



**DATE:** 09 December 2025

Dear CEO,

**Business Development Managers – Opposition to Statutory Renewal on Ground (g)**

I write to you regarding the discharge of your duties under regulation 41 of the Pubs Code (regarding your Business Development Managers (BDMs)) where you are intending to oppose statutory renewal of a tied tenancy in reliance on an agreement which was the subject of the PCA's published statement of 13 March 2025.

The [statement](#) of 13 March 2025 explained that the PCA is minded to the view that certain types of agreement known as hybrid, operator, manchise, or share agreements may fall within the definition of what constitutes a tied pub for the purposes of the Pubs Code. The definition of a tied pub in section 68 of the Small Business, Enterprise and Employment Act 2015 Act ("the 2015 Act") requires that the premises are occupied under a tenancy or licence. It is implicit in the PCA's published statement that a hybrid agreement which meets the definition in section 68 of the 2015 Act does so in part because it is either a tenancy or a licence.

In the case of a renewal of a tenancy that is protected under the Landlord and Tenant Act 1954 (the 1954 Act) a pub-owning business (POB) may oppose the grant of a new business tenancy to a tied pub tenant (TPT) on something known as "ground (g)" (section 30(1)(g) of the 1954 Act). This applies where, commonly, the POB intends to run the pub itself. This might be done through a manager. Ultimately it for the courts, and not this office, to decide whether ground (g) is made out on the facts and law.

I am concerned however that TPTs and the court should be aware of the PCA's position statement where it is relevant to possession proceedings on ground (g) in reliance on agreement types contemplated by that published statement. It is important that the TPT is able to take legal advice on this issue where appropriate.

I draw your attention to paragraphs 31 and 32 of my [Guidance on clarity in the MRO Procedure](#) in which I reminded POBs of their duty to ensure that their BDMs deal with TPTs in a manner which is consistent with the principle of fair and lawful dealing (regulation 41(1)(c)). Paragraph 32 notes that I expect a POB to be able to evidence its discharge of that duty.

You are reminded that you must ensure that your BDM makes appropriate notes of discussions in relation to current and future business plans (and the other matters specified in regulation 41(4)), and provide the TPT with a record. A BDM means any



person representing your POB in negotiations in connection with such matters (as well as any person employed as a BDM). You also have a duty to ensure that the BDM deals with the TPT in a manner which is consistent with the principle of fair and lawful dealing (regulation 41(1)(c)).

You should be satisfied that your BDMs and representatives are discharging that duty where the TPT's future plans may be impacted by an intention on the part of your POB to oppose their business tenancy renewal, including in reliance on an agreement which is the subject of the PCA's published statement on innovative agreement types. The BDM should behave fairly and transparently in these discussions and make a record of relevant information discussed with the TPT, including where their attention has been drawn to the PCA's published position statement and this letter in the notes required to be provided under regulation 41(4). The means and manner of discharge of the regulation 41(1)(c) and 41(4) duty should be evidenced for Pubs Code compliance purposes.

Further, if a business tenancy renewal opposition progressed as far as the court making disclosure orders or otherwise if the POB came under a disclosure duty, you will wish to consider whether this letter, relevant BDM notes of discussions, the PCA's Statement and anything else of relevance ought to be disclosed. These matters are for your lawyers to consider and for the courts to rule upon.

I hope you find the content of this letter useful and that it will assist you in ensuring that your BDMs discharge their duties under the Code. Should you have any concerns or questions about this issue please reply to this letter as soon as you can and in good time before it is published.

Regards



Fiona Dickie  
Pubs Code Adjudicator.

