
A DAY IN THE LIFE OF....AN OPERATIONAL MANAGER



by PCA writers

New members of the PCA team were pleased to have the opportunity to accompany one of Punch Pubs' Business Development Managers (known in Punch as 'Operational Managers') on visits to tied tenants in the West Midlands. Staying in touch with what's happening on the ground in pubs is important to help our team understand the issues faced by tenants and see how the Pubs Code is working in practice.

Operational Manager, Rachael Henry, took us to three pubs in her patch, explaining to us how important her relationship was with her tied tenants, and how much she enjoyed supporting tenants at all stages of their tenancy journey.

We started off at the Royal Oak in Bromsgrove. We met bar manager Matt and chef Chris who, along with his business partner, Jane, had worked at the pub as staff members for many years. Chris and Jane had just taken on the pub as first-time tenants under a short agreement (Tenancy at Will) while they considered applying for a 5-year tenancy, and this was their first in-person meeting with Rachael as their new Operations Manager, so there was a lot to cover!

It was great to see the Code in action, as Rachael went through a checklist and information provided to new tenants, known as Schedule 1, including both the terms of the potential 5-year tenancy, as well as clarifying some of the key points and differences of their current short agreement.



The Royal Oak, Bromsgrove

An important part of this was to explain to the tenants that they should not make improvements to their pub while they were on a short agreement and before they had agreed a substantive tenancy. She also advised them to seek independent legal, accountancy and surveyor advice to support any application for a longer-term tenancy, to make sure they had assurance about their sustainable business plan, which must be in place before a new agreement is entered into. Rachael explained that the Code gave important rights to tenants around business plans, which would be subject to sensitivity analysis, so that tenants could see how they might be affected if the income projected by their business plan turned out to be lower than predicted.

Repairs, dilapidations and refurbishment were a big part of the conversation; Chris, Matt and Jane had identified a long list of repairs and maintenance needed in the pub. Rachael asked them to send this over for the Punch team to review and address. Rachael had arranged a follow-up meeting in the following week with Punch's surveyors and designers to come up with refurbishment plans. Punch planned to involve the local community in developing mood boards, a new logo and signage, working with the tenants to develop their vision for the pub at the heart of the local north Bromsgrove community.

There was a lot of important information for the tenants to take in during this first meeting, including on rent, fixtures and fittings, stocking terms, glassware, deposits, the pre-entry training requirements, legal costs, working capital needed, energy, insurance, alcohol licensing, accountancy and the business planning process. It really brought home the importance of the Pubs Code requirement to provide tied tenants with notes of meetings within 14 days from the discussion and for the tenant to respond if they disagree with any aspect of the record within 7 days. Notes like Rachael's would be important reference points for tenants as they developed their plans and took advice. We wish the tenants all the best for their new tenancy!



The Navigation Inn, Bromsgrove

Our next stop was just over the M42 in south Bromsgrove. The Navigation Inn is rated in the top 3 pubs for Sunday lunch in Worcestershire and tenants Geoff, Ian and Craig had been running the pub for 10 years. The team remembered the Pubs Code coming in, and said they'd always had a good relationship with their pub company.

Refurbishments were also the agenda for this meeting, with the tenancy agreement up for renewal early next year.



The Star and Garter, Droitwich

In the run up to Christmas, the tenants noted they hadn't had a working boiler in the accommodation, which also provided heating and water for the pub. After raising this with the pub company, the tenants had then escalated the issue to the BDM, whose intervention led to the boiler being fixed more quickly than had previously been suggested, given the serious impact on the pub's trading environment.

While the pub was beautifully decorated, the team walked around the premises discussing their ideas to create more cosy spaces for locals in the bar area and create warm outside areas in their large garden. A designer arranged by Punch had visited the day before and would be returning later in the month to come up with the vision and plans. Rachael, Geoff and Ian discussed how they would together look at the costs, and the impacts on the future rent, which they expected to negotiate prior to agreeing the next 5-year tenancy.

Punch had recently organised an event for pubs in the local area to meet with suppliers and the tenants had found this very useful to identify potential new products and build relationships with existing and new suppliers. Rachael noted that because it was local, the supplier event fostered a real sense of community in the area.

The tenants also talked about the improvements they'd made to their social media presence and the importance for this 'destination' pub of coming high up in internet search results. Punch noted as part of their tied relationship, they were able to support the tenant with the marketing which already has high ratings on both Google and Trip Advisor

Our final pub was the Star and Garter in Droitwich, a wet-led pub on a competitive high street. Tied tenant David talked to us about his 23-year journey at the pub, including challenges related to rent reviews in the years before the Pubs Code was introduced, and the different types of support he has received from Punch in recent years, particularly since the Covid pandemic.

Rachael took Dave through the latest developments and updates for tied tenants. She had reviewed the pub's social media and brought 'pen portraits' of the types of customers coming to Dave's pub, as well as providing them with a copy of Punch's bi-monthly tenant magazine, 'The Round'. She showed Dave how to access Punch's online marketing materials which could be customised to the pub. Rachael also used analysis of the pub's sales to discuss areas of future focus for the pub, and Dave talked about the successes and challenges of bringing in entertainers in recent months, and how clear external signage of the pub as a 'Sports Bar' had helped attract customers.

Dave also mentioned issues he'd had with one of his beer lines and Rachael made a call there and then to the Punch maintenance team to help Dave get this resolved ASAP. Having recently undertaken the BIIAB's Award in Beer and Cellar Quality, it was fantastic for us to have a tour of the cellars to turn our basic understanding of good beer keeping into practical and broader knowledge.

Dave talked us through how hard he and his team worked to keep their beer prices competitive in a tough marketplace, and the new beer lines he is planning to introduce to give customers the variety and choice they are looking for, as part of the informal 'home from home' feel of his pub.

Throughout the day, the importance of the BDM having a good relationship with their tied tenants, dealing with them in a fair and lawful way and providing high quality and timely notes of discussions was clearly evident. From understanding the wider context to understanding what's happening in the pub's local environment and with tied pub tenants personally – all these things made a real difference.

We are grateful to Rachael from Punch Pubs, and all the tenants who kindly hosted our visit and took time out from their busy days to share their experiences of the Pubs Code as tied tenants. We also offer our thanks to Punch's Code Compliance Officer, Donna Gracey, for her assistance in arranging our visit.

To find out more about the Pubs Code go to <https://www.gov.uk/government/organisations/pubs-code-adjudicator>