

# The Pubs Code and Professional Advisers



Pubs Code  
Adjudicator

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BII Accredited Advisers Forum  
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# Professional Advice and the Pubs Code

- Independent professional advice to tied pub tenants is central to delivery of Parliament's intention for the Pubs Code.
- Code places duties on pub-owning business at key points to advise /require tenant (and negotiating tenant) to get professional advice.
- Bii Scheme an important step in supporting quality and independence in the sector.
- Code duties are complex and legalistic. Professional advisers important in explaining / supporting tenant access to rights.



# Duties on Pub-owning Business

- **Before entering into a new agreement:**
  - **Business plan** - must be prepared after independent professional advice (such as business, legal, property, rental valuation advice)
  - **Premises** - must advise tenant to obtain advice of qualified surveyor experienced in tied pubs
- **Assignee** – must be advised to seek independent advice, incl. from qualified surveyor experienced in tied pubs
- **Rent Proposal / Rent Assessment Proposal** – must be prepared in accordance with RICS guidance, with confirmatory statement from member / fellow. Rent assessment must be conducted in accordance with RICS guidance. Member or fellow must confirm this.
- **Rent negotiations** - Must advise tenant to obtain independent professional advice on the rent before tenant agrees to it (new agreement and rent review)
- **MRO investment exception** – investment agreement must include confirmation that tenant has obtained independent professional advice re the agreement



# PCA 2024 Survey Results

- 1203 tied tenants surveyed by Ipsos - comparisons by pub company
- Awareness of code unchanged at 78% and awareness of PCA at 55% (+1pt from 2023).
- 63% of tenants are familiar with their right to request a Market Rent Only option (MRO) in certain circumstances
- 64% of tenants are familiar with their rights when receiving a Rent Assessment Proposal regarding an existing tenancy
- 67% of tenants are familiar with their rights when receiving a rent proposal regarding a new or renewed tenancy.

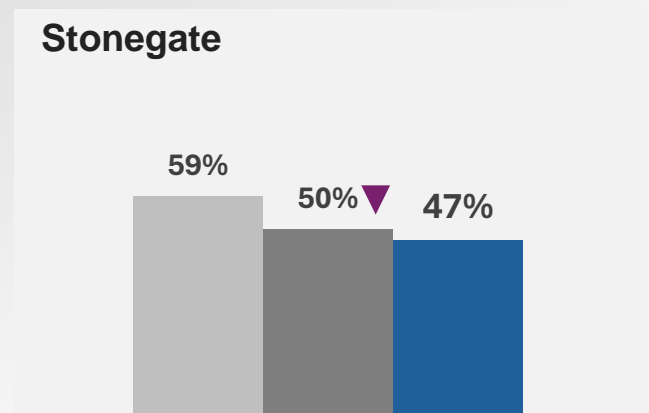
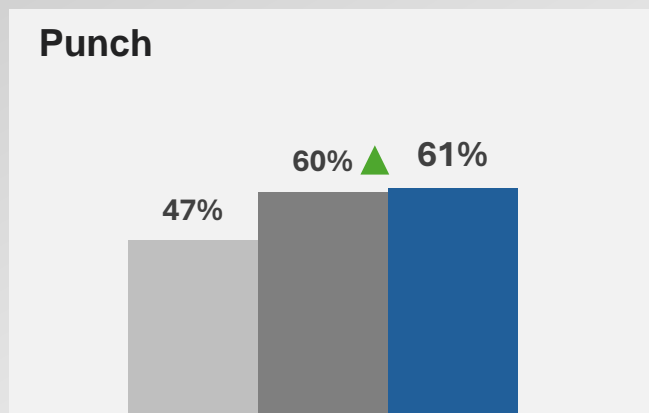
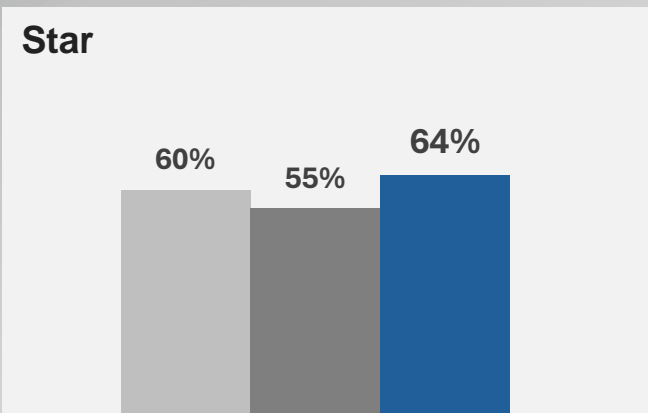
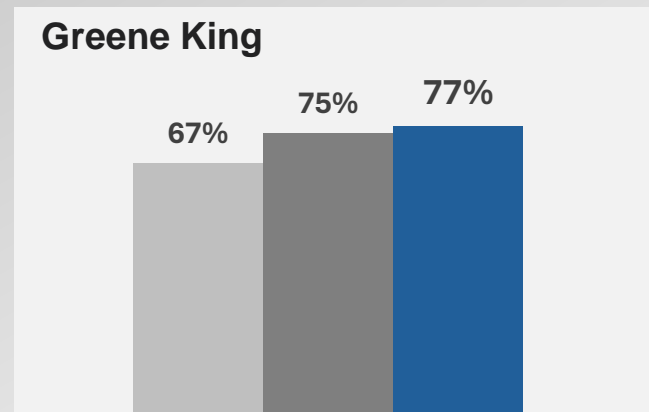
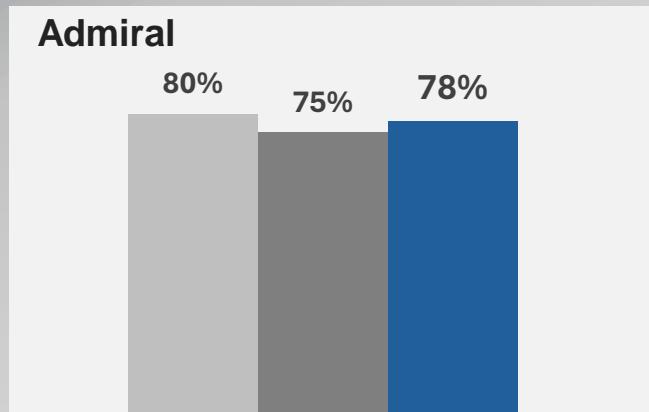
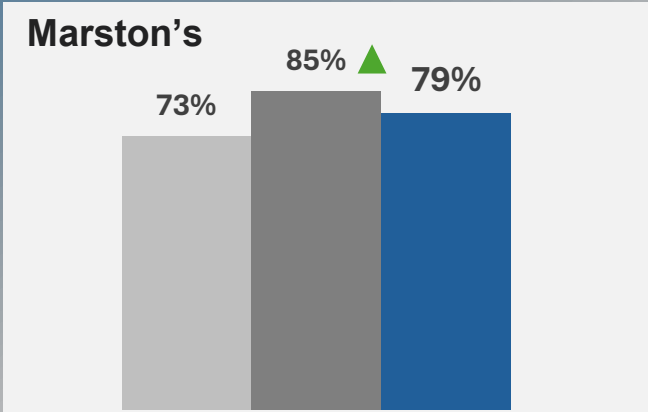
These trends remained constant over the past three years, which means almost one in three tenants are still unfamiliar with their rights in each of these areas.



# Satisfaction with pub company relationship

63% satisfied. 21% dissatisfied. (figures are 71% and 16% respectively when Stonegate excluded)

2022 2023 2024



Satisfaction with agreement type tested separately:

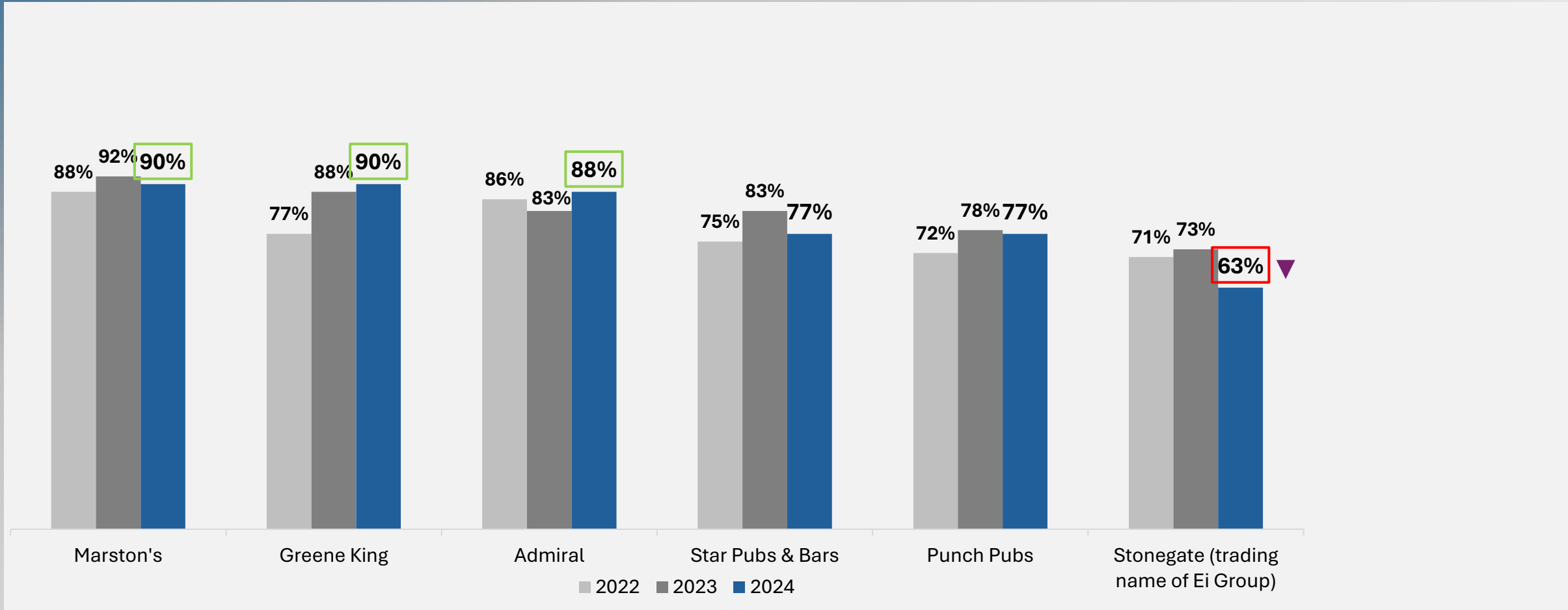
68% are satisfied with agreement type

Base: All tied pub tenants (1203) with Admiral (152), Marston's (165), Punch Pubs (134), Star Pubs and Bars (233), Greene King (135), and Stonegate (384)

▲ Statistically significantly different compared to 2023

# BDM fairness in discussions

## My BDM is fair in discussions



Base: All tied pub tenants that knew who their BDM was: Admiral (151), Marston's (165), Punch Pubs (130), Star Pubs and Bars (228), Greene King (134) and Stonegate (373)



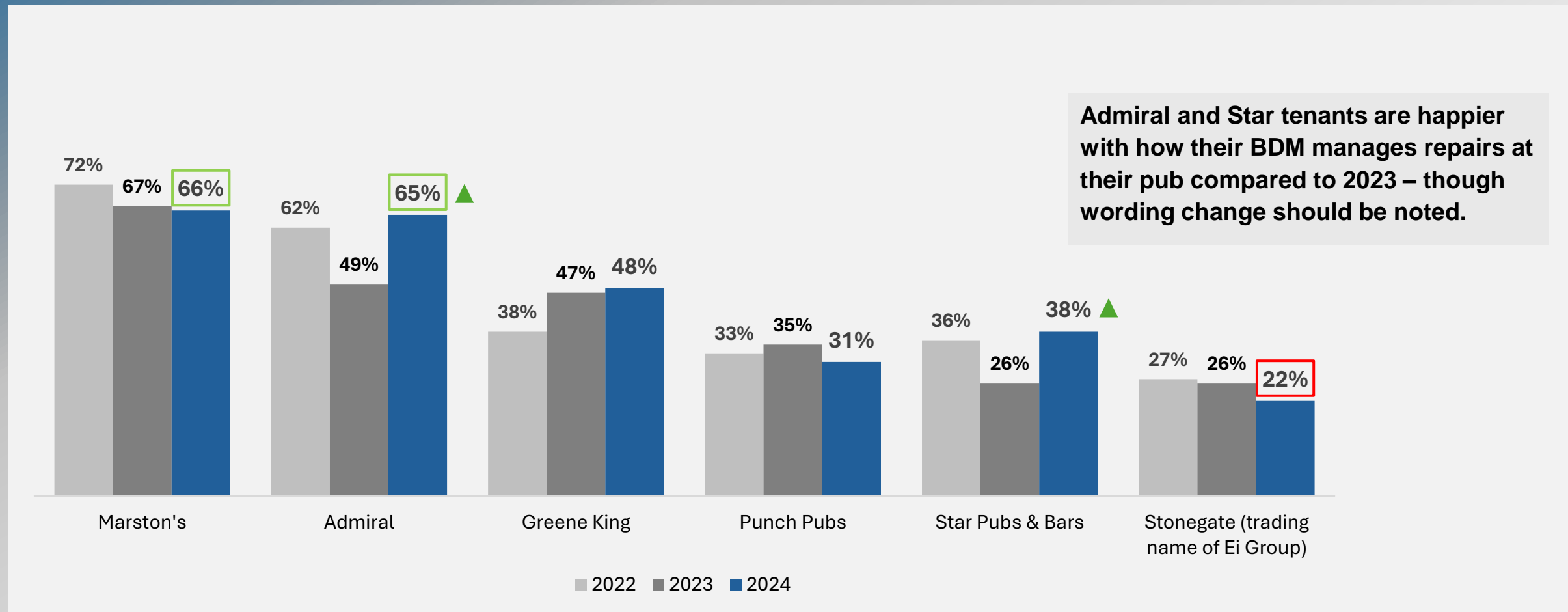
Indicate the proportion of a sub group is statistically significantly higher or lower than the total sample



Statistically significantly different compared to 2023

# BDM management of repairs

## Are you happy with the way your BDM manages repairs at your pub?



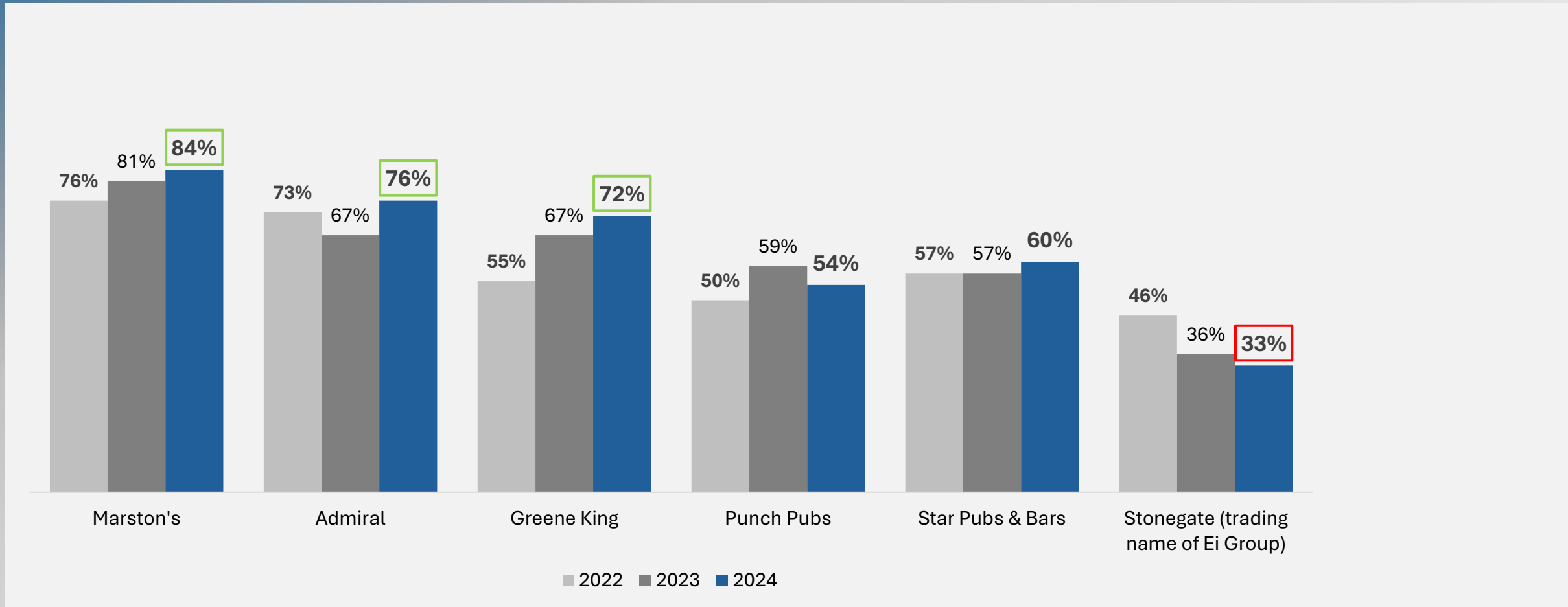
**Base:** All tied pub tenants that knew who their BDM was: Admiral (151), Marston's (165), Punch Pubs (130), Star Pubs and Bars (228), Greene King (134) and Stonegate (373)

\*wording changed between 2023 and 2024 from "I am happy with the way they manage repairs and/or dilapidations at my pub"


▲ Statistically significantly different compared to 2023   
□ Indicate the proportion of a sub group is statistically significantly higher or lower than the total sample

# BDM ongoing business support

My BDM supplies the business planning support I need on an ongoing basis

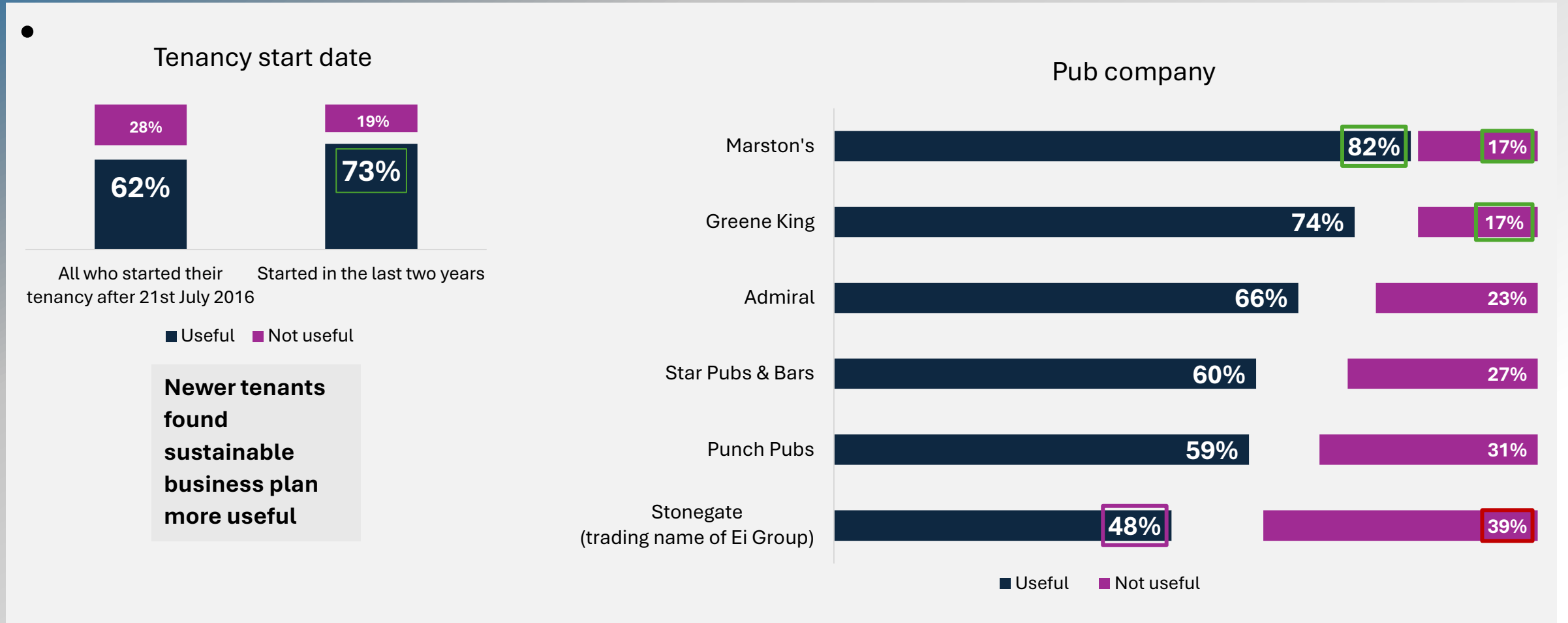


Base: All tied pub tenants that knew who their BDM was: Admiral (151), Marston's (165), Punch Pubs (130), Star Pubs and Bars (228), Greene King (134) and Stonegate (373)

 Indicate the proportion of a sub group is statistically significantly higher or lower than the total sample



# How useful tenants found their sustainable business plan



Base: All tied pub tenants who started their tenancy after 21st July 2016 (746), tenants who started between 2022 and 2024 (313)

Indicate the proportion of a sub group is statistically significantly higher or lower than the total sample

# PCA Some current areas of interest

- Trigger Events – how to support TPTs and their advisers to understand and access this right
- From Survey results
  - Tenant engagement / awareness
  - Repairs and Dilapidations
- Code breaches - Register of self-reports
- Quality of new tenant information including schedule of condition
- Treatment of those on Short Agreements & TAWs
- Code Compliance Officer role



# Trigger Events overview

- Entitles tenant to request Rent Assessment and is one of 4 MRO gateways
- Event expected to reduce tenant's trade over a continuous 12-month period, and meets certain conditions in the Pubs Code
- The Code sets out the steps tenant must take to show Trigger Event, incl. sending pub company a written analysis of the forecasted level of trading.
- The right is under-used. Why?
- Professional advisers can assist tenants in accessing this right. See Reg 7



# Conditions A and B must both be met

**Condition A** - Event causes decrease in trade reasonably expected to be achieved in each month over a continuous period of 12 months.

**Condition B** - Event is not—

- connected to tenant's personal circumstances
- one of the 3 other MRO events - (Significant Increase in Price to tenant of tied product/service; tenancy renewal; Receipt of Rent Assessment Proposal)
- an increase in price of a tied product or service due to circumstances beyond pub company's control
- one tenant could reasonably have prevented / substantially mitigated effects



## If Conditions A and B both met, event will be a Trigger Event if:

Event **only** affects that pub; or conditions C and D are met.

**Condition C** - The event affects other pubs in the local area; but is unlikely to affect all pubs in England or Wales.

**Condition D** - The event -

- is directly related to a change in the tie imposed by the pub-owning business on the tied pub; or
- has an effect which is directly related to changes in the local area e.g.
  - changes to the local infrastructure;
  - changes to local employment;
  - long-term changes to the local economic environment;
  - changes to local environmental factors.



# PCA and Professional Advisers

- [PCA Publicly Available Pubs Code Data Table - GOV.UK \(www.gov.uk\)](https://www.gov.uk)
- Arbitration data, MRO data, self-reported breaches, compliance reports and more
- Published arbitration awards
- Survey 2024 data
- We'd love your thoughts about the professional advisers' leaflet
- Feedback about what you want from the PCA
- Keep in touch!

