Draft strategy for feedback and consultation

Pubs Code Adjudicator

from September 2025 to August 2027

Campaign for Pubs response

Purpose of this document

The Pubs Code Adjudicator (PCA) is seeking stakeholder views to inform the development of its next strategy, which it is proposed will cover the two-year period from September 2025 to August 2027.

We would be grateful for any comments and feedback to office@pubscodeadjudicator.gov.uk by **Friday 11 July 2025**.

Feedback will support the development of a final strategy for publication.

Campaign for Pubs comments in red.

Context for the 2025-27 strategy

The PCA's current and first strategy covers the period from September 2022 to August 2025. In this new strategy, we are looking to build on the achievements of the current strategy and also consider where we can innovate and refine our focus. This new strategy presents an opportunity to provide transparency and clarity to the industry about our priorities and how we will achieve them. The PCA remains focused on delivering the statutory Code principles which drive our mission to protect fairness in the tied tenant relationship.

What are these achievements of the current strategy? The Pubs Code and PCA have failed to achieve the intentions of the Pubs Code legislation, there hasn't been anything like the rebalancing of risk and reward that the Code was introduced to achieve, there simply hasn't been any of the transfer of profits intended (and predicted) by Government.

Whatever limited 'achievements' claimed by the PCA, the reality is that the original intent of the Code and the establishment of a Pubs Code Adjudicator has not only not achieved what the system was intended to do, but has failed badly to address the fundamental issues between pubcos and tenants, most notably failing to rebalance risk and reward (i.e. allow tenants to take a fairer share of their pub's profit, through stopping the grotesque profiteering through tied pricing, when not compensated by lower rents (or any other meaningful, quantifiable benefits).

We object to the new strapline, "protecting fairness" in the tied tenant relationship. The Pubs Code and PCA have failed, by the very objectives of the Pubs Code legislation when it was introduced, to create fairness. It is not possible to protect fairness when fairness has not been achieved in the first place and to choose this as the strapline is deeply worrying and shows just how much the Pubs Code Adjudicator, perhaps unintentionally, has became part of the pub 'industry' establishment. Far from ensuring fairness (never mind protecting it), the current Pubs Code Adjudicator has actually entrenched the unfairness of the tied model

through ignoring the clear aim of the Pubs Code legislation of rebalancing risk and reward between pubco and tenant.

The external environment is complex and challenging for the pubs industry. The PCA can support efficiency in the industry by regulating proportionately, streamlining our processes and communicating clearly.

This is establishment industry speak. The best way to deliver a more efficient regulated sector would be to do what the Pubs Code was originally intended to do, which is to stop the grotesque and unjustifiable levels of tied pricing (which is completely artificial and, because the profits are taken entirely by the pub-owning company and not shared with the tenant, is bad for publicans as well as being therefore bad for consumers (who see higher prices) and small brewers (forced to sell at unreasonably high prices to be on pubco lists).

Ignoring this, as the current Pubs Code Adjudicator continues to do, is the opposite of efficiency and entrenches the unfairness of the tied model.

In addition, we can do so by supporting innovation, including digital technologies, which may offer improvements in tenant engagement and understanding of Code rights.

It is important that the PCA's strategy is informed by the context in which the pubs industry operates, and changes in the way technology is now being used to best support the effective delivery of the PCA's statutory objectives as laid down by parliament in legislation.

The Pubs Code and PCA have demonstrably failed to deliver the statutory objectives as laid down by parliament in the Pubs Code legislation.

The Department for Business and Trade (DBT) is currently carrying out its three-year Statutory Review of the PCA and Pubs Code for the Secretary of State. This will cover the period April 2022 – March 2025 and will also include a Post-Implementation Review of the Code.

The PCA acknowledges that we may wish to reflect outcomes of the statutory review in our delivery and objectives, including any guidance that may be issued to the PCA by the Secretary of State. Flexibility within the PCA's strategy is therefore key.

Achieving strategic alignment

The Pubs Code is underpinned by two core statutory principles which inform the PCA's mission to protect fairness in the tied tenant relationship. The PCA's strategic objectives must align with these guiding principles and form the foundation of their delivery.

Our strategy must also be informed by the external environment in which the PCA operates, and we are seeking stakeholder feedback to inform its development. Following consultation, we will publish our new strategy and be transparent about how we will deliver and measure our delivery against objectives.

We would be interested to see this transparency, considering that the Pubs Code and PCA has failed to deliver the objectives of the Pubs Code legislation.

Draft strategic objective 1

Effective regulation

This objective is focused on ensuring the PCA delivers its core mission, as laid down by parliament, effectively and efficiently.

The Pubs Code and PCA has failed to deliver the objectives of the Pubs Code legislation, so we are confused as to the claim that from now on, the objective – to rebalance risk and reward - will be fulfilled.

This builds on the work completed within our current strategy to provide clarity about our regulatory processes and implement these processes effectively.

We want to deliver smart and proportionate regulation by working with the pub-owning businesses that we regulate, stakeholders and others across the industry who support tied pub tenants.

To describe the regulated pubcos are "supporting pub tenants" is a deeply worrying statement that shows that the PCA is part of the pub industry establishment furniture. Once again this is (no doubt unconscious) bias that shows that the PCA is not aware of the reality of the continued abuse of the tied model (which is rife) but also that the PCA is far too close and cosy with the regulated pubcos. We reject the notion that the tie as operated by the large pub companies is any way "supportive". It is another example of how the current PCA ignores the rationale and stated objectives of the Pubs Code and the Select Committee reports that exposed the reality of the tied model, as operated post Beer Orders.

We want to ensure we are targeting our regulation and using the right regulatory tools in the right way at the right time, to drive good regulatory outcomes and minimise regulatory burden. This means maintaining high regulatory expectations while also ensuring that the way we regulate delivers value for money.

We think this means focusing on:

- Independent, expert regulation that raises standards.
- Collaboration with stakeholders including the pub-owning businesses (POBs) to support good practice & positive compliance culture.
- Seeking insights from tied tenants and other stakeholders to inform our regulatory activity.

As we have raised several times, the PCA simply does not take enough direct evidence from tied tenants and from recently former tied tenants (which is actually crucial for understanding the reality of the tied model as operated by the regulated pubcos). It is simply unacceptable that the annual PCA survey is based on pubs provided by the regulated pub companies. This must change. The PCA also must be far more interested in seeking evidence beyond that coming via pubco Pubs Code Compliance Officers, all of whom are

senior employees of the pub-owning company and therefore loyal to them (and defenders of the tied system).

If the PCA and office genuinely looked at the reality of the tied model, she and they would see quite quickly that the picture is very different from that put forward in the flawed and limited annual survey.

- Targeting our regulation appropriately.
- Ensuring regulatory efficiency and reducing regulatory burden.

Draft strategic objective 2

Exploring innovation

This 'strategic objective' is no more than a side issue.

This objective is about the PCA ensuring we explore how we can continue to innovate and improve our work, including how we work with others and considering new technologies that are now available.

We want to build on the success of our previous strategy which has delivered new platforms, in the form of our new website and case management system.

Once again, what has been the success of the PCA's previous strategy? That is an extraordinary claim to all those who deal with the reality of the model and to those involved in campaigning for intervention to stop abuse of the tied model.

We also want to ensure that our regulation does not hinder the use of appropriate new technologies in the industry, which have the capacity to improve outcomes for both tied pub tenants and pub-operating businesses.

We think this means focusing on:

- Harnessing intelligence and evidence effectively to drive quality.
- Exploring benefits offered by new technologies including artificial intelligence.
- Working in new ways with industry specialists to support tenants.
- Developing our digital presence to promote tenant awareness of Code rights.
- Ensuring regulation does not stifle innovation, such as digital improvements in the support pub-owning businesses provide to tied tenants.

Once again, clear bias and false assumption from the PCA, talking about "the support pub-owning businesses provide to tied tenants". This is an evidence free statement and shows just how much the PCA has become part of the sector establishment and is not delivering as a statutory adjudicator introduced to deal with the widely evidenced abuse of the tied model.

Draft strategic objective 3

Streamlining delivery

This 'strategic objective' is no more than a side issue.

It is important that regulation is both effective and efficient. We can support the pubs industry and maintain value for money by ensuring that we regulate proportionately, streamline our processes and communicate clearly, so that stakeholders, including those we regulate, understand our expectations and can engage with our processes effectively.

This strategic objective follows work completed under the current strategy to ensure the parameters of our work are clear and deliver our core functions effectively, including our arbitration service.

We think this means focusing on:

- Reviewing, streamlining and developing our regulatory advice and information.
- Ensuring the delivery of a high quality, efficient and accessible dispute resolution through Pubs Code arbitration.

We want to hear more information about this. The current PCA took the controversial decision not to arbitrate herself, so without more detail it is hard to know what the plans are for this high quality, efficient and accessible arbitration.

We also wish to make the wider point that as a tactic to delay and thwart MRO requests, pubcos routinely insist on arbitration. The original (and genuine) Market Rent Only concept and clause was that the tenant could go free-of-tie, on an independently assessed market rent (not one set by the pubco) from 90 days after triggering their right to go MRO. This could not be delayed by the pub-company and there was no need nor right to demand arbitration over this or the level of rent. This needs addressing (through strengthening of the legislation) to stop this.

- Clearly communicating the key outcomes the Code is seeking to achieve.

This will not happen, as the current PCA continues to deny the evidence, the rational and the reasons the Code was introduced in the first place, namely to rebalance risk and reward and stop pubcos taking far more than is fair or reasonable from pub profits.

- Supporting delivery of any regulatory changes following the Department of Business and Trade's statutory & post-implementation review of the Pubs Code and PCA.

We would welcome your views on these proposed strategic objectives and the areas you think the PCA should be focusing on. Please send your feedback to office@pubscodeadjudicator.gov.uk by Friday 11th July.