



Pubs Code Adjudicator

Notes: Pubs Code Adjudicator meeting with Campaign for Pubs and the British Pub Confederation.

17 May 2023, The Slip Inn Public House, York.

1. Attendees

Greg Mulholland (GM) - Campaign for Pubs (Campaign Director), British Pub Confederation (Chair)

Paul Crossman (PC) - Campaign for Pubs (Chair), British Pub Confederation

Ian Cass (IC) - Forum of Private Business (MD), Forum of British Pubs (MD), British Pub Confederation (Vice Chair)

Fiona Dickie (FD) - PCA

Louise Smith (LS) - PCA

Glenis Simms (GS) – PCA

2. Key points

2.1 Matters arising from previous meeting

The PCA updated attendees on discussions had with Victoria McDonald following the last meeting which focused on best practice within the Profit and Loss templates used by the different pub companies.

2.2 Current Industry Issues / PCA priority areas

i) Upward Only Rent Reviews and their impact on tied tenants: It was noted that Stonegate had recently confirmed it will not be enforcing the upwards only open market rent review in MRO leases when in combination with an RPI rent review and had offered to remove them without cost to the tenant. The PCA is corresponding with other pub companies on the matter.

ii) Repairs and dilapidations: Discussions highlighted that tenants are not always clear on the process at the start of their agreement and that the accuracy of the schedule of condition is important. The role of the Business Development Manager (BDM) was discussed in making sure tenants know what repairs must be done with no surprises at the end.

iii) Insurance price matching and lack of tied tenants' awareness of their rights: concerns raised were that tenants cannot always access a copy of their insurance policy to enable

price matching. Clarification was given that the Code requires pub companies to provide this information when charging a tenant for premises insurance.

2.3 Closures in the hospitality sector

Attendees discussed the size of pub company regulated estates dropping to under 8500. Various tenancy models and their impact on the sector were discussed and the related different levels of tenant satisfaction.

2.4 Changes in franchise models and the impact for the sector

IC raised concerns with the PCA about the increase in franchise agreements, the business model used, and how much protection the Code gives to franchisees. IC asked the PCA to obtain copy franchise agreements from the POBs to provide to him so they could be viewed by his legal representative.

The PCA advised that it would be inappropriate for the regulator to do this, that it allocates staff resources based on evidence of priorities including the annual survey, and shares information publicly at an appropriate time.

The PCA said that satisfaction levels for franchisees covered by the Code would be part of the upcoming results of the Annual Tied Tenant Survey 2023.

2.5 PCA engagement with stakeholders

There was an invitation for the PCA to engage in roundtable talks with tenants and it was agreed that speaking with tenants directly would be beneficial. It was suggested this could take place at a venue in Manchester.

3. Any other business

RPI and beer price increases were discussed. All in attendance were invited to attend the upcoming survey launch event.