

PUB GOVERNING BODY LTD

3rd ANNUAL AUDIT REPORT

Pub Sector – Scotland Code of Practice

INTRODUCTION

This is the third annual audit of companies operating tied public houses covered by the above Scottish Code of Practice which was carried out between August and September 2022. The audit covers the period 1st August 2021 – 31st July 2022. A full list of those companies covered by the code can be found in Annex A. Improvements and updates were made to the code during the audit period.

The Board also introduced a trade mark for companies to use on their web sites, brochures and on social media to show to prospective tenants they are signatories to the Code.

In the past two years the Scottish Government passed legislation to create a Pubs Code in Scotland. The date for its implementation is yet to be announced and the PGB Scotland will continue to monitor the pubs in Scotland listed in Annex A until its introduction.

The PGB Board Scotland consists of :

The members of the Board are :

Jo Graham – BII Scotland

Leon Thompson – UK Hospitality Scotland

Paul Togneri – Chair Pub Governing Body Scotland & Scottish Beer & Pub Association

Paul Waterson – Scottish Licensed Trade Association

Paul Wishart – Greene King

Paul Togneri, Chair Scottish Pub Governing Body commented:

The Board is pleased to see that in its third year since the formation of the Scottish Pub Governing Body figures are in line with previous years and show there remains a high level of compliance in Scotland, as evidenced by the data below.

Of note once again was the full compliance regarding business plans, and the number of rent reviews settled within the audit period. On BDM training, it was noted that Scotland again was compliant with all BDM's trained to Level 4 or above.

As a Board we would like to make it clear that tenants can still bring PIRRS (Pub Independent Rent Review Service) cases until the new Scottish Pub Code comes into force and PICA (Pub Independent and Conciliation Service) Service cases until three months after the new Pub Code Scotland is introduced.

HEADLINE STATISTICS – SCOTLAND

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

Pubs surveyed

- 482 (439) tied pubs are covered by the codes of practice in Scotland
- Of these, 196 (228) are classified as tenancies and 118 (130) as leases.

Code compliance

- 18 (34) final interviews took place for leases and tenancies in the survey period.
- 18 (34) business plans were completed (100%).
- Pre-Entry Awareness Training (PEAT) was completed in 12 (12) cases 66% (35%) of the total. The remaining 34% (65%) were waived, as applicants were multiple retailers with a number of other pubs, 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 47 (24) rent reviews triggered.
- Of these, 27 (14) or 57% (58%) were negotiated and settled in the same period.
- 20 (10) or 43% (42%) were still under negotiation.

Business Development Managers

- 25 (19) BDMs were employed by companies over the survey period.
- 25 (18) of these were BIIAB Level 4 trained the remaining two are within the 24-month training period for new BDM's.

PIRRS and PICA-Service

- There were no referrals to PICA-Service in the survey period.
- There was one referral to PIRRS in the survey period.

Protected' agreements

- Not applicable, there is no Landlord & Tenant Act in Scotland.

ANNEX A – SIGNATORIES TO THE CODES

Scotland

- Admiral Taverns Limited
- Belhaven/Greene King plc
- Punch plc
- Star Pubs & Bars/HEINEKEN UK Limited
- Trust Inns Limited

October 2022