



PIRRS

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## 3RD ANNUAL REPORT

27 November 2019

### 3rd 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)

Pub Sector – Scotland Code of Practice

## INTRODUCTION

This is the annual audit of companies operating tied public houses covered by the above code(s) of practice which was carried out between August and September 2019.

This is therefore the third audit to take place since the new codes of practice came into effect for those companies operating 1-499 tied leased or tenanted pubs, and/or tied pubs in Scotland. The audit covers

the period 1st August 2018 – 31st July 2019. A full list of those companies covered by each code can be found in Annex A.

Those companies not covered by the Pubs Code (i.e. those operating under 500 tied pubs) and the Pub Governing Body agreed that the good practice enshrined in the Industry Framework Code that preceded them should continue. They therefore developed the three new Codes based on the Industry Framework Code, with additional improvements and elements being brought up to date. In Scotland, which is not covered by the Statutory Code, the majority of companies operating tied pubs have signed up to the bespoke Scottish Code which was created specifically for the Scottish tied pub sector.

In Scotland there is a Scottish Pubs Independent Conciliation and Arbitration Service (PICA Service) and panel as well as Pub Independent Rent Review Scheme (PIRRS) Surveyors that have, or do, operate in Scotland.

This report has been prepared by the Pub Governing Body, and summarises the data received from the annual audit.

## COMMENTS FROM THE BOARD

The Board is pleased to see that the third annual report once again shows there is a high level of compliance, 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 training, it was noted that there has been an excellent improvement in the number trained to the required standard.

Comments from Sir Peter Luff, Chairman of the Pub Governing Body:

Sir Peter Luff, Chairman of the Pub Governing Body, commented,

“Once again, the results of this annual report underline the crucial role the Pub Governing Body continues to play following the implementation of the statutory Pubs Code two years ago.

“We are pleased to see strong levels of compliance from the companies governed by our Codes. We will continue to monitor and review these codes to ensure they remain relevant to both companies and tenants.

“Last year the Board announced they had reached agreement with stakeholders to ensure the independent rent review service, PIRRS, was available for all pub tenants – both those covered by the Statutory Code and those governed by self-regulation. The Board is pleased to confirm that fifteen tenants from Admiral, EI, Punch, Star Pubs and Bars, Marstons and Greene King have taken advantage of this scheme in the year ending 31st July 2019”.

## HEADLINE STATISTICS – ENGLAND & WALES

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

(Figures in brackets are 2017-18)

### Pubs surveyed

- 2,805 (2952) tied pubs are covered by the codes of practice for under 500 companies (England & Wales)
- Of these, 2,411 (2526) are classified as tenancies and 394 (426) as leases.
- The fall in the total number of pubs from last year is 147, 56 of these are due a drop in numbers of pubs belonging to the under500

companies. The remaining drop of 91 is due to a higher number of Tenancy at Will's (TAW's) than last year that are not covered by the under 500 codes.

## Code compliance

- 417 (431) final interviews took place for leases and tenancies in the survey period.
- 417 (431) business plans were completed being 100% with none outstanding.
- PEAT was completed in 292 (313) cases 70.02% (72.62%). The remaining 29.98% (27.38%) 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 251 (315) rent reviews triggered.
- Of these 249 (311) or 99% (99%) were negotiated and settled within the same period.
- 2 (4) or 1% (1%) were still under negotiation.

## Business Development Managers

- 96 (97) BDMs were employed by companies over the survey period.
- 93 (71) of these 97% (73%) were BIIAB Level 4 trained.
- The remaining 3 (26) have only just joined the company (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.

- There was one referral to PIRRS in the survey period.

### ‘Protected’ agreements

- Of the total pubs audited, 2240 (2416) or 80% (82%) are Landlord & Tenant Act ‘protected’. The remaining 565 (536) or 20% (18%) are ‘unprotected’ agreements.

## HEADLINE STATISTICS – SCOTLAND

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

### Pubs surveyed

- 430 (448) tied pubs are covered by the codes of practice in Scotland
- Of these, 270 (246) are classified as tenancies and 160 (202) as leases.

### Code compliance

- 66 (55) final interviews took place for leases and tenancies in the survey period.
- 66 (55) business plans were completed (100%).
- PEAT was completed in 49 (43) cases 74% (78%) of the total. The remaining 26% (22%) 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 26 (19) rent reviews triggered.
- Of these, 19 (16) or 73% (84%) were negotiated and settled in the same period.

- 7 (3) or 27% (16%) were still under negotiation.

## Business Development Managers

- 17 (16) BDMs were employed by companies over the survey period.
- 17 (16) of these or 100% (100%) were BIIAB Level 4 trained.

## PIRRS and PICA-Service

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

## 'Protected' agreements

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

## 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

Hawthorn Leisure 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

NewRiver Retail Limited

St Austell Brewery Company Limited

S.A. Brain & Company, Limited

Shepherd Neame Limited

Timothy Taylor & Co. Limited

Trust Inns Limited

WH Brakspear & Sons Limited

Wadworth and Company Limited

Young and Co's Brewery plc

### Scotland

Admiral Taverns Limited

Belhaven/Greene King plc

Hawthorn Leisure Limited

Punch plc

Star Pubs & Bars/HEINEKEN UK Limited

Trust Inns Limited

PGB

October 2019



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## PGB GROUP

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