



What Tied Pub Tenants Need To Know

Duties of a Pub-owning Business in Connection to New Tied Agreements



How to use this fact sheet:

This factsheet is for tied pub tenants who want to know more about provisions in the Pubs Code about what a pub-owning business is required to do for new tied pub tenants when they are considering **entering into a new tied pub agreement**.

It provides information to support tenant understanding. It is not a substitute for the Pubs Code legal framework.

Our website contains other useful information about accessing your Pubs Code rights and the PCA's role as regulator in enforcing those rights:
www.pubscodeadjudicator.org.uk

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At a glance... New tied agreements:

If you are considering entering into a new tied agreement, you have certain rights under the Pubs Code. Some of these rights ensure that you are provided relevant information to enable you to negotiate an agreement with your pub-owning business (POB). Other rights impose certain requirements on POBs that it must comply with prior to entering into a new tied agreement. This factsheet sets out the Code rights and obligations that apply at the pre-agreement stage.

Terms and abbreviations

Term/abbreviation	What it means
Code	The Pubs Code etc. Regulations 2016
CCO	Code Compliance Officer. Someone employed by the POB who is suitably qualified and whose role is to verify its compliance with the Code
Initial Works	Any maintenance, repair or improvement works which, before entering into a new agreement, a POB is aware must be carried out to the premises
New agreement	A new tenancy of, or licence to occupy, premises which are, or are expected to be, a tied pub but does not include a short agreement or the renewal of a tenancy or licence
PCA	Pubs Code Adjudicator
POB	Pub-owning business (often referred to as pub companies)
Pubs Entry Training	Training which is designed to raise awareness of the matters involved in operating a pub and entering into product ties and other agreements
Rent Proposal	A proposal made in accordance with Part 3 of the Code
Sensitivity Analysis	An analysis of the potential business performance of the tied pub in the case of an increase or decrease in business income, and the effect on the pub's costs and profitability



Short agreement A tenancy at will, or any other contractual agreement entitling a tenant to occupy a tied pub for no more than 12 months

TPT Tied Pub Tenant (this includes a tied pub licensee and lessee, as well as a prospective tied pub tenant, licensee and lessee)



Code rights before entering into a new agreement

Under the Code, a regulated pub-owning business (POB) must provide certain information to you if you are considering entering into a new tied agreement.

It must also advise you to seek your own professional advice and complete pubs entry training. This is to enable you to make an informed decision about the business and whether it is right for you.

This factsheet does not cover renewals of existing tied pub agreements under the Landlord and Tenant Act 1954 or under terms providing for renewal set out in the existing agreement. The PCA has produced a [separate factsheet](#) setting out what a POB must do where an agreement is being renewed under those mechanisms.

At a Glance...

Steps while you are negotiating (before entering into a tied pub agreement):

POB	Prospective tenant
Provides information to you, including on the tenancy, the rent, the premises, any Initial Works and the Code	Consider professional advice on the information received
Provides you with a rent proposal and advises you to obtain independent professional advice about that rent	
Identifies reports that analyse tied pub trading and tenancy costs and provides relevant data to allow you to compare the premises' performance for the purposes of preparing your business plan	Prepare your sustainable business plan
Advises you to inspect the premises and obtain the advice of a qualified surveyor with tied pub experience	Inspect the premises and take advice from a qualified surveyor
Advises you to complete Pubs Entry Training	Complete your Pubs Entry Training (as needed)

See below for **further information** on the POB's duties to you set out in this table.



Information the POB must provide to you

See Pubs Code – Regulation 11

A POB must make sure you have received certain information **before you consider any independent professional advice for your sustainable business plan**. The information is intended to assist you in being informed about the new agreement before you enter into it.

A POB must provide **information** about the following:

- The Pubs Code and any code of practice the POB may have for dealings with tied pubs
- Information about the type of tenancy or licence
- A full and clear description of the premises, and information about fixtures and fittings
- Information about the respective maintenance and repair obligations of you and the POB
- A Schedule of Condition and information about any Initial Works
- Obligations in relation to the purchase of tied products and services
- Whether the tenancy may be assigned or sold, and relevant procedures for you and the POB
- The advice, support and assistance available to you during the tenancy or licence, circumstances when the POB may be willing to amend its standard terms, and the events which entitle you to seek the Market Rent Only option
- Responsibilities of the POB / you regarding insurance
- Arrangements for payment of rent and deposits
- Information about your obligations under [Transfer of Undertakings \(Protection of Employment\) Regulations 2006](#)
- Where the new agreement is a pub franchise agreement, information about the franchise business, such as any fees you have to pay and the percentage of turnover you will be entitled to receive



- Procedures for where you breach the tenancy or licence, or where the POB breaches the Code.

The **full detail** of information the POB must provide is in **Schedule 1 to the Code**.

Rent and the Rent Proposal

See Pubs Code – Regulation 15

The POB must provide you with a rent proposal if it wants to negotiate a new agreement.

The POB must provide the rent proposal **before you consider the independent professional advice for the purposes of preparing your sustainable business plan**.

Further information about what must be provided as part of a rent proposal can be found in the PCA's [rent proposal factsheet](#).

Before you agree to pay an amount of rent, the POB must advise you to obtain independent professional advice about that rent.

Sustainable Business Plan

See Pubs Code – Regulation 10

Before entering into a new agreement with you, the POB **must make sure** you have prepared a sustainable business plan.

Before you prepare the sustainable business plan, the POB must:

- Identify publicly available reports that:
 - analyse the trading and tenancy costs of tied pubs in the UK
 - provide relevant data against which you can compare the performance of the tied pub
- Either provide you with copies of these reports, or inform you of where and how they can be found
- Advise you to consult the reports identified.



Your sustainable business plan must:

- Have been prepared after you have considered independent professional advice (such as business, legal, property and rental valuation advice)
- Contain financial forecasts for the tenancy, including:
 - Estimates of income and expenditure
 - A sensitivity analysis
 - The impact of any indexation of rent or other costs in the new agreement
 - A forecast of reasonable and realistic income and net profit.

See Pubs Code – Regulation 48

You have the right at any time to request from your POB a blank template for completing a profit and loss account for your business.

Gaming Machines

See Pubs Code – Regulation 47

Your POB is not allowed to enter into, or renew, a tenancy which says you must purchase or rent gaming machines.

Condition of Premises

See Pubs Code – Regulation 13

Before entering into the new agreement, the POB must advise you to:

- Conduct a thorough inspection of the pub premises, including any part of the premises which you intend to use as your home
- Obtain the advice of a qualified surveyor with professional experience relating to tied pubs



The POB should specify in the tenancy the condition of the premises. This is known as the “Schedule of Condition”. This is then used, or is updated in various circumstances before and during the tenancy. Where a tenancy requires that you carry out repairs or maintenance of the tied pub, before entering into the new agreement the POB must take the Schedule of Condition into account when assessing any maintenance or repairs required at the premises, or before any obligations about the condition of the premises are agreed.

Where the POB is aware of any Initial Works which must be carried out, it must provide you with information about these works, including who is responsible to complete the works and by when.

For further information on Pubs Code rights in relation to repairs and dilapidations, please refer to our Initial Works, refer to our [Repairs and Dilapidations factsheet](#).

Pubs Entry Training

See Pubs Code – Regulation 9

Before you enter into the new agreement, the POB must advise you to complete pubs entry training.

The POB does **not** need to advise you to complete pubs entry training if any of the following apply:

- You operate at least one other tied pub
- You can show you have at least three years relevant business management experience
- The POB has previously granted you a tied tenancy

If you have any queries or concerns about the steps your POB is required to take or has taken when you are entering into a new agreement, you may wish to contact your POB's Code Compliance Officer (CCO).

To find out more about the role of the CCO and for their contact details, please see our helpful [factsheet](#).

If you have a dispute with your POB about whether it has complied with its duties under the Code, you may be able to refer the dispute for arbitration. To make an arbitration referral, please complete the [Referral Form](#).



For **more information** about:

- **Making a Pubs Code arbitration referral** [visit our website](#)
- **Getting help and support** with the Pubs Code and arbitration, see our helpful [factsheet](#)

The POB must not subject you to any detriment for using the Pubs Code

See Pubs Code – Regulation 50

Your POB must not subject you to any detriment because you exercise, or try to exercise, any right under the Code. You can report this to the POB's CCO or make an arbitration referral if appropriate.

Unenforceable terms

See Pubs Code – Regulation 57

Any term in your tied agreement that penalises you for requiring the POB to act, or not act, in accordance with your Code rights cannot be enforced.



Questions about this factsheet

For **general queries** about the information in this factsheet, you may contact our enquiry service.

Please note, we can provide information about your rights, the Code and our processes. We cannot advise you about your case.



Complete our [online enquiry form](#)



Email: office@pubscodeadjudicator.gov.uk



Call 0800 528 8080 to request a call back

This factsheet provides information to support tenant understanding. It is not a substitute for the Pubs Code framework.

You may find it helpful to take independent professional advice before making any decisions that may affect you and your business.

Find out more

Follow the PCA on social media @pubscodepca



[Access all PCA factsheets here](#)

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