



Checklist for pub owning businesses and prospective tied pub tenants

Please note - this checklist provides a helpful overview but should not replace independent legal advice. To ensure you fully understand your rights and responsibilities, it is strongly recommended that you seek professional legal guidance before entering any agreement.

Before signing a lease, the pub-owning business must provide the following information under the Scottish Pubs Code Regulations 2024.

1. Pre-entry training

Advise the prospective tenant to complete appropriate pre-entry training and provide information about providers of such training. Key aspects of the training include materials on:

- ☒ The basics of running a pub
- ☒ What it means to have product ties with landlords
- ☒ Understanding the agreements involved in leasing a pub
- ☒ Responsibilities and obligations in operating a pub

Exemption: A pub-owning business is not required to provide pre-entry training if the tenant:

- ☒ Is already a tied-pub tenant
- ☒ Was a tied-pub tenant at any time in the last three years before the new lease starts

2. Lease agreement requirements

Provide a draft lease including:

- ☒ The process for handling breaches of lease terms
- ☒ Dispute resolution procedures
- ☒ Tenants rights if the landlord fails to comply with the Code
- ☒ Responsibilities for repairs and dilapidations
- ☒ Any proposed investment in the pub
- ☒ List all tied products or services and any expected changes (including details of discounts) for the first three months

3. Rent assessment & financial obligations

Provide a rent assessment including:

- ☒ Rent valuation on the proposed lease start date
- ☒ A profit and loss forecast for a 12 month period beginning on the valuation date
- ☒ Alcohol purchase history over the last 3 years (if available)
- ☒ Any other information that is used in how rent is calculated, including market rent estimates and any factors affecting rental costs to ensure Fair Rent Assessment

4. Schedule of Condition & repairs information

Information about repairs must include the following:

- ☒ A Schedule of Condition which refers to a pub's current condition
- ☒ Repairs completed during the previous tenancy
- ☒ Repairs required at the start of the lease by the tenant
- ☒ Repairs required at the start of the lease by the pub-owning business

5. Gaming machines requirement

A Prospective tied-pub tenant must not enter a lease which places a mandatory requirement to:

- ☒ Purchase or rent gaming machines from the landlord or a nominated supplier

Also, the landlord:

- ☒ Must provide information relating to gaming machines at your pub including how the income will be shared

6. Cost information

Provide details on:

- ☒ Business rates, fees, service rates and other costs associated with the operation of the pub which are the responsibility of the tenant
- ☒ At least one publicly available report analysing the trading costs of tied pubs in the United Kingdom, including the costs of the agreements under which such pubs are occupied

7. Advice & support information

Provide advice and support from the landlord and independent sources, which may include:

- ☒ The training needs for tenant and employees
- ☒ Licences and training requirements in relation to those licences
- ☒ Brand promotion and merchandising

- ☒ Pub marketing strategies
- ☒ Other aspects of business management which are significant in the pub-owning business opinion, to the running of the tied pub
- ☒ Provision and maintenance of dispensing equipment
- ☒ Benefits tied-pub tenants may expect to enjoy as a consequence of the pub-owning business's ability to procure and supply products, services and expertise to the tied-pub tenant
- ☒ Exterior decoration signage, car parks and gardens

8. Business plan requirement

Advise the prospective tenant to prepare a business plan taking into account the information provided by the landlord and seek independent advice.

- ☒ Provide information on independent business plan advisors
- ☒ Ask to see a copy of the prospective tenant's business plan
- ☒ Have due regard to the prospective tenant's business plan, if provided, when negotiating the lease

9. Additional information for first-time tenants

Provide new tenants with:

- ☒ A description of the pub
- ☒ A description of the licences currently applicable to the pub, i.e. alcohol, food, late licences
- ☒ Any enforcement action taken in the last two years, i.e. health and safety or planning
- ☒ The number of tenants who have occupied the pub during the previous ten years

10. Investment agreement and Market Rent Only lease exception (effective from 30 June 2025)

The prospective tenant must be informed that if they agree to an investment agreement with the pub-owning business, this may affect their ability to request a Market Rent Only (MRO) lease in future.

If the lease is accompanied by an investment agreement, the prospective tied-pub tenant must be made aware of the following:

- ☒ A landlord may decline an MRO lease request if an investment agreement is in place
- ☒ The landlord may decline the MRO request for 5 years from the date an agreement was agreed and where the pub-owning business is investing capital improvement works which is equal to or higher than the greater of £35,000 or 150% of the annual rent of the pub

The investment exception does not apply unless:

-  The tenant voluntarily enters into the investment agreement
-  The tenant has had the opportunity to obtain alternative estimates for the work
-  The pub-owning business has, before entering into the investment agreement, informed their tenant in writing about how the investment agreement may affect the tenant's right to an MRO lease

Exceptions to notification requirement:

-  Landlords do not have to provide written MRO information if the investment agreement was made before these regulations took effect [30 June 2025]

The investment exception ends if:

-  Capital improvements do not start within 12 months of the agreed date (without reasonable excuse)
-  Works stop for 12 months or more (without reasonable excuse)

Find more information



Go to the Scottish Pubs Code Adjudicator website:
www.gov.scot/groups/scottish-pubs-code-adjudicator/



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