Just because you're in a dispute with a tenant doesn't necessarily mean that it's very aggressive or a big falling out. It's just, 'you think it's one. I think it's two. And, actually, I can see why you think it's one and you can see why I think it's two, because the legislation itself is so grey'. What would be really good was if there was just an opportunity with the PCA office to talk to someone, because in that scenario, we're both happy to accept if it's was one or two, we just don't know."

TENANT SURVEY INSIGHTS

Ipsos, on behalf of the PCA, interviewed a representative sample of 614 tenants across the six pub companies in January and February, 2022 about their Awareness and Experience of the Pubs Code and their relationship to their pub company.

C1. Have you ever read, seen or heard anything in relations to The Pubs Code?



Encouragingly, tenants' awareness of the Pubs Code has significantly increased since the last survey was conducted in 2019 – see Figure 3. Overall, 84% of the tenants surveyed this year had read, seen or heard information in relation to the Pubs Code, which is a significant increase from 78% in 2019.

While tenants have good levels of awareness of their Code rights overall, there is a significant percentage that are unfamiliar with key areas – see Fig. 4.

Figure 3: Tenant Awareness of the Pubs Code

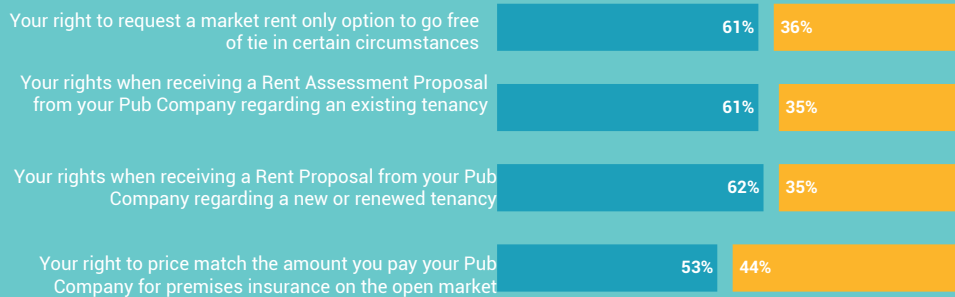
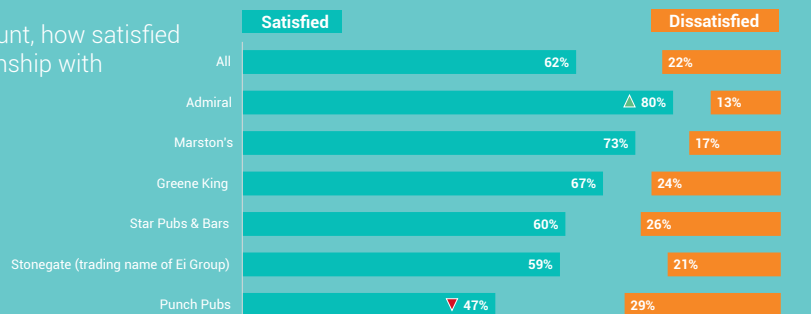


Fig. 4 Tenant Awareness of their Pubs Code Rights

The right to price match premises insurance on the open market appears to be the least understood. Just over one in three tenants are unfamiliar with other key rights such as the right to ask for the Market Rent Only option in certain circumstances, the right to a Rent Assessment Proposal in relation to an existing tenancy, and the right to a Rent Proposal for a new or renewed tenancy.

We know that tenants need to be familiar with their Code rights if they are to feel truly empowered to use them. So, the PCA has an important role to play in helping tenants understand how the Pubs Code can support them through the life of their tenancy. The pub companies and trade bodies also play a valuable part and, clearly, good work is happening, but it's clear there is more to do.

D3. Overall, taking everything into account, how satisfied or dissatisfied are you with your relationship with [PUB COMPANY] today?



Base: All tied pub tenants (614) with Admiral (78), Marston's (76), Punch Pubs (79), Star Pubs and Bars (128), Greene King (78), and Stonegate (184)

Statistically significantly different compared to the average

Fig. 5 Tenant Satisfaction with their Pub Company

The Pubs Code underpins the relationship between the tenant and the pub company and 62% of tenants surveyed were satisfied with this relationship, 22% were not – see Fig. 5. Satisfaction was slightly higher (67%) for those who started their tenancy after the Pubs Code came into force in 2016. Satisfied tenants should mean more productive business relationships, which benefits everyone.

The results can be viewed in full on the PCA website:
<https://www.gov.uk/government/organisations/pubs-code-adjudicator>

TENANT SURVEY INSIGHTS

D1/D2. To what extent, if at all, do you agree or disagree with the following statements about your business development manager/Code Compliance Officer?

Tenants were asked a series of statements about their business development manager (BDM) and Code Compliance Officer (CCO) and those that responded that they did not know who their BDM/CCO was were excluded from the base. The proportions of tenants not aware of their BDM or CCO are displayed below.

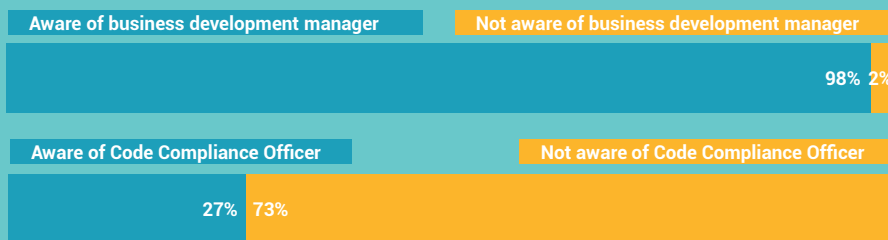


Fig. 6 Tenant Awareness of their Business Development Managers and Code Compliance Officers

Base: All tied pub tenants (614)

Business Development Managers (BDMs) are well known, with 98% of tenants surveyed aware of who their BDM is. This is not surprising as it is the person most likely to be in regular contact with them.

There needs to be more awareness of the pub company Code Compliance Officer (CCO) role as only one in four tenants were aware of who this was. The CCO works for the pub company and has a dedicated role to make sure their company complies with the Code. CCOs know a lot about the Code and are a useful contact for tenants with any questions or concerns.

D1. To what extent, if at all, do you agree or disagree with the following statements about your business development manager?

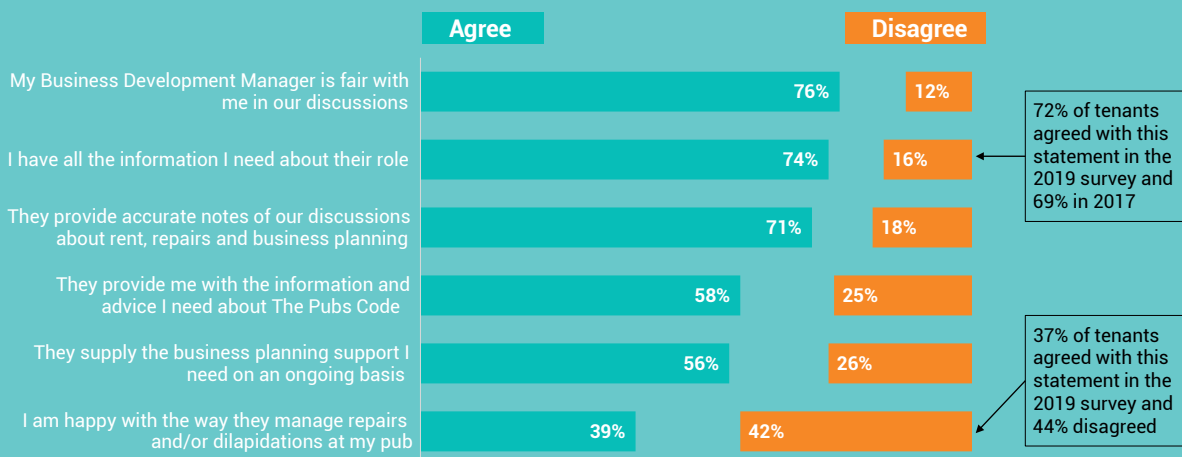


Fig. 7 Tenant Perception of their Business Development Manager

The relationship with BDMs is positive, with 76% saying BDMs are fair in discussions – see Fig. 7. These results suggest there is a solid foundation on which to build even better partnerships.

A pain point for many in the survey was the handling of repairs and dilapidations. Also of note was the usefulness of the sustainable business plan in managing the tenancy as while the majority found it useful, some did not. Several factors could be contributing to tenants' views on these matters, and it may not be a problem the Code alone can solve.

Understanding how the Code works in the wider industry context is important, being mindful of the historic challenges and alive to the current pressures. The PCA recognises the benefits of working with others to understand the problems in the tenant and pub company relationship and to finding the best solutions.

The results can be viewed in full on the PCA website:
<https://www.gov.uk/government/organisations/pubs-code-adjudicator>

An abstract graphic on an orange background. It features several thin white arcs of varying radii that originate from a horizontal line of seven circles. From left to right, the circles are: a large blue circle, a small yellow circle, a small yellow circle, a medium blue circle, a small blue circle, a small yellow circle, and a large blue circle. The arcs connect these circles in a complex, overlapping pattern, with some arcs spanning across the entire width of the image.

WHERE WE
ARE GOING



Picture credit:
Steve, Ruth and TJ Lewis, The Robin Hood, Overseal

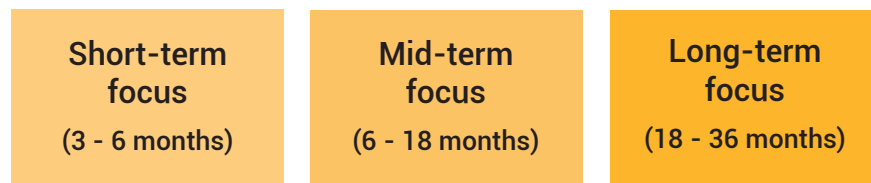


Picture credit:
Laura Hoult, The Bull & Bush, Shepshed

FUTURE STRATEGY

Based on the gaps identified around what is working and not working currently, these are the key strategic areas of focus that will help the PCA to restore balance between tied pub tenants and the pub-owning companies in England & Wales.

These are the initiatives we will be focusing on going forwards in terms of:



We have developed our Insights into 6 Strategic Priorities, which will form the priority for our time and effort over the next 1- 3 years, as follows:-



Then, we have two internal operational focus areas around:



PCA STRATEGY

Figure 8. Strategic Priorities for the next 1 - 3 years.

Key: TPT = tied pub tenant POB = pub-owning business	Short-term (3 - 6 months)	Medium-term (6 - 18 months)	Long-term (18 - 36 months)
1. SOLID FOUNDATIONS Building relationships with key cross-sector stakeholders to discuss strategic priorities.	Regular meetings Regular meetings with senior stakeholders, to discuss key issues and challenges, build trust and promote a compliance culture.	Round table discussions Engagement cross-sector through round table exercises to discuss strategic priorities, deepen Code and wider legislative understanding, to build working relationships cross sector.	Strategic partnering Partner cross-sector to develop new ways to solve strategic issues affecting the tied tenant relationship including by developing the effectiveness of the Code.
2. ACTIVE LISTENING Develop a two-way communication flow around what TPTs and POBs need and how we can support them.	Clear priorities Use survey, consultation and other sector information to clearly identify priority areas to better support user needs.	Annual survey Conduct Tenant survey to gather feedback on what is working well and where we and others can do better to support them.	Partnering Identify areas where working in partnership can deliver cross industry development of Code based strategies to support resolution of key cross-sector issues affecting TPTs.
3. EFFECTIVE SIGNPOSTING How we signpost and support TPTs if they have issues during their journey.	First contact response To best support TPTs, more clearly outline in common communications the role of the PCA and identify where the CCOs or other organisations can help.	Clear code steps Develop the Code story so that TPTs understand the key points in the business relationship where Pubs Code rights arise, and how and where to get support.	Quality care Work hand-in-hand with key stakeholders to develop key processes, standards and understanding so TPTs can access high quality information and support.
4. CLEAR PARAMETERS Clarifying the role and scope of the PCA and Pubs Code in serving TPTs across their journey.	Clarify PCA role & scope of the Code Communicate information in easily digestible ways, for example, through bitesize information, videos, journey maps, tenant stories.	Communicate clear parameters Via website, tenant info packs and other government or trade body materials & communications – review and reclarify if necessary. Be open and clear about PCA activities and progress.	Developing online presence Identify and develop, within resource parameters, how we can best present TPT rights and the work we do.

PCA STRATEGY

Short-term
(3 - 6 months)

Medium-term
(6 - 18 months)

Long-term
(18 - 36 months)

5. GREAT EXPECTATIONS

Plotting clearer regulatory approaches.

Day-to-day

Manage expectations of TPTs and POBs through setting clearer understanding on PCA's approach to regulatory issues.

Continual development

Monitor and show where POBs are demonstrating proactive compliance and enable continual Code development.

Collaboration on best practice

Consider strategic collaboration processes to identify and share best practice, using the Code to support improvements and raise standards.

6. ARBITRATION EXCELLENCE & BEYOND

Developing continuous learning & development provision for arbitrators and other sector specialists.

Arbitrator skills building

Partner with CIArb and arbitrators to develop & implement more targeted training and assessment for arbitrators to deliver a group of knowledgeable and competent specialist arbitrators on statutory arbitration.

Review & refresh

Review the training and ensure the provision of specialist quality arbitrators to enable continuous improvement and up-to-date knowledge of specialist arbitrators; support Government in any changes to arbitration rules to provide swift, consistent statutory arbitration.

Wider specialist support

Consider and adopt development opportunities, including training for other industry specialists to support industry knowledge.

7. JOINING THE DOTS

Developing more sophisticated processes for how we manage intelligence.

Day-to-day

When listening to stakeholders raising issues, offer information and guidance as appropriate; seek to understand industry context and be clear on prioritisation.

Developing processes

Develop more strategic intelligence gathering and processing, in line with resources, to improve analysis and understanding.

Preventative measures

Clarify information POBs can pro-actively share with the PCA & tenants to pre-empt matters before they escalate and how the PCA will view that so that lines of communication are clear and constructive.

8. INTERNAL DEVELOPMENT

Investment in People and Processes to ensure high quality service provision for TPTs and POBs.

Investment in people

Develop our people to provide the best possible service to TPTs and POBs through learning and development and targeted training.

Investment in processes

Review operations to identify what we should stop, start, and continue. Structure team accordingly to ensure everyone has clear roles, responsibilities to enable them to operate as a team.

IT and web presence

Continue to develop cost-effective systems and web presence to support delivery of a high-quality service.

SUCCESS CRITERIA

Increased information provision and empowerment should lead to more tenants being able to negotiate better deals and benefits for their businesses, which is the ethos behind the Pubs Code. These deals and benefits have to also be feasible for pub-owning companies to offer, as the relationship has to work on both sides.

In light of this, we have outlined the following Success Criteria to foster and maintain that balance, as follows:-

1. Tenants are aware of their rights and the legislation to support them.
2. Tenants know what information they are entitled to and when and how they can access their rights.
3. Tenants know what their options are if they are not treated fairly and know what steps to take to address that.
4. Pub-owning companies are clear on their obligations within the Code to empower tenants throughout the tenant journey by providing the right information, dealing fairly in negotiations and informing tenants of key moments to access their Code rights.
5. Pub-owning companies are clear on the process for raising issues that might affect their obligations, how to flag Code breaches, and the consequences of not doing so in a timely manner.
6. The PCA partners with the wider sector to promote understanding of the Code for key stakeholders, including legislative changes and responses to key strategic issues that arise.
7. Tenants and pub-owning companies receive a quality arbitration service to resolve Code disputes and tenants have access to quality professional advice to support them during their business relationship.



KEY PERFORMANCE INDICATORS

Our KPIs for continuous improvement within the PCA's office remain the same, as follows:-

Arbitration

1. In 90% of cases, the PCA will appoint a person to arbitrate a dispute within 25 working days of acceptance of a referral and receipt of all relevant information from the parties.

Publication of Awards

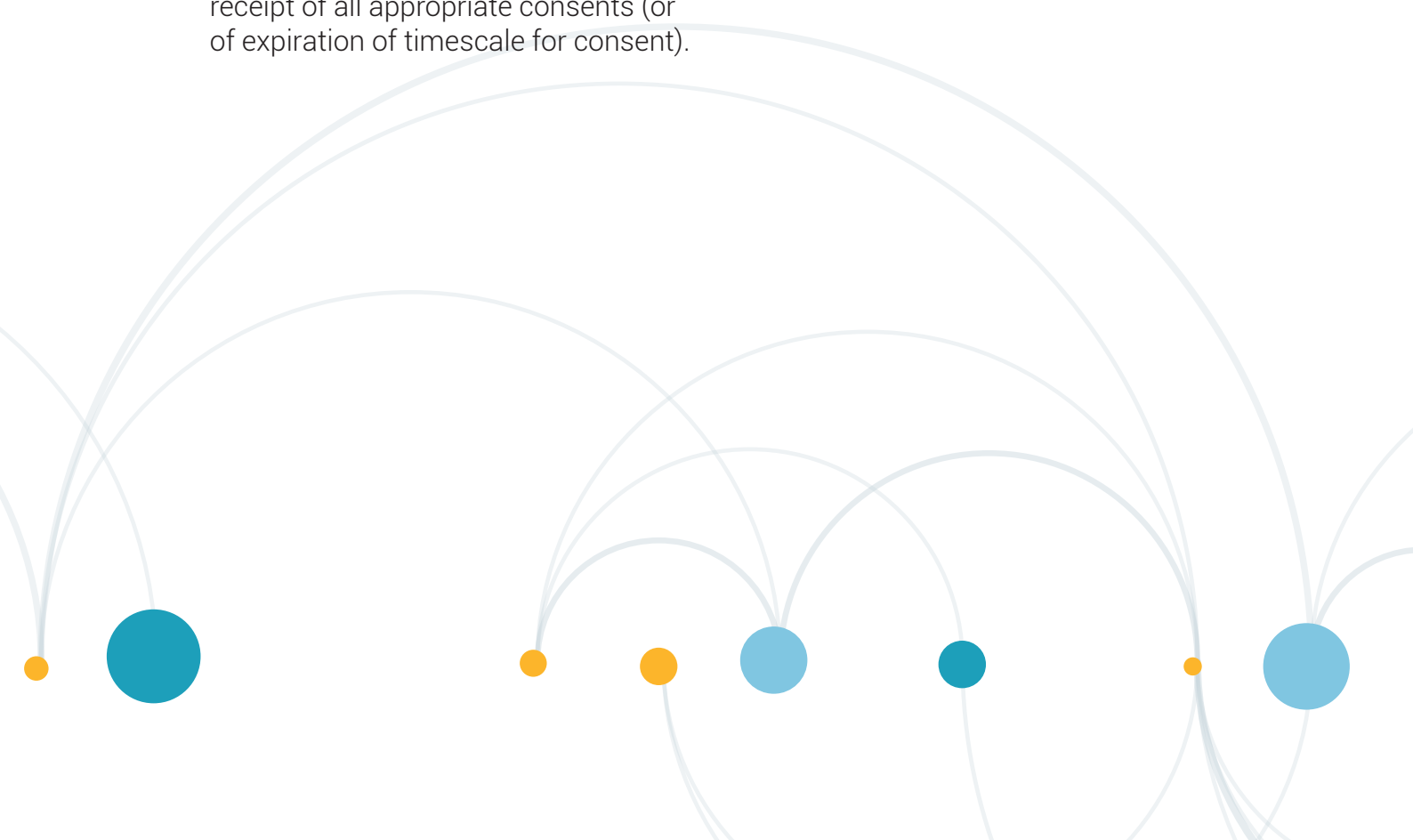
2. For 80% of awards for publication, in accordance with the PCA publication policy, consent is sought to publish no later than 6 weeks from the date the award is issued.
3. 80% of awards and summaries will be published according to the PCA publication policy within 6 weeks of receipt of all appropriate consents (or of expiration of timescale for consent).

Website

4. Increase in the % of tenants surveyed who find helpful information on our website.
5. Increase in % of tenants surveyed who find the website easy-to-use.

Correspondence

6. 95% of enquiries and correspondence (excluding regulatory interactions with pub-owning companies and arbitration case correspondence) are responded to within 15 working days.





CONCLUSION
AND NEXT STEPS

This is the first strategy report we have commissioned, so is a learning experience for us. We know there is still a lot to do to deliver the high service we aspire to. We also acknowledge the need for us to learn and evolve and intend that, in developing this strategy, we can start to address some of the gaps identified.

We know that we cannot achieve our strategy in isolation. So, we look forward to discussing the initiatives we have outlined in this report with key stakeholders over the coming months so that we can realise this to the benefit of everyone.



Picture credit:
Sally Harris, The Gun Inn, Findon



Picture credit:
Jamie Merrill, The Boot & Shoe, Ackworth



Thank you for taking the time to read this report.
You can get in contact with us, as follows:

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