

# Guide to the Scottish Pubs Code

Stonegate Group

PUB PARTNERS



# A Guide to the Scottish Pubs Code

## What is the Pubs Code for?

In March 2025, The Scottish Pubs Code Regulations was introduced by the Government and applies to all pub owning businesses, such as Stonegate, who tied pubs in Scotland.

The Pubs Code is based on the core overriding principles of fair and lawful dealing by pub owning companies in relation to their tied tenants, tied tenants should not be worse off than they would be if they were subject to neither a product tie nor a service tie and that any agreement between a pub owning company and a tied tenant should fairly share the risks and rewards amongst the parties.

The Scottish Pubs Code ensures that tied publicans:

- Receive the information they need to make informed decisions about taking on a pub or making a change to their existing agreement.
- Can have their rent reassessed every 5 years.
- Can request a Market Rent Only option to go free of tie or a Guest Beer Option in specific circumstances.

## Scottish Pubs Code Adjudicator

The Scottish Pubs Code is overseen by the Scottish Pubs Code Adjudicator (the SPCA) who is in place to ensure compliance with the core principles. This includes arbitrating individual disputes, investigating suspected breaches of the Code and providing advice and guidance about the Code. The SPCA can provide you with information about your rights, the Code and its processes. They cannot however advise you about your individual circumstances.

The contact details for the PCA are as follows:

<https://www.gov.scot/groups/scottish-pubs-code-adjudicator/>

Call: 0300 244 1225

Email: [pubscodeadjudicator@gov.scot](mailto:pubscodeadjudicator@gov.scot)

Write to:

Scottish Pubs Code Adjudicator

Saughton House

Broomhouse Drive

Edinburgh, EH11 3XD



## Who does the Scottish Pubs Code apply to?

The Scottish Pubs Code applies to all publicans in Scotland who already hold or enter into a full or partially tied agreement with us, including if this is entered into via an assignment.

## Your relationship with Stonegate under the Scottish Pubs Code

We are committed to ensuring compliance with the core principles of the Code and at no point during your tied relationship with us should you experience any detriment as a result of exercising or attempting to exercise your rights under the Code. If you feel this has not been the case we would encourage you to contact our Code Compliance Officer at [pubscode@stonegategroup.co.uk](mailto:pubscode@stonegategroup.co.uk).

You are within your rights to refer such matters to the SPCA for arbitration along with any other complaint relating to a suspected breach of the Code, you must give us 21 days if you intend to do so to ensure that we have adequate time to try to resolve the matter with you.

## Pre-Entry Training

The regulations outline before entering into a tied-pub lease a prospective tenant must be advised by the pub-owning business to complete appropriate pre-entry training and give the prospective tenant information about providers of such training.

The regulations describe this as any material which raises awareness on 'matters involved in operating a pub and entering into product ties or other agreements with landlords, and material explaining tied pub tenant obligations and responsibilities. The British Institute of Innkeeping (BII) have an e-learning Pre-Entry Awareness Training module that can be found [here](#).

Pub owning businesses are not required to give advice and information if the prospective tenant/s meet the following criteria: a) is currently, or b) has been, within the period of 3 years ending on the day on which the lease is proposed to start; a tied pub tenant.

## Provision of Information

The Code sets out what information we must provide to you to assist with building a business plan and to ensure that you can make an informed decision about taking on a pub with us or making a change to your existing agreement.

This is set out in Regulation 10 of the Code and includes (but not limited to):

- Details of the proposed agreement and a Rent Assessment Statement (breakdown of our profit and loss forecast).
- A Schedule of Condition and any agreed initial works to the property.
- Information about completed repairs to the property (where held by Stonegate) and the number of tenants during the previous 10 years (where available)
- Copy of the Scottish Pubs Code and the related procedures.
- Details of any foreseeable material changes in the local area and any restrictions on the property.
- Premises licence information including any previous enforcement action.





## Rent Events

Under the Code there are specific requirements for additional information to be provided when dealing with a rent event, this is set out in Regulation 12 of the Code. Again, this is to ensure that you can make a fully informed decision.

One of these requirements is to provide you with a Rent Assessment Statement ahead of a contractual rent review. The Rent Assessment Statement is a breakdown of our profit and loss forecast.

We are required to provide you with a Rent Assessment Statement 6 months prior to the rent review date. In addition to this, you can make a written request for a Rent Assessment Proposal if you have not had a rent review/assessment concluded in the last 5 years.

All Rent Assessment Statements are prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) guidance and signed off by one of our internal RICS qualified Valuation Manager's.

It is important that you take independent, professional and qualified advice from accredited trade bodies in relation to these matters.

## Gaming Machines

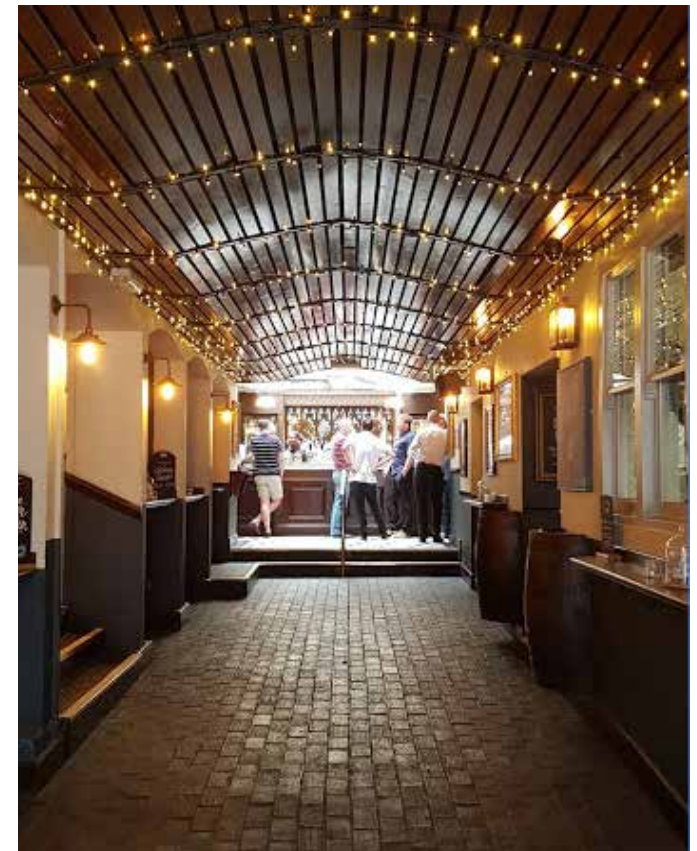
The regulations clearly set out that a pub owning business must not enter into a new tied pub lease which places a mandatory requirement on a tied-pub tenant to purchase or rent gaming machines from (a) the pub owning business, or (b) a supplier nominated by the pub owning business.

## Understanding my guest beer rights

The regulations allow tied tenants the right to request to sell any guest beer at any time of their tied agreement. The guest beer can be in any form such as cask, keg or packaged however the production capacity of the brand must be less than 5,000 h/L.

Any requests must be in writing and emailed to [pubscode@stonegategroup.co.uk](mailto:pubscode@stonegategroup.co.uk). Upon receipt Stonegate will issue an offer to enter into a guest beer agreement in writing. This will be done within 4 weeks beginning with the day on which the tied tenant's request is received. The offer will include information on any service equipment charge where applicable to the guest beer agreement and other relevant information.

The pub owning business and the tied tenant are to meet their own legal costs in connection with entering into a guest beer agreement. However, the tied-pub tenant and the pub-owning business must take reasonable steps to minimise the costs, and the administrative burden of entering into a guest beer agreement.



## Market Rent Only (MRO)

The Scottish Pubs Code sets out the circumstances under which you can request a Market Rent Only (MRO) agreement allowing you to consider whether you would like to enter into a free of tie MRO agreement instead of a tied agreement.

If you wish to request an MRO agreement you must make your request in writing and it must include your name, postal address, email address (if any), telephone number and the name of the tied pub to which the notice relates.

Upon receipt of your request, we will send you an acknowledgement and make our offer of an MRO agreement to you within 28 days. Please note that we do not need to offer you an MRO agreement if:

- The term of your existing agreement is one year or less.
- The term of your existing agreement is for more than one year, but less than half of the term has not yet passed (however this exception does not apply if you make your request in the 6-month period immediately preceding the date on which half of the term will have passed);
- You have requested an MRO agreement within the 2 years preceding the date of your request.
- Either party has served notice to bring the existing agreement to an end, and there is less than 3 months of the existing term remaining; or
- The investment exception applies.

If any of these exceptions apply, we will inform you in writing. When making an offer of an MRO agreement, we will include a draft deed of variation (or a draft lease where you agree to a new lease being offered) and the proposed MRO rent, details of any assumptions, disregards and other information used to calculate the proposed MRO rent and a recommendation to take independent advice.

Upon receipt of our offer, we will have 8 weeks to conduct negotiations, with the option to extend the negotiation period for a further 4 weeks if both parties agree. In the event that we are unable to agree either the terms of the MRO agreement or the MRO rent, the Pubs Code makes provision for the terms to be decided by an appointed third party or the Scottish Pubs Code Adjudicator



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