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PCA – Tied Tenants Survey 2024 Executive Summary

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



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1 Executive summary

Ipsos was commissioned by the Pubs Code Adjudicator (PCA) to conduct three annual waves of the PCA tied tenants survey from 2022 to 2024. The tied tenants survey follows on from similar work undertaken by Ipsos in 2017 and 2019, measuring familiarity with the Pubs Code, awareness of tenants' rights and examining the relationship between tied tenants and their pub companies.

This year's survey followed a similar approach to last year. Ipsos interviewed 1,203 tenants across the six pub companies that own more than 500 tied pubs in England and Wales. Interviews took place by telephone between January and March 2024. Ipsos ensured a representative sample by randomly approaching tenants within quotas set to reflect the make-up of the tied tenant population. 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, the tenant profile was similar to 2023. The majority are men (58%), however there are now more women tenants compared to when the survey began in 2022 (39% today compared to 32% then). Tenants tend to be older – 65% were aged 45 and over, although just over one in ten were aged 16-34 (13%). The majority of tenants were white (89%). One in ten 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 (9%). Most tenants surveyed were single operator outfits (85%), with just over half (52%) having held tenancies, either at their pub or another, for ten years or more. Almost two thirds of tenants (62%) started their tenancy following the introduction of the Pubs Code in 2016 – the same number as in last year's survey.

The Pubs Code and tenant rights

Awareness of the Pubs Code remains high overall. Four in five (80%) tenants recall hearing, seeing or reading about the code compared to 84% in 2023. When asked about their *depth of knowledge*, 78% 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 is in line with last year (78%) and the year before (79%) which marked a significant increase from 2019 (+11 percentage points).

When prompted, a majority of tenants with relevant agreements¹ are familiar with various code rights. More than six in ten tenants are familiar with their right to request a Market Rent Only option (MRO) in certain circumstances (63%, as in 2023), rights when receiving a Rent Assessment Proposal regarding an existing tenancy (64% vs 63% in 2023) and rights when receiving a rent proposal regarding a new or renewed tenancy (67%, as in 2023). These trends have remained constant over the past three years, which means that around one in three tenants are still *unfamiliar* with their rights in each of these areas. Moreover, when it comes to understanding the right to price match premises insurance on the open market, tenants are slightly more split. 56% of tenants overall are familiar with their rights in this area and 41% are unfamiliar. These patterns are consistent with findings last year.

¹ Relevant agreements here meaning those with tied tenancies or leases or another form of agreement not including retail, franchise or short agreement / tenancy-at-will

Tenants that had experienced any of the four code events were asked how satisfied they were with how their pub company dealt with them at the time. With the exception of requesting a MRO option, tenants were more satisfied than dissatisfied with how their pub company responded. Among those requesting a MRO option, 30% were satisfied and 52% dissatisfied. However, as previously noted with the 2023 results, we should take into consideration the specific circumstances of this group. As these were tenants that had requested a MRO option but then remained tied for whatever reason, this is naturally a partial picture of those experiencing the MRO process overall and excludes those who decided to accept the MRO terms they were offered.

Tenants were also asked about where they get information about the Pubs Code. Tenants who had heard information about the code in the past 12 months were significantly more likely to have done so through their pub company/ Business Development Manager (BDM) compared to 2023 (55% vs 48% in 2023). Greene King tenants were most likely to have got info from their pub company/ BDM (71%). When asked where tenants would go for information, just under half (45%) said they would go to the internet / google (vs 52% in 2023). The PCA seems to be growing as a potential source of information for tenants. One in five (20%) said they would go to the PCA this year, a significant increase from 2023 (14%), including 17% who said they would go to the PCA's website (vs 10% in 2023). Digital communication channels continue to play a role in informing tenants, while more tenants seem to be going directly to the PCA website rather than to a search engine.

The tenant / pub company relationship and new tenant experience

Overall, 63% of tenants surveyed are satisfied with their relationship with their pub company and 21% are dissatisfied. These levels have remained consistent with the last two years (62% satisfied and 22% dissatisfied). Tenant satisfaction within the six pub companies has remained broadly similar to last year, with no statistically significant changes since 2023. Scores for the top three performing pub companies are very close together. Tenants from Marston's (79%) remain the most satisfied. Admiral (78%) and Greene King (77%) also register above average scores for tenant satisfaction. While Admiral has remained relatively stable over the past three years, Greene King has improved steadily – from 67% in 2022 to ten points higher today. Tenants from Stonegate remain the least satisfied (47%) – yet while Stonegate has yet to recover from falling satisfaction last year, their score has not worsened significantly. Although, it should be noted that overall tenant satisfaction would increase to 71% if responses from Stonegate were removed. Meanwhile, after recording the worst satisfaction scores in 2022, Punch has maintained last year's improvement with 61% of tenants satisfied. Star has shown the most improvement this year, increasing 9 percentage points from 55% to 64% satisfied.

Satisfaction scores by pub company closely match tenant satisfaction with the *type of tenancy* chosen. Satisfaction with tenancy type has improved a statistically significant 6 points year on year to 68% overall. Marston's scores the highest (83% vs 79% in 2023) and Stonegate the lowest (57% vs 53% in 2023). Similarly, Star has shown the most improvement here – with a statistically significant increase in satisfaction with tenancy type chosen in 2024 (from 57% to 68%). As in 2023, scores vary by tenancy type. Tenants with a tied lease agreement are least satisfied (61% vs 56% in 2023), while those with another type of agreement, such as franchises or something else, remain the most satisfied (75% vs 74% in 2023). Given 71% of Marston's tenants have some form of franchise agreement², it is possible that the type of commercial relationship tenants have with their pub company is at least partly driving tenant satisfaction with the relationship overall.

² Often referred to in the industry as retail agreements

Tenants were asked in their own words why they are satisfied or dissatisfied with the relationship with their pub company. Their reasons have stayed the same since last year. Aside from factors relating to the commercial relationship and success of the business, communication is key. Satisfied tenants cite prompt and open communication from the pub company and fair treatment, and dissatisfied tenants say the opposite. The level of business support provided by the pub company is also spontaneously mentioned as is the speed at which repairs are dealt with. Otherwise, where things are working, many tenants just want to be left alone to run their pub.

These free form responses are supported by survey data too. To further understand the relationship between tenants and their pub company, some detailed survey questions have been asked over time about the relationship between tenants and their BDM and Code Compliance Officer (CCO). As in 2023, BDMs are well known, with 98% of tenants surveyed aware of who their BDM is. Tenant awareness of their CCO has grown significantly this year. 39% of tenants now know who their CCO is, compared to only one in four (25%) last year. Awareness still highest for Greene King (48%) but others are catching up. With the exception of Punch, tenant awareness of their CCO across the other pub companies has significantly increased this year. While tenant awareness of their CCO has increased, perceptions of how CCOs are performing have worsened since 2023, though in most cases they have only fallen to 2022 levels. This could be because as tenants become more aware of who their CCO is, the pool of tenants aware have a shallower relationship with them, meaning that perceptions weaken. It is reasonable to expect these scores to improve over time as the strength of relationship deepens with a wider group of tenants; though time will tell.

The relationship with BDMs is generally viewed positively by tenants, reflecting the fact that six in ten tenants are satisfied with the relationship overall. Most tenants agree their BDM is doing well across the various performance measures, with the exception of the management of repairs. While scores remain relatively high, tenants this year are less likely to agree that their BDM is fair with them in discussions, falling 4 percentage points from 81% in 2023 to 77% in 2024. This fall has been driven by 10-point decrease in agreement among Stonegate tenants. As in 2023, tenants from Marston's, Admiral and Greene King tend to give BDMs the best scores across a range of measures, reflecting strong overall satisfaction scores for those pub companies.

However, the management of repairs remain a key issue for tenants overall, with 40% agreeing they are satisfied with how their BDM handles them and 41% disagreeing. While satisfaction with BDM repair management remains low at the overall level, there have been positive shifts among the pub companies. Admiral and Star tenants are happier with how their BDM manages repairs at their pub compared to 2023³. Marston's tenants remain the most satisfied with how repairs are managed by their BDM (66% vs 67% in 2023) and Stonegate the least satisfied (22% vs 26% in 2023). Scores from Stonegate tenants do act as something of a drag on the overall picture. If responses from Stonegate tenants were removed, 49% would be happy with how repairs are managed, a statistically significant increase of 7 points year on year.

As we saw last year, tenancy type may be driving some of this higher satisfaction with Marston's – tenants with another type of agreement (e.g. franchise / some other agreement) are more satisfied with how repairs are managed (57%) compared to those with a tied lease agreement (31%) or a tied tenancy (39%). Which may all be related to the differences in repairing obligations borne by the landlord and tenant under different tenancy arrangements.

³ However wording change should be noted as "repairs and dilapidations" were included in 2023 and only "repairs" in 2024.

To have further insight into this issue, we asked tenants this year to explain in their own words the reasons why they are happy or unhappy with how their BDM manages repairs. As seen in the free form comments about overall tenant satisfaction, the speed with which repairs are undertaken is key. Availability and action from the BDM are also important, with tenants citing satisfaction with how their BDM is easy to contact, listens to them and helps push requests for repairs through the system as key positives (where positive perceptions exist). Tenants are also satisfied when their BDM is knowledgeable about their lease and can give them clear and honest information about who is responsible for a repair. Dissatisfied tenants say the opposite. However, it was also often reported among dissatisfied tenants that it was not their BDM that was the main issue. For example, the BDM might not be directly responsible for delays or issues, or that they do not have enough time to spend with tenants due to their workload.

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. As in 2023, recall of information received as new tenants was generally high. Four in five tenants recalled receiving details of tied obligations (85%), rent and deposit information (84%), and information about maintenance and repairs obligations (82%). Tenants were much more likely to have recalled an introduction to their CCO this year, from 44% in 2023 to 52% in 2024 (reflecting the aforementioned increase in awareness of who the CCO was). As in 2023 the majority of tenants found information received was useful, 79% of tenants said so and just 16% said it was not. However, fewer (62%) said their Sustainable Business Plan is useful in managing their tenancy. It is notable that satisfied tenants tended to find this information more useful than dissatisfied tenants, suggesting that good communication between pub companies and tenants at an early stage can lead to more positive working relationships in the longer term.

Tenants who started their tenancy in the last two years were more likely to find pre-tenancy information and their Sustainable Business Plan useful than those starting less recently. 85% of these tenants found the information they received useful while 13% did not. 73% find their Sustainable Business Plan useful while 19% do not. Looking at the scores by pub company, new tenants with Marston's and Greene King were most likely to find pre-tenancy information and their Sustainable Business Plan useful, whereas new tenants with Stonegate found them least useful. Similar patterns are observed when it comes to how tenants rate BDMs in terms of support with business planning. Seven in ten or more agree BDMs provide support when needed for Marston's (84%), Admiral (76%) and Greene King (72%). However, just one in three Stonegate tenants think the same (33%).

Perceptions of the PCA

Turning to perceptions of the PCA itself, our survey results find that 55% of tenants were either very or quite aware of the PCA before the survey took place, which is in line with findings from 2022 and 2023. As in 2023, tenants from Greene King (65%) are most aware of the PCA, while Stonegate are the least (48%).

Trust in the PCA to be independent has improved this year. Two in three tenants surveyed trust the PCA to regulate the pubs industry independent of the pub companies (64%), a significant 7 point increase. Six in ten now trust the PCA to regulate the pubs industry independent of government, a 5 point increase (while this is not significant, there is directional improvement). The findings seem to show a correlation between overall tenant satisfaction and trust in the PCA to be independent. Marston's tenants were typically most likely to trust the PCA in both instances.

In terms of specific PCA communications activity, trends are similar to 2023. One in four tenants claim to have used the PCA website in the past year (26%). Tenants mostly use the website to get information about the Pubs Code (63%), within that the most common reasons for visiting cited being to get general information about the code (47%), get information on rent assessment proposal rights (7%) or other information on the code (6%). Those using the website usually recall a positive experience, with seven in ten visitors saying the website was easy to navigate and use (77%), the information was helpful (80%) and the information was clear and easy to understand (75%). Meanwhile, very few tenants (2%) recall using the PCA enquiry line in the past year.

Conclusions

Overall, there are many positives to be taken from these results. Awareness of the Pubs Code remains high at around 4 in 5 tenants and most are 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 – a consistent picture across the three years of this particular survey. Tenants of Marston's, Admiral and Greene King the most satisfied and Star has shown notable improvement this year. Positive relationships are typified by transparent, open business relationships and strong business support. Tenants typically afford good scores to BDMs too. Star and Admiral have shown improvement in how their BDMs manage repairs since last year. There are also encouraging signs related to tenant awareness of who their CCO is – which has sharply increased year on year. It is also encouraging that satisfaction with tenancy type has improved significantly this year.

Meanwhile, the overwhelming majority consider information received as new tenants to have been useful and six in ten think their Sustainable Business Plan is useful in managing their tenancy. Newer tenants also find pre-tenancy information and their Sustainable Business Plan more useful, suggesting recent efforts here may have been impactful. In terms of the PCA, trust in the PCA to be independent has grown since last year and significantly more tenants said they would turn to the PCA for information about the code. This suggests recent communications have been successful in promoting the PCA.

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

- As in 2023, 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 remain 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. While Star has shown improvement this year, tenants with Stonegate, Star and Punch are less satisfied than those with Marston's Greene King or Admiral.
- In fact, a wider point should be recognised about scores from Stonegate tenants. These are consistently the weakest across multiple metrics. Overall tenant satisfaction and BDM scores all improve if feedback from Stonegate tenants is removed.
- Feedback from tenants in their own words show the importance of communication in the relationship. Clear, prompt, open communication and fair treatment are valued by satisfied tenants and deemed lacking by dissatisfied ones.
- Meanwhile, whilst BDMs typically score well, the handling of repairs remains an issue for many. Tenancy type appears to have an impact here which may need to be explored further. It may also

be worth considering what practices are working best that could be replicated across the industry. From the free form responses, ensuring that BDMs communicate responsibilities over repairs clearly and transparently to tenants and have the necessary powers to get involved in repairs would be useful.

- Likewise, tenant agreement that pub companies provide the right level of business planning support also varies by pub company. Pub companies scoring less well in this area may consider what could be done to improve, as tenants that consider their BDMs to be supportive tend to give better scores overall.
- Whilst awareness of who their CCO is has increased, perceptions about their role have worsened. This may be because a larger group of tenants have a weaker strength of relationship – and therefore this will improve in future – but it is something to keep an eye on.
- Whilst the information provided to new tenants is already seen as useful by most, it may be worth exploring what makes such information useful so that best practice can be shared. Similarly, with the Sustainable Business Plan, it is worth exploring how these can best be embedded in the tenant's way of working to support better tenant / pub company relationships.

The PCA website seems to be viewed reasonably well amongst those that have used it in the past year and tenants are more likely to say that they would visit the website for information since 2023, however three in four tenants have not seen the need to visit in that time.

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.

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