

PUB GOVERNING BODY LTD

5th ANNUAL AUDIT REPORT

Pub Sector – England & Wales TENANTED Code of Practice (1-499 Tied Pubs)

Pub Sector – England & Wales LEASED Code of Practice (1-499 Tied Pubs)

INTRODUCTION

The annual audit of companies operating tied public houses covered by either of the above codes of practice was carried out between August and September 2021 and covered the period 1st August 2020 – 31st July 2021.

Conducted in what has been an unprecedented eighteen months due to the Covid 19 pandemic, this is the fifth audit to take place since the new codes of practice came into effect for those companies operating 1-499 tied leased or tenanted pubs. A full list of those companies covered by each code can be found in Annex A.

Those companies not covered by the government's Pubs Code (those operating fewer than 500 tied pubs) and the Pub Governing Body agreed that the good practice enshrined in the Industry Framework Code that preceded statutory regulation of the larger chains should continue. They therefore developed the three new Codes based on the Industry Framework Code, with additional improvements and updates.

Scotland has its own Pub Governing Body, the report as per last year has been split into two parts, one for England & Wales and one for Scotland.

The PGB Board England and Wales consists of :

Sir Peter Luff – England and Wales Chair

George Barnes – Shepherd Neame Ltd

Martin Caffrey – Federation of Licensed Victuallers Association

Michael Clist – British Institute of Innkeeping

Nick Griffin – The Licensees Association

Emma McClarkin - British Beer and Pub Association

Kate Nicholls – UK Hospitality

Jayson Perfect – The Liberation Group

Bill Sharp – Guild of Master Victuallers

Andy Tighe – British Beer and Pub Association

COMMENTS FROM THE ENGLAND AND WALES BOARD

The Board is pleased to see that the data in the fifth annual report once again shows there is a high level of compliance with both codes in England & Wales.

The Board would also like to commend the companies governed by the Code for the help they have given to their tenants during the Covid pandemic.

The Board welcomes the full compliance regarding both business plans and the number of rent reviews settled within the audit period, apart from those which have been delayed as a result of Covid 19. We would encourage Companies to settle those reviews that remain outstanding as soon as is possible. The Board is also pleased that pubs within its jurisdiction, that are protected by the landlord and tenant act has risen slightly to 83% (80%).

On training, although most BDMs or similar have undergone training, now that most staff have returned from furlough, the Board urges that training re-commences for those newer to the industry.

Sir Peter Luff, Chair of the Pub Governing Body, England and Wales commented,

“The board of the Pub Governing Body attaches great importance to this annual survey of the compliance of companies governed by our Codes. This has been a second very difficult year for all pubs - and we hope the easing of restrictions imposed due to the Covid-19 pandemic will not be reversed – but we are very pleased to see that, despite these unprecedented challenges, a high level of compliance has been maintained.

The industry can take pride in five years of sustained compliance, as the climate in which pubs operate returns to something closer to normality. However, there are two particular areas where we believe companies will need to be diligent if this record is to be continued into a sixth year – ensuring BDMs are properly trained and settling outstanding rent reviews at the earliest opportunity.

The year has also seen changes in the structure of the industry but we believe the work of the PGB remains a vital component in continuing confidence among tenants, commentators and politicians in the effectiveness of self-regulation of smaller pub companies.

It remains the clear view of the board that the Pub Governing Body and its associated Codes are together proving that self-regulation is both effective and unbureaucratic. Crucially, self-regulation can respond quickly to changing circumstances and the board will remain alert to any need for changes that may be needed as the industry continues to evolve. “

HEADLINE STATISTICS – ENGLAND & WALES

The full list of companies covered by the respective codes can be found in Annex A.

(Figures in brackets are 2019-20)

Pubs surveyed

- 2,609 (2,716) tied pubs are covered by the codes of practice for under 500 companies (England & Wales)
- Of these, 2,262 (2,344) are classified as tenancies and 347 (372) as leases.
- The fall in the total number of pubs from last year is 107. The move of pubs from S A Brains to Marston's PLC account for 55 of these. Of the remaining 52, 37 have been either sold or closed permanently. The balance of 15 is due to a higher number of Tenancy at Will's (TAW's) and closed pubs that are planned to re-open, that at the time of reporting, were not subject to the under 500 code.
- Please note in Annexe A that Ram Pub Company (60 pubs formerly Youngs Pub Company) have been removed from the list of companies covered by these Codes for 2021-2022 as the pubs have transferred to Punch Pub Co. In addition, New River who sold Hawthorn Pubs (430 pubs) to Admiral Taverns have been removed. All 490 pubs now come under The Pubs Code Regulation 2016.

Code compliance

- 302 (303) final interviews took place for leases and tenancies in the survey period.
- 302 (303) business plans were completed being 100% with none outstanding.
- Pre-Entry Awareness Training (PEAT) was completed in 197 (190) cases 65.23% (62.70%). The remaining 34.76% (37.30%) were waived as applicants were multiple retailers, had three years previous tenanted/leased experience or already had an existing successful tied pub with the company concerned.

Rent reviews

- In the survey period, there were 386 (340) rent reviews triggered.
- Of these 294 (259) or 76% (76%) were negotiated and settled within the same period.
- 92 (81) or 24% (24%) were still under negotiation. Of the 92 rent reviews outstanding 76 are reported to have been delayed due to Covid leaving 16 (4.1%) outstanding. This number is up by 11 on the previous years.

Business Development Managers

- 88 (93) BDMs were employed by companies over the survey period.
- 73 (76) of these 83% (81%) were BIIAB Level 4 trained.
- The remaining 15 (17) have joined the company recently (the Code allows for training within 24 months of being appointed) or are waiting for courses to become available.

PIRRS and PICA-Service

- There were no referrals to PICA-Service in the survey period.
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'Protected' agreements

- The total number of pubs with substantial agreements was 2609 (2716) of which 2052 (2184), 79% (80%) are Landlord & Tenant Act 'protected'. The remaining 562 (532) or 21% (20%) are 'unprotected' agreements.

ANNEX A – SIGNATORIES TO THE CODES

England & Wales

Adnams plc
Arkell's Brewery Limited
Camerons Brewery Limited
Charles Wells Limited
Daniel Batham & Son Limited
Daniel Thwaites plc
Everards Brewery Limited
Frederic Robinson Limited
Fuller Smith & Turner plc
George Bateman & Son Limited
Gray & Sons Limited
Hall & Woodhouse Limited
Harvey & Son (Lewes) Limited
Heavitree Brewery plc
Holdens Brewery Limited
Hook Norton Brewery Company, Limited
Hyde's Brewery Limited
J.C. & R.H. Palmer Limited
J.W. Lees & Co. (Brewers) Limited
Joseph Holt Limited
Liberation Group Ltd/Butcombe Brewery
McMullen & Sons Limited
Mitchells & Butlers plc
St Austell Brewery Company Limited
Shepherd Neame Limited
Timothy Taylor & Co. Limited
Trust Inns Limited
WH Brakspear & Sons Limited
Wadworth and Company Limited

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