

PCA works with pub companies to improve the new tenant experience

The Pubs Code places duties on pub companies when dealing with new and prospective tied tenants. It requires the pub company to provide a range of information, so tenants are fully aware what the agreement involves and their obligations. The pub company must advise a tenant to take independent advice on this information, including the rent proposal, before preparing their sustainable business plan. It must also advise new tenants to complete pre-entry training (unless they are experienced).

The Government's last statutory review of the Pubs Code (2016-2019) identified some concerns about whether tenants were receiving and fully understanding information from their pub company as required by the Code. The Government also recognised the importance of new tied tenants accessing good advice and fully understanding their Code rights.

The PCA initiated ongoing discussions with the pub company code compliance officers to review the experience of new and prospective tenants and where improvements can be made.

Working with the code compliance officers of all six regulated pub companies since then, the following work has been underway:

New tenant information and training

Tenants are provided with a wealth of information when taking on a tenancy. Much of this will be required by the Code (under Schedule 1) and while our recent annual tenant survey showed 83% found the information useful, it may be difficult to digest.

The Code also requires that new entrants complete pubs entry training, designed to raise awareness of the matters involved in operating a pub and entering into product ties and other agreements with landlords. Training is currently provided by British Institute of Innkeeping (BII) through their Pre-Entry Awareness Training (PEAT) course.

Code compliance officers in agreement with the PCA have reviewed how they provide information to new tenants, including about the Code, and how they will measure how well it is working. This includes ensuring pubs entry training is appropriate, where provided by a third party as well as their own training for inducting new tenants.

Professional advice

The BII has facilitated the creation of industry expert panels (Chartered Surveyors, Solicitors and Accountants). The panels have been established to support members of the BII with major lifecycle events around agreements,

investment and business cases by directing them to independently accredited advisors. Following engagement with the PCA, the BII supported the effectiveness of the Code by ensuring that its new panels of accredited advisers for new tenants of all the regulated pub companies are also available to prospective tenants, who have rights to information under the Code when negotiating their tenancy. Most pub companies also pay for ongoing BII membership for their tied tenants. The PCA is pleased to see this delivered, recognising the importance of quality advice for tenants.

Steven Alton, CEO of the British Institute of Innkeeping (BII) commented, 'Access to independent expert support is business critical to both new and existing tenants. Through our accredited advisors and wider professional services we are able to fully support our members with access to the highest level of professional, independent support to tenants, be that prospective tenants ahead of a formal agreement or existing tenants when changes to agreements occur. This will ensure they secure the very best commercial platform on which they can grow their business.'

Code awareness

All new and prospective tenants now receive a letter from the PCA, via their pub company, introducing them to their Code rights. Tied tenants told us in our [independent research](#) that they want personal contact from the PCA at the start of their tenancy. Our aim is to continue to improve tenant awareness of the Pubs Code with 79% of tenants now aware, up 7% from 2019 when the survey was last carried out.

Use of the sustainable business plan

The PCA is in ongoing discussions with the code compliance officers who have agreed to review their arrangements for regular reviews of the sustainable business plan, which the tied tenant is required to produce, relying on professional advice, before they take the tenancy. This is to ensure that it is updated as necessary and remains a useful basis for discussion and decision-making. Work is ongoing to ensure the quality of that review.

Further information

To find out about pub company duties to their new tenants see the PCA's factsheet available on our website [here](#).

The full PCA tied tenant survey results can be found on our website [here](#).