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Experts Sintons Leisure

Leisure News 2026

"At Sintons we value the strong relationships we have with our clients and contacts."

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Welcome

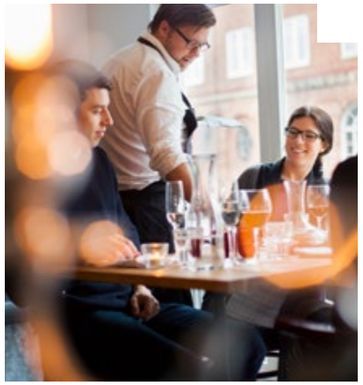
Welcome to the first edition of Leisure News, Sintons' newsletter created specifically for businesses operating in the leisure, hospitality and licensed sectors.

The leisure industry continues to operate with an evolving backdrop of legal, regulatory and commercial challenges. Through this newsletter, our aim is to provide practical, accessible insights from our specialist teams to help you stay informed and ahead of developments that may affect your business.

With the breadth of expertise from across our firm, the newsletter covers topics such as licensing, employment, property, corporate transactions and other issues impacting leisure operators. We explore key considerations when acquiring licensed premises, protecting premises licences through lease arrangements, employment issues surrounding employee conduct outside the workplace and recent developments affecting the leisure sector in the North East.

At Sintons we value the strong relationships we have with our clients and contacts. We pride ourselves on holding long-standing relationships with our diverse collection of clients and helping their ambitions and ideas come to fruition while delivering commercial success.

If any of the issues discussed in this newsletter raise questions for your business, please do not hesitate to contact us. We would be delighted to hear from you.



When **Personal Conduct** Becomes an **Employment** Issue

Employee conduct outside work: when does it become your business?

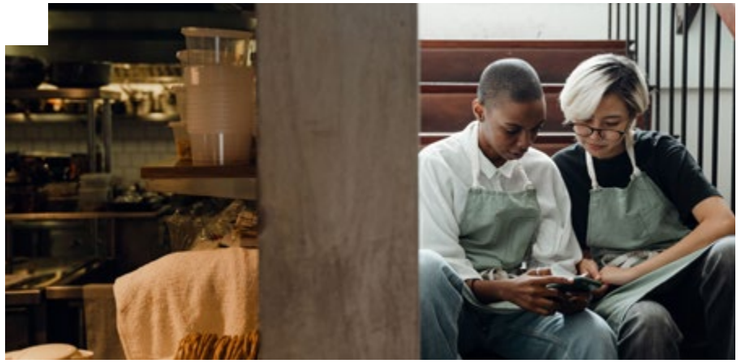
An employee's conduct, both inside and outside of the workplace, can have significant legal, commercial and reputational consequences for an employer.

The behaviour of employees can directly impact an organisation's reputation, workplace culture, customer relationships, regulatory compliance and the safety and wellbeing of its workforce. As the boundaries between work and personal life become increasingly blurred, employers are finding themselves required to address conduct which occurs beyond the traditional workplace.

Is personal conduct simply what goes on in the workplace?

It is a common misconception that an employee's private life is completely separate from their work life. In reality, the distinction is far more nuanced. Employers may be entitled to investigate and take action in relation to conduct occurring outside work where there is a sufficient connection to employment or where the conduct impacts the business.

Examples may include criminal behaviour, offensive or discriminatory social media



activity, harassment occurring outside normal working hours, conduct affecting workplace relationships, or behaviour that calls into question an employee's suitability to perform their role. In certain sectors, safeguarding concerns, professional conduct issues and behaviour which undermines trust and confidence may be particularly significant.

With the rise of social media, the distinction between personal and professional life has become increasingly less clear. Comments made online can quickly reach a wide audience and may adversely affect colleagues, customers, clients and business stakeholders. Misconduct on social media might include derogatory comments about colleagues or customers, discriminatory remarks, the disclosure of confidential information or behaviour that conflicts with the employer's values.

However, employers should avoid making assumptions. The key issue is often not where the conduct occurred, but whether there is a demonstrable impact on the employer's legitimate business interests. This may include damage to working relationships, customer confidence, employee welfare,

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safeguarding obligations, regulatory compliance, business reputation or trust and confidence in the employee.

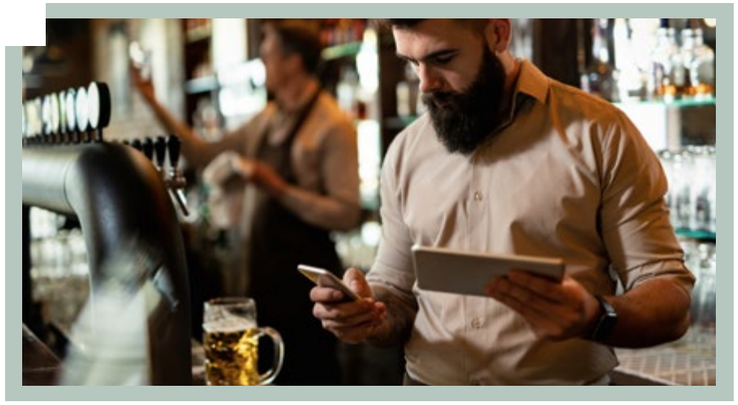
Employers seeking to rely on conduct outside work should therefore be able to identify and evidence the actual or potential impact on the business. Simply asserting that conduct could damage reputation may not be sufficient. The more serious the disciplinary outcome being considered, the more important it becomes for an employer to demonstrate the connection between the conduct and its legitimate concerns.

Where an employee's conduct has the potential to affect the employer's reputation, workplace culture, employee welfare or business operations, disciplinary action may be justified. That said, employers must ensure that they follow a fair process in line with the Acas Code of Practice on Disciplinary and Grievance Procedures. Whilst employers are not legally obliged to follow the Code, any compensation awarded by an Employment Tribunal may be increased by up to 25% where an employer has unreasonably failed to do so.

How can employers guard against personal conduct issues?

Employers should be proactive and take steps to set clear expectations around behaviour both in and out of the workplace.

This has become increasingly important in light of employers' responsibilities to prevent harassment in the workplace. Employers are currently required to



take reasonable steps to prevent sexual harassment. However, from 30 October 2026, that obligation will increase to a requirement to take all reasonable steps to prevent sexual harassment. Employers will also face greater obligations in relation to preventing harassment by third parties, including customers, clients, members, patients and visitors. Employers are therefore increasingly expected to identify potential risks and take proactive measures to address inappropriate behaviour before issues arise.

Conduct occurring outside normal working hours may still be relevant where it affects colleagues, creates a hostile working environment or impacts an employer's ability to provide a safe workplace. Increasingly, employers are expected not only to respond appropriately to incidents when they occur, but to demonstrate the preventative steps they have taken to reduce the likelihood of such conduct arising.

Robust policies are vital. Clear disciplinary, social media, dignity at work and harassment policies will help outline acceptable standards of behaviour and the consequences of misconduct. Employers should also provide regular training to ensure employees understand their obligations and the standards expected of them both within and outside the workplace where their conduct may affect the organisation.

At Sintons, our employment team supports clients by drafting tailored policies, delivering training and advising on complex disciplinary matters, including those involving reputational risk, safeguarding concerns and personal conduct issues.

A particular challenge for the leisure industry

These issues are particularly relevant within the leisure sector, where the distinction between personal and professional life is often blurred. Employees frequently work in highly social environments, develop relationships with members and patrons, and may continue to attend employer premises outside of working hours.

In many leisure businesses, employees remain identifiable as representatives of their employer even when off duty. Patrons, members and colleagues often know them through their employment and may continue to associate their conduct with the organisation regardless of whether they are working at the time.

As a result, behaviour towards colleagues, patrons or members of the public can remain closely linked to employment. Conduct involving harassment, discrimination, aggression, inappropriate social media activity or excessive intoxication may have implications for customer confidence, staff welfare, safeguarding, workplace relationships and the reputation of the business.

The issue is likely to become even more significant in light of the enhanced obligation on employers to take all reasonable steps to prevent sexual harassment. Leisure businesses often operate in customer-facing environments where employees regularly interact with members of the public and where social interaction forms part of the customer experience. Employers should therefore ensure that expectations regarding conduct, reporting mechanisms and intervention measures are clearly communicated and consistently applied.

Leisure employers should ensure that policies and training make clear that expected standards of conduct are not confined to working hours. Where there is a sufficient connection to employment or a demonstrable impact on the business, employees may remain accountable for their conduct even when acting in a personal capacity.

Employment considerations and future developments

Employers should remain alert to wider changes in employment law. The Employment Rights Act 2025 will reduce the qualifying period for unfair dismissal protection from two years to six months from January 2027, increasing the number of employees able to challenge disciplinary decisions through the Employment Tribunal.

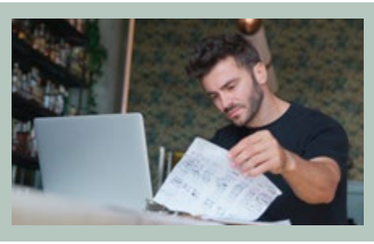
As a result, it will become increasingly important for employers to investigate concerns thoroughly, identify the specific business impact arising from an employee's conduct and ensure that any action taken is both reasonable and procedurally fair.

With a number of significant employment law reforms on the horizon, now is also an opportune time for employers to review their policies, procedures and workplace practices to ensure they remain fit for purpose. This is particularly important in areas such as employee conduct, social media usage, disciplinary procedures, workplace culture and harassment prevention.

At Sintons, we provide practical, commercially focused advice tailored to the needs of our clients. Our experienced employment team understands the complexities of managing personal conduct issues in a modern workplace and offers clear, actionable guidance to help organisations mitigate risk. Whether advising on policy development, delivering training or navigating sensitive disciplinary matters, we work in partnership with our clients to protect their business, workforce and reputation.

"Licensing and regulatory issues can significantly affect the operation of a business."

SARAH SMITH



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Licensing & Permissions: What to **check before** taking over a premises

Licensing and permissions: where to start

When taking over a licensed premises, it is easy to focus on the commercial terms of the transaction and overlook the licensing and regulatory issues that can significantly affect the operation of the business. A careful review of the existing permissions and compliance history can help avoid costly surprises and ensure a smooth transition.

A key starting point is obtaining a copy of the current Premises Licence and approved plan from the outgoing licence holder. The incoming operator should check that the licence authorises all the licensable activities they intend to carry on, such as the sale of alcohol, regulated entertainment or late-night refreshment, and that the permitted hours are suitable for the proposed business model. It is equally important to ensure that the plan attached to the licence accurately reflects the current physical layout of the premises. Any discrepancies may require a variation application before trading commences.

Due diligence should also extend to the regulatory history of the premises. Enquiries should be made with the Licensing Authority to establish whether there are any ongoing licence review proceedings, enforcement action or a history of compliance concerns. Similar checks could also be undertaken with responsible authorities, including the police, environmental health and trading standards, to identify any pending prosecutions, failed test purchases, complaints or outstanding enforcement notices that could affect the future operation of the premises.

The status of the current licence holder should also be verified. If the licence is held by a company, it is important to confirm that the company remains in existence and has the authority to transfer the licence. If the company has gone into liquidation the licence may have lapsed. Consent from the existing licence holder will usually be required for any transfer, and the original Premises Licence and plans should be obtained as part of the transaction process.

Operators should also review the lease and other property documentation carefully. Restrictions contained within the lease may limit trading hours, outdoor drinking areas or other activities, even where these are authorised by the Premises Licence. Similarly, planning permission should be checked to ensure there are no planning conditions restricting the proposed use of the premises.

Other permissions should not be overlooked. Consider whether any pavement licence or pavement café permission is in place and whether these need to be reapplied for. If gaming machines are to be used, check that the necessary permits are applied for. The position regarding the Designated Premises Supervisor (DPS) should also be addressed, including whether the existing DPS will remain in place, whether a variation is needed and that the proposed DPS holds a valid Personal Licence.

Finally, operators should identify any additional permissions that may be required, such as a Sexual Entertainment Venue Licence, Street Trading Licence or other local authority consents.

Undertaking a thorough review at the outset will help ensure the premises can operate as intended and will reduce the risk of unexpected regulatory issues arising after completion.

"A premises licence can be a valuable property asset as well as a trading requirement."

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The **importance of protecting** a premises licence in a lease

For many hospitality, leisure and retail occupiers, a Premises Licence is essential to the value and operation of the business. Without it, a Tenant may be unable to sell alcohol, provide late-night refreshment or offer regulated entertainment. For a Landlord, an established licence can also enhance the value and marketability of the property, especially where obtaining a new licence may be difficult.

Because of that, the Licence should not be treated as a purely operational matter. A Lease of licensed premises should contain clear provisions requiring the Tenant to maintain the Licence, comply with its conditions, pay relevant fees and avoid anything that could lead to review, suspension, variation or revocation.

The Lease should also control dealings with the Licence. A Tenant should not usually be able to surrender, transfer, vary or allow the licence to lapse without the Landlord's consent. Even a small change to trading hours, licensed areas or permitted activities could affect the long-term value of the Premises.

In addition, the terms of a Premises Licence must also be considered when considering proposed alterations to a premises – if works change the layout of the premises, the licence plan may also need to be updated. It is important for Landlords to consider this in the context of the alterations provisions of the Lease and in considering any applications to alter the Property. It is vital to ensure the Tenant obtains any necessary licensing approvals before carrying out works to avoid prejudicing the Licence.

The Lease should also consider the position on assignment, underletting and insolvency. Provisions should be included to require cooperation to transfer or preserve the licence where needed, particularly if the outgoing tenant is the licence holder or if insolvency could cause the licence to lapse.

In short, a premises licence can be a valuable property asset as well as a trading requirement. Clear lease drafting helps protect that asset, allocate responsibility for compliance and reduce the risk of losing a licence that may be difficult, expensive or impossible to replace.

Sintons Real Estate team has extensive experience advising on all kinds of leases, licences and real estate matters. With one of the largest teams of its kind in the region, we deliver a full range of legal and commercial advice to businesses of all sizes.

"Addressing clarity of structure and corporate elements proactively as part of the transaction should avoid uncertainty and having to attend to certain elements reactively following completion."

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Sales and purchases: making the process as smooth as possible

The property is a key component of buying or selling a leisure business, but there are other important matters that should also be addressed. Those should be considered and provided for in an asset purchase agreement or share purchase agreement, depending on the structure of the transaction, and include (but are not limited to):

Points to consider as part of a leisure sale or purchase	Effect on parties to the transaction
Including a list of items that are being included or excluded from the sale, including any fixtures and fittings list / inventory (particularly for asset deals)	Gives all parties certainty on what is being transferred / bought and ensures the seller does not accidentally sell any items they intended on keeping
A mechanism confirming the transfer / assignment / novation of any existing contracts / arrangements (subject to third party approval) or, if none are to be passed over, clear confirmations that the buyer is not taking on any of those arrangements (and therefore the seller will need to arrange for them to be terminated at / following completion)	Sets out the position around continuing / terminating business arrangements clearly and allows a buyer to ask for the seller to assist with any transfer processes with third parties
Setting out the price clearly (including any apportionments between the assets to get the best tax position possible, in the case of an asset deal, and any other adjustments)	Should help achieve the expected accounting and tax positions. Buyers should also take accounting or tax advice on the best way to structure and / or apportion the purchase price
Completion stock take mechanism, which usually provides that stock will be payable after the completion date based on an independent or seller-buyer valuation	There are often differences of opinion around stock valuation, therefore including some valuation principles and a clear process to follow will help try to keep things simple and without disagreement for all parties
Apportioning costs and revenue of the business around completion	Provides certainty for both parties that they will only be paying for the business' costs and getting the revenue generated by the business, during their ownership period (unless otherwise agreed)
Tax	Consider the most tax advantageous position for the transaction, which may be different to that of the other party. For asset deals, there should be clarity on how VAT is to work and if the transaction falls into being a "Transfer of a Going Concern". You will need to consult your tax adviser or accountant regarding any tax advice
Employees' transfers and obligations	Certainty of the employees, their terms and how they are transferring over to the buyer (under standard TUPE employment legalisation for asset deals). There should also be some confirmations and indemnities from the seller, providing the buyer with comfort that there will be no employment costs or liabilities passed on related to the period prior to completion
Restrictive Covenants	These covenants are useful to a buyer in helping prevent a seller from trying to compete with the business or poach employees, customers or suppliers for a certain period following completion (usually 2 to 3 years) From a seller's perspective, carve outs should be considered to ensure that no existing or future seller business plans are restricted under those terms

"Newcastle is one of few UK cities to have a late-night levy."

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Scrapping the late-night levy: what it could mean

Recently Newcastle councillors agreed that the city's late-night levy should be scrapped.

Currently, businesses in the city centre with a licence to sell alcohol late at night are charged a fee with the proceeds of these fees primarily going towards late-night policing, CCTV and marshals in taxi queues.

Partner Sarah Smith is Head of Licensing at Sintons. She explains the background of Newcastle's Late-Night Levy. "The concept of a Late-Night Levy was introduced under the Police Reform and Social Responsibility Act 2011. It allowed local authorities to impose a levy on premises licenced to sell alcohol during a specified late-night period, between midnight and 6am. Newcastle City Council adopted its levy in 2013, along with others. However, over the years other Councils have dropped theirs."

Today, Newcastle is one of only very few UK cities to operate a late-night levy and various voices in the hospitality industry have called for it to end in an attempt to ease some of the financial pressures facing the sector.

Sarah adds, "In Newcastle we also have a Business Improvement District (BID) operated by NE1 which raises funds from local operators to fund a lot of local initiatives. For some time, the licensed trade has argued that paying the late-night levy and paying toward the BID is too onerous".

The news about Newcastle's Late-Night Levy will save money for hospitality businesses and has other implications, as Sarah notes: "The upside of not paying the late-night levy is that operators will save costs. However, I think the bigger gain for operators is that they will feel that their concerns about increasing costs and fairness have been listened to and taken on board by the Council. The downside is that the funding previously generated by the levy will need to be found from other sources but, considering the funding already provided and the responsible nature of the majority of licensed operations in the city, I don't anticipate we will see a negative impact from its removal."

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