

Annual Compliance Report 2022-23

Under Regulation 43 of the Pubs Code etc. Regulations 2016, a pub-owning business must ensure that the Compliance Officer submits its annual compliance report to the Pubs Code Adjudicator relating to each financial year.

Notes on Submission and Publication

As per Regulation 43(2) of the Pubs Code, pub-owning businesses should submit their full compliance report to the Office of the Pubs Code Adjudicator no later than 31st July 2022.

In line with statutory publication requirements in Regulations 43(8) and (9) of the Pubs Code, pub-owning businesses should publish the compliance report on their company website.

References throughout to 'Regulations' are to the Pubs Code etc Regulations 2016.

References throughout to 'SBEEA' are to the Small Business, Enterprise and Employment Act 2015.

Pub-owning businesses are reminded that compliance remains the duty of the POB at all times and that they should therefore be transparent in their dealings and where inconsistencies arise explain in full. Silence on the part of the PCA in response to submission of the Compliance Report should not be understood to be an endorsement of the POB's approach to compliance.

POBs should identify how you uphold the Core Code principles, as identified in Section 42(3) of the SBEEA 2015.

In accordance with Regulation 43 of the Pubs Code etc. Regulations 2016. This is a declaration that the statutory requirements in Regulations 43(5), (7), (8) & (9) have been complied with.

Submitted by

Code Compliance Officer for (POB)

Audit Committee Statement on Compliance

This report is produced on behalf of Ei Group Ltd, a wholly owned subsidiary within the Stonegate Group and trading as Stonegate Pub Partners. Stonegate Pub Partners confirms that prior to submission, this report has been approved by the Chief Executive Officer.

Stonegate Pub Partners does not produce an annual report, but a copy of this compliance report will be published on the Stonegate Pub Partners website following submission and confirmation of receipt to the PCA.

All new staff receive a copy of the Pubs Code on day one of their induction with the company and are briefed on the two core principles. BDM roles and roles that support Pubs Code processes go onto complete the full Pubs Code training module as part of their induction which covers the core principles in more depth, and continue to complete the full Pubs Code training module as a refresher on an annual basis.

James Richards

Ei Group Ltd (trading as Stonegate Pub Partners)

Section A - Estate data and renewals

Question	POB Response	Additional Response Space
Total number of Pubs Code Agreements at the beginning of this reporting period (1 April 2022).	2909	
<ul style="list-style-type: none"> • Of which, those that are tenanted or leased. 	2909	
Total number of acquisitions - during this reporting period - that fall under the Pubs Code.	0	
Total number of premises - previously under tied tenancies, leases and/or licences - that are no longer tied but still owned by your POB.	221	
<ul style="list-style-type: none"> • Of which, are now part of your POB's managed estate. 	96	
Total disposals during this reporting period of those premises that fell under the Pubs Code	54	
<ul style="list-style-type: none"> • Of which, were to another POB. 	0	
<ul style="list-style-type: none"> • Of which, were sold to a person who is not a landlord of 500 or more tied pubs. 	30	
<ul style="list-style-type: none"> • Of which, were permanently closed or disposed for other use. 	24	
Total number of Pubs Code Agreements that ended during this reporting period.	955	Excludes TAWs
Number of free of tie tenancies agreed with existing tied tenants outside of the Pubs Code procedures.	13	
Total number of Pubs Code Agreements at the end of this reporting period (31 March 2023).	2674	Includes 40 pubs that were not previously on a pubs code agreement
<ul style="list-style-type: none"> • Of which, how many are: 		
<ul style="list-style-type: none"> • Agreements contracted into the Landlord and Tenant Act 1954. 	950	
<ul style="list-style-type: none"> • Agreements not contracted into the Landlord and Tenant Act 1954. 	1356	
<ul style="list-style-type: none"> • <input checked="" type="checkbox"/> Short agreements under regulation 14. 	368	
<ul style="list-style-type: none"> • <input checked="" type="checkbox"/> Of those, short agreements entitling occupation by a tenant for a total period of 12 months or more. 	175	
Number of qualifying Investments under regulation 56.	13	
Total number of agreements at the end of the reporting period with provisions for sharing turnover.	523	
<ul style="list-style-type: none"> • Of which, those that fall under regulation 55. 	0	
<ul style="list-style-type: none"> • Of which, those that fall outside the Pubs Code. 	523	
Number of legal surrenders.	272	
<ul style="list-style-type: none"> • Of which, the tenant was in place for: 		
<ul style="list-style-type: none"> • Less than 1 year. 	49	
<ul style="list-style-type: none"> • Between 1-2 years. 	76	
<ul style="list-style-type: none"> • Between 3-5 years. 	85	
<ul style="list-style-type: none"> • 6 years or more. 	62	
Number of forfeitures.	70	
<ul style="list-style-type: none"> • Of which, the tenant was in place for: 		
<ul style="list-style-type: none"> • Less than 1 year. 	6	

• Between 1-2 years.	18	
• Between 3-5 years.	22	
• 6 years or more.	24	
Number of assignments.	24	
• Of which, the tenant was in place for:		
• Less than 1 year.	0	
• Between 1-2 years.	0	
• Between 3-5 years.	3	
• 6 years or more.	21	
Number of abandonments.	35	
• Of which, the tenant was in place for:		
• Less than 1 year.	3	
• Between 1-2 years.	7	
• Between 3-5 years.	10	
• 6 years or more.	15	
Please list your contractual arrangements	Tenancy at Will (Pubs Code Short Agreement) Short Term Tenancy (Pubs Code Short Agreement) Retail Partnership Tenancy (Pubs Code) Partnership Incentive Lease (Pubs Code) Partnership Investment Lease (Pubs Code with Investment Exception under reg 56) Commercial Lease (Free of tie)	

Renewals, including Landlord and Tenant Act (LTA) 1954		
Total number of regulated tenants as of 31 March 2023 whose contracts contain terms entitling them to renew at the end of the term.	26	
Number of regulated tenants who exercised their contractual right to renew during this reporting period.	0	
• Of which, the POB consented.	0	
• Of which, the POB opposed.	0	
Number of renewals under the LTA 1954 during this reporting period.	13	
Number of LTA 1954 S.25 notices issued.	5	
• Of which, those served at any time after receipt of an MRO notice.	0	
• Of which, those served within an MRO procedure.	0	
• Of which, those opposing a new tenancy.	4	
• Of which, those proposing a variation of the terms.	1	
Number of LTA 1954 S.26 notices opposed.	2	
Number of LTA 1954 S.26 notices unopposed.	8	
Number of instances of landlord opposing renewal in whole or in part in reliance on LTA 1954 S.30(1)(g).	4	
Number of LTA 1954 court proceedings where the POB relied in whole or in part on an intention to take the pub back into occupation.	7	
• Of which, the number of objections to a new tenancy that were upheld.	1	

• Of which, the number of objections to a new tenancy that were dismissed.	0	
• Of which, are still ongoing.	6	

New tenants and agreements

Number of new tenants / legal entities that fall under the Code. i.e. not tenants / legal entities that have had - or currently have - other agreements with your POB.	406	
Number of new tied-tenancy agreements .	889	
• Of which, those that are protected tenancies with renewal rights under the LTA 1954.	0	
Number of tied-tenancies that were previously under the LTA 1954, but no longer fall within this Act.	4	

Rent proposals

Number of rent proposals provided in this reporting period.	617	
• Of which, those under regulation 15(2-5).	6	
• Of which, those under regulation 15(6).	0	
• Of which, those under regulation 15(7).	611	

Rent assessment proposals

Number of rent assessment proposals provided under regulation 19(1)(a) - a rent review required under the terms of a tenancy or licence of a tied pub.	205	
Number of rent assessment proposals requested under regulation 19(2)(a) - 5 years, of which those:	7	
• Provided	6	
• Rejected	1	
Number of rent assessment requests under regulation 19(2)(b) - significant increase in price, of which those:	0	
• Provided	0	
• Rejected	0	
Number of rent assessment requests under regulation 19(2)(c) - trigger event, of which those:	0	
• Provided	0	
• Rejected	0	

Market Rent Only (MRO)

Total number of MRO Notices received, of which those:	68	
• Accepted	57	
• Rejected	11	
• Withdrawn	0	4 were later withdrawn after being accepted
Number of MRO Notices received under regulation 24 – significant increase in price, of which those:	0	
• Accepted	0	
• Rejected	0	
Number of MRO Notices received under regulation 25 – trigger event, of which those:	0	

• Accepted	0	
• Rejected	0	
Number of MRO Notices received under regulation 26 – renewal of a pub arrangement, of which those:	9	
• Accepted	7	
• Rejected	2	
Number of MRO Notices received under regulation 27 – rent assessment or an assessment of money payable in lieu of rent, of which those:	59	
• Accepted	50	
• Rejected	9	
Number of full responses to rejected MRO Notices issued.	12	
Number of full responses to accepted MRO Notices issued.	51	
Where an MRO Notice has been accepted; those that resulted in:		
• Free-of-tie arrangements that are:	32	
• New agreement - including short term agreements.	27	
• Deed of variation.	5	
• New tied arrangements that are:		
• Agreed by new lease.	7	
• Other new tied arrangements (rent or other terms).	21	
• Tied tenant departure from the pub.	11	
• Other outcomes.	0	
• Ongoing – yet to be concluded.	48	
Length of MRO tenancies initially offered by POB		
Minimum length (in months)	5	
Maximum length (in months)	232	
Average length (in months)	90	
Length of MRO tenancies requested by tenants		
Minimum length (in months)	60	
Maximum length (in months)	180	
Average length (in months)	120	
Length of MRO tenancies agreed		
Minimum length (in months)	10	
Maximum length (in months)	240	
Average length (in months)	118	
Independent Assessors (IAs)		
Number of IA appointments.	6	
• Of which, those jointly agreed with the tenant.	5	
• Of which, those appointed by the PCA.	1	
Number of cases where rent was determined by the IA.	8	

<ul style="list-style-type: none"> Please list for each case - the proposed MRO rent and the MRO rent set by the IA. 	POB submission	TPT submission	IA award	Date of IA award	
	49,500	17,000	33,200	10/02/2023	
	49,500	33,000	32,000	16/06/2022	
	77,000	50,000	64,700	11/03/2023	
	190,500	90,000	148,500	17/05/2022	
	49,000	20,000	26,600	24/04/2022	
	65,000	38,000	46,500	20/07/2022	
	64,000	42,000	49,500	04/01/2023	
	68,000	36,500	46,350	31/05/2022	
Number of IA determinations challenged under:					
<ul style="list-style-type: none"> Regulation 37(10) 	0				
<ul style="list-style-type: none"> Regulation 37(11). 	0				

Buildings Insurance		
Number of tenants requesting to price match their building insurance during this reporting period.	18	
<ul style="list-style-type: none"> Number of unsuccessful price match requests. 	5	5 where quotes submitted were not comparative, 12 where the pub did not submit a quote after information was provided
<ul style="list-style-type: none"> Number of occasions when you have agreed in writing that any difference is not payable by the tenant under regulation 46(5). 	1	TPTs charge reduced to match quote
<ul style="list-style-type: none"> Number of occasions when you have purchased the tenant's alternative policy. 	N/A	This is not possible as we insure the building ourselves
Whether you receive commission or rebate from insurers and, if so, what percentage.	20%	

Gaming machines		
Number of new Pubs Code tied agreements, including renewal, in which:		
<ul style="list-style-type: none"> The tenant elects in the tenancy or licence agreement to have a gaming machine, and are required to purchase or rent this from your POB or a nominated supplier. 	0	
<ul style="list-style-type: none"> The tenant has entered into a side agreement to purchase or rent a gaming machine from your POB or a nominated supplier. 	886	
<ul style="list-style-type: none"> The tenant has sourced a free-of-tie machine agreement with a third-party supplier. 	14	
<ul style="list-style-type: none"> The tenant has chosen not to have gaming machines. 	2	

P&L		
Number of requests received for blank template during the reporting period (regulation 48).	0	

Sale of freehold or long leasehold		
Number of notifications under regulation 49(2).	23	
On how many occasions has your POB relied upon the exemption in regulation 49(3)?	0	

Section B – Code compliance

This section is about your processes in respect of compliance with the Code.

Compliance Area	Details	POB Response	Additional Response Space
Entering into an Agreement:			
Pub Entry Training Regulation: 9	1. Provide a detailed report on your POB's compliance with the pub entry training requirements; identifying any and all steps taken to verify compliance and improve Code-related arrangements.	We ensure that all new and renewing tenants are advised to undertake pre-entry training and asked to complete BII Pre-Entry Awareness Training (PEAT) course unless exempt under regulation 9(3).	
Sustainable Business Plan Regulation: 10	2. Provide a detailed report on the process your POB follows when considering whether a tenant's business plan is sustainable. Include how you arrive at your opinion that the forecast of income and net profit is reasonable and realistic.	We require all new tenants and those tenants contractually renewing to provide sustainable business plans, prepared by a qualified accountant, and signed off by the Regional Manager. We provide access to a panel of accountants to all prospective publicans providing a sustainable business plan. All business plans are reviewed and signed off by the Operations team in knowledge of the subject property and trading potential.	
Schedule 1 Regulation: 11	3. Provide a detailed report on your POB's compliance with the information provision requirements specified in Schedule 1; identifying any and all steps taken to verify compliance and improve Code-related arrangements.	Schedule 1 information is prepared with input from the Regional Manager, Property Manager and support teams and provided through the applicant channel to prospective tenants and those renewing. Compliance is managed through our CRM case management system and verified through individual file sign off carried out by line management before the draft tenancy is issued. Any evidence of non-compliance found is addressed and rectified prior to the draft tenancy being issued.	
Assignments Regulation: 12	4. Provide a detailed report on your POB's compliance when a tenant intends to assign a tenancy; identifying any and all steps taken to verify compliance and improve Code-related arrangements. Specifically identify how - when the tenant requests an assignment - your POB satisfies itself that:	There is information about the assignment process provided to tenants on our website. Detailed assignor and assignee packs are provided to tenants and their assignees when the request for licence to assign is made. Compliance is managed through our CRM case management system and verified through individual file sign off carried out by line management before the assignment completes. Any evidence of non-compliance found is addressed and rectified prior to completion.	
	4.1 It complies with the provisions in regulation 12(4)(a)	Schedule 1 information is prepared with input from the Regional Manager, Property Manager and support teams and provided through the applicant channel to prospective assignees.	
	4.2 It complies with the provisions in regulation 12(4)(b)	We ensure that all assignees complete BII Pre-Entry Awareness Training (PEAT) unless exempt under regulation 9(3).	
	4.3 It complies with the provisions in regulations 12(4)(c)	We ensure that the assignee has taken independent advice before completion of the assignment by capturing the details of who their advisor/s were on the pre contract form.	
Premises Regulation: 13	5. Provide a detailed report on your POB's compliance with tied pub tenants general regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements.	Requirements are met through completion of a Schedule of Condition prepared by the Property Manager and any agreed works documented in the tenancy agreement. Compliance is managed through our CRM case management system and verified through individual file sign off carried out by line management before the draft tenancy is issued.	
Dilapidations Regulations: 12, 13 and Schedule 1 (para. 15, 22)	6. Provide a detailed report of your POB's approach to assessing dilapidations and resolving disputes.	Ongoing and end of tenancy is managed in line with our dilapidations policy. Dilapidations reports will be carried out by qualified independent third-party surveying companies - if ever a dispute arises we will advise the TPT to produce their own report and for the respective surveyors to discuss any differentials in order to achieve an agreed resolution.	
Short agreements Regulation: 14	7. Provide a detailed report on your POB's compliance with tied pub tenants general regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements.	Requirements met through the same methods as detailed for regulations 9 and 11. Compliance is managed through our CRM case management system and verified through individual file sign off carried out by line management before the draft tenancy is issued. Any evidence of non-compliance found is addressed and rectified prior to the draft tenancy being issued.	
Ending a Tenancy:			
Forfeitures	8. Provide a detailed report explaining your POB's processes and procedures before, and after, issuing a Section 146 notice.	Prior to issuing Section 146 notice the following steps are taken: <ul style="list-style-type: none"> •Discussion between tied pub tenant and Regional Manager •Escalated to Legal Services - account review and advice note issued detailing legal options •Relevant approvals sought including from the Divisional Director for service of notice •Written correspondence prior to formal notice if appropriate •Opportunity for the Tied Pub Tenant to remedy the breach. •If the breach is not remedied and/or should a rent breach arise (whichever is the sooner) possession proceedings will be commenced via the courts. Following service of S146 notice: <ul style="list-style-type: none"> •Regional Manager remains engaged throughout notice period •Legal Services follow up on or near to expiry to manage next steps (Regional Manager to arrange peaceable re-entry / instruct solicitors to issue forfeiture proceedings) •If forfeiture proceedings are issued the tied pub tenants account is suspended and all further correspondence are dealt with via solicitors. 	

<p>Rent Proposals Regulations: 15-18</p>	<p>9. Provide a detailed report on your POB's compliance with rent proposals, including the production of a rent proposal, its contents, when the proposal is provided and how any further information and advice is given.</p> <p>Identify any and all steps taken to verify compliance and improve Code-related arrangements.</p>	<p>The rent proposal administration process is managed by the Lettings and Rent Review teams.</p> <p>Rent proposals are sent out to new tenants as part of the pre-entry process and to other tenants on request.</p> <p>The contents of the rent proposal form are regularly reviewed to ensure compliance with the requirement of the Code.</p> <p>All rent proposals are signed off by the Valuation Manager, both current Valuation Managers are a Fellow of the Royal Institution of Chartered Surveyors (RICS).</p> <p>We send out rent proposals without request, for instance, on DOVs to extend the term, this goes over and above the requirements of the Code.</p> <p>Any requests for further information or advice are directed through the Regional Manager.</p> <p>As part of commitment to continuous improvement we are continually reviewing our processes to ensure that they align with Code Requirements. This has included the provision of rent proposals for new lets and when these are provided in conjunction with the TPT preparing the sustainable Business Plan.</p>	<p>The remainder of Schedule 2 information is provided in our 'A guide to a Rent Proposal/ Rent Assessment' document.</p> <p>Compliance is managed through our CRM case management system and verified through individual file sign off carried out by line management before the draft tenancy is issued.</p> <p>Any evidence of non-compliance found is addressed and rectified prior to the draft tenancy being issued.</p>
<p>Rent Assessment Proposals Regulations: 19-22</p>	<p>10. Provide a detailed report on your POB's compliance with rent assessment proposals, including the duty to conduct, how it is conducted and the effect of a rent assessment; identifying any and all steps taken to verify compliance and improve Code-related arrangements.</p>	<p>We have a diary system to prompt us to prepare and send out the rent assessment proposal more than 6 months prior to the rent review date.</p> <p>The contents of the rent proposal form are regularly reviewed to ensure compliance with the requirement of the Code and are in line with any points raised through arbitration awards.</p> <p>The Regional Manager visits the pub to gather relevant information to assist with the preparation of the rent assessment proposal. The Rent Review Team verify the date of this visit to ensure it is within 3 months before the rent assessment proposal is issued.</p> <p>All rent assessment proposals are signed off by the Valuation Manager, both current Valuation Managers are a Fellow of the Royal Institution of Chartered Surveyors (RICS).</p> <p>Any requests for further information or advice are directed through the BDM who deals with the rent assessment.</p> <p>Once a rent assessment is opened, we will actively negotiate the tied rent with the tenant and progress the assessment to PIRRS or arbitration (unless MRO is proceeding).</p> <p>Once rents are agreed they are recorded on rent review memoranda or Deeds of Variation, dated, and signed by the tenant and us and stored electronically and in paper form.</p> <p>Compliance is managed through our CRM case management system and verified through individual file sign off carried out by senior team members before the rent assessment proposal is issued. Any evidence of non-compliance found is addressed and rectified prior to the completion of a rent assessment.</p>	

<p>MROs:</p>			
<p>MRO - Notice Regulations: 23-27</p>	<p>11. Provide a detailed report on your POB's compliance with MRO regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p>	<p>The MRO administration process is managed by the Rent Review team who ensure that the deadlines and timescales are met as prescribed in the Code. Any areas of non-compliance are referred to the Pubs Code Manager and Code Compliance Officer who would assess the impact on the tenant and address as appropriate.</p> <p>Any query over the MRO event type/ validity would be escalated to the Pubs Code Manager and Code Compliance Officer.</p> <p>If we think that an MRO notice is unclear, we will revert to the tenant to ask them to clarify.</p> <p>We do not reject MRO notices where the tenant has made an obvious typographical error.</p>	
	<p>11.1 Provide a detailed report of your POBs handling of tenants who claim a significant price increase event (Reg 24), including the nature of the circumstances relied upon by the tenant.</p>	<p>We have not had an MRO notice based on this ground.</p>	
	<p>11.2 Provide a detailed report of your POBs handling of tenants who claim a trigger event (Reg 25), including the nature of the circumstances relied upon by the tenant.</p>	<p>An MRO served based on this event is escalated to the Code Compliance Officer to verify. If we consider the MRO notice and relevant analysis are not valid, we will inform the tenant of the factors that we believe make it so. If we consider it valid, then the notice will be processed by the Rent Review team.</p>	
	<p>11.3 Provide a detailed report of your POBs handling of tenants who request a MRO option in a renewal of a pub arrangement (Reg 26), including the nature of the circumstances relied upon by the tenant.</p>	<p>The MRO administration process is managed by the Rent Review team who ensure that the deadlines and timescales are met as prescribed in the Code. Any areas of non-compliance are referred to the Pubs Code Manager and Code Compliance Officer who would assess the impact on the tenant and address as appropriate.</p> <p>Any query over the MRO event type/ validity would be escalated to the Pubs Code Manager and Code Compliance Officer.</p>	
	<p>11.4 Provide a detailed report of your POBs handling of tenants who request a MRO following a rent assessment proposal (Reg 27).</p>	<p>The MRO administration process is managed by the Rent Review team who ensure that the deadlines and timescales are met as prescribed in the Code. Any areas of non-compliance are referred to the Pubs Code Manager and Code Compliance Officer who would assess the impact on the tenant and address as appropriate.</p> <p>Any query over the MRO event type/ validity would be escalated to the Pubs Code Manager and Code Compliance Officer.</p>	

<p>MRO - Procedure Regulations 28-33</p>	<p>12. Provide a detailed report on your POB's compliance with MRO regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p> <p>Please include a report on handling procedural and event disputes and the issue of a revised response.</p>	<p>The MRO administration process is managed by the Rent Review team who ensure that the deadlines and timescales are met as prescribed in the Code. Any areas of non-compliance are referred to the Pubs Code Manager and Code Compliance Officer who would assess the impact on the tenant and address as appropriate.</p> <p>The MRO proposal is prepared in line with our 'MRO Proposal Policy'.</p> <p>The MRO terms and our policy are regularly reviewed including in response to the PCA's advice and the awards which we become aware of.</p> <p>We include a rent offer in the proposed MRO terms as a matter of course.</p> <p>Where disputes arise the appointment LDM would try to negotiate a settlement to avoid a formal dispute. The TPT would be made aware of their rights to make a referral.</p> <p>A revised full response would be prepared in line with our 'MRO Proposal Policy' whilst taking into account any agreed negotiations or directions in an arbitration award.</p>	
	<p>12.1 Provide a detailed report on how your POB handles arrangements during the MRO process (Reg 28).</p>	<p>Any upcoming rent increase is frozen on the tenant account until completion of the MRO procedure. If the tenant elects to accept the MRO terms, then no rent increase is applied.</p>	
	<p>12.2 Provide a detailed report on how your POB handles required terms and conditions, including terms regarded as unreasonable - in regards to MRO tenancy (Reg 30 & 31).</p>	<p>The MRO proposal is prepared in line with our 'MRO Proposal Policy'.</p> <p>The MRO terms and our policy are regularly reviewed including in response to the PCA's advice and the awards which we become aware of.</p>	
<p>MRO - Independent Assessor Regulations 36-38</p>	<p>13. Provide a detailed report on your POB's compliance with Independent Assessor regulations 36-38; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p>	<p>The appointed LDM works with the tenant to appoint an IA and at this point the aligned Valuation Manager will be instructed. The Valuation Manager works with the appointed IA and their directions to ensure the procedure is followed as prescribed in the Code.</p> <p>All submissions are prepared in accordance with the RICS Professional Statement "Surveyors Acting as Advocates"</p> <p>If the Valuation Manager feels that the IA determination is not the market rent and needs to be referred to the PCA then this would have to be approved by the Code Compliance Officer.</p> <p>Schedule 3 information is prepared by the Valuation Manager, both current Valuation Managers are a Fellow of the Royal Institution of Chartered Surveyors (RICS). This has on occasion been outsourced to an independent expert.</p>	
<p>MRO - End of Procedure Regulations 39 and 40</p>	<p>14. Provide a detailed report on your POB's compliance with MRO regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p>	<p>The MRO administration process is managed by the Rent Review team and the tenant is notified in writing when the MRO procedure has come to an end and feedback is requested.</p> <p>Any disputes would be directed through the appointed BDM and referred to the Code Compliance Officer.</p>	
<p>Business Development Managers: Regulation 41</p>	<p>15. Provide a detailed report on your POB's compliance with BDM regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p>	<p>All BDMs have been trained on the requirements of the Pubs Code.</p> <p>The BDM CPD declaration is published on our website.</p>	
<p>Code Compliance Officer: Regulation 42</p>	<p>16. Provide a detailed report on your POB's compliance with the duty to appoint a Code Compliance Officer; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p>	<p>The Code Compliance Officer appointed satisfies the requirements of the regulation.</p>	
<p>Insurance: Regulation 46</p>	<p>17. Provide a detailed report on your POB's compliance with insurance provision regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements.</p>	<p>Ei Group Limited purchase several different corporate insurance policies. The main insurance cover is for property which is arranged for all tied pubs in accordance with their agreement obligations. The policy is placed on a block basis with a third party, unconnected reputable insurer and insurers agree the premium allocation methodology to property level. The block arrangements are reviewed on an annual basis to ensure the policy structure continues to provide significant advantages to our tenants in terms of policy coverage (including very minimal exclusions) and claims service in a cost-effective manner.</p> <p>Ei Group Limited administrate the tenant's policies acting on behalf of an agent of AJ Gallagher in line with the FCA regulations for business insurance and issue documentation however the contract is between the insurer and the tenant, and the policy holder is the tenant.</p>	
	<p>17.1. With specific regard to regulation 46(2)(a); confirm if any levied insurance charge exceeds what your POB pays in insurance premiums and, if so, that this information has been communicated to your tenants.</p>	<p>Our insurance costs do not exceed any income received from tenants.</p>	
	<p>17.2 With specific regard to regulation 46(2)(b); confirm if your POB - or any other group - receives, or expects to receive any commission or rebate and, if so, that this information has been communicated to your tenants.</p>	<p>Annually a letter goes to our tenants advising of the annual insurance recharge for the forthcoming year and confirms that we earn commission for the placement of the insurance. Commission earnings are used to fund our insurance administration costs including claims handling and management, insurance broker fees, documentation and general administration.</p>	

	<p>17.3 Provide a detailed report on your POB's compliance with regulation 46(3); identifying any and all steps taken to verify compliance and improve Code-related arrangements.</p> <p>Include here, details on how your POB - or any third party selected by the POB - assesses if the tenant's suggested insurance policy is suitable and comparable.</p>	<p>All insurance policies for Ei Group Limited are sourced through our broking services with AJ Gallagher and this ensures we comply with our insuring obligations contained within the leases.</p> <p>Any insurance policies arranged for tenants is arranged via our brokers and the contract for the insurance policy and its suitability is between the insurers and the tenants. Tenants are provided with the key facts for the policies to ensure this is suitable for their business needs and can cancel or choose not to renew if this is not satisfactory. The majority of our tenants make their own arrangements for business insurance as per the terms of their agreements and have contracts in place with their own brokers and insurers.</p>	
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Miscellaneous

Extended Protections Regulation 45A	18. Provide a detailed report on your POB's compliance with the requirement to notify the Adjudicator of circumstances giving rise to extended protection.	Where we sell a pub with a TPT in occupation on a Pubs Code agreement we provide a copy of the Extended Protections information notice as provided by the PCA	
Gaming Machines Regulation 47	19. Provide confirmation that no new - or renewed - tenancies or licences require a tied pub tenant to rent or purchase a gaming machine.	Our live agreements prohibit gaming machines and publicans are able to take on an agreement without the operation of machines. We therefore do not require tenants to have gaming machines. If a tenant chooses to have gaming machines as they see a potential profitable income stream, we offer them a machine consent letter which allows the option of whether to rent gaming machines or not.	
Sale of Freehold / Long Leasehold Regulation 49	20. Provide a detailed report on your POB's compliance with sale of freehold / long leasehold regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements.	The Estates and Commercial property team manage the disposal process and issue notification to the tenant in writing once a pub is approved for disposal.	
	20.1 Provide detailed report on the steps your POB takes - including timings - to inform the tenant of plans to sell the premises.	Following approval for disposal of a property, a letter advising of our intention to sell the property is issued to the current tied pub tenant, as soon as reasonably practicable.	
Detriment Regulation 50	21. Provide a detailed report on your POB's processes to ensure your tenants do not suffer detriment when exercising their rights under the Code regulations.	Our Pubs Code training supports this regulation. Any disputes would be referred to the Code Compliance Officer.	
Flow Monitoring Devices Regulation 51	22. Provide a detailed report on your POB's compliance with Flow Monitoring provision regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements.	Ei Group Limited operates flow monitoring devices in most of our tied pubs to monitor for potential breaches of the purchasing obligations. Whilst the output of the flow monitoring devices is used in this process, we do not raise any charges to tenants without additional, corroboratory evidence relating to the alleged breach including but not limited to, photographic or documentary evidence of proof of purchases outside of the tie, financial accounting information and ordering patterns inconsistent with the observed sale of products. All proposed charges are discussed, with tenants before any charges are confirmed.	
Exemptions Regulations 54-56	23. Provide a detailed report on your POB's compliance with part 12 of the Code; identifying any and all steps taken to verify compliance and improve Code-related arrangements. Specifically identify how you comply with:	See below	
	23.1 The provisions in regulation 54 - short agreements	The pre-entry requirements in relation to short agreements are managed by the Lettings and Rent Review teams. Pubs on a short agreement are notified in writing that Pubs Code rights apply if and when their agreement goes over 12 months in duration.	
	23.2 The provisions in regulation 55 - pub franchise agreements	Ei Group Limited do not have any pub franchise agreements.	
	23.3 The provisions in regulation 56 - Investment exception	All conditions of regulation 56 are met and documented in the investment agreement or deed. We have diarised the expiry of the investment period in each case and will inform the tenant of that expiry at the time.	
Void or unenforceable terms of a tenancy or licence Regulation 57	24. Provide a detailed report on your compliance with regulation relating to void or unenforceable terms; identifying any and all steps taken to verify compliance and improve Code-related arrangements.	Our new agreements do not contain void or unenforceable terms. In relation to existing agreements, the terms specified are not enforced.	

Section C – Breaches and complaints

This section relates to breaches of the Code, and/or your processes which result in a breach of the Code.

Compliance Area		Details	POB Response	Additional Response Space
Breaches - Please specify the number of breaches, or alleged breaches, relating to following regulations. For the avoidance of doubt, this includes any occasion where the nature of a complaint by a tied tenant concerns a right under the Pubs Code, regardless of whether the Pubs Code itself, or individual regulation, is cited.				
Part 2	Pub Entry Training Regulation 9	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	Sustainable Business Plan Regulation 10	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	The Required Information Regulation 11	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	Assignments Regulation 12	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
Steps taken in relation to each breach, or alleged breach, and the outcome(s).		N/A		
Premises Regulation 13	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A		
Short Agreements Regulation 14	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A		
Part 3	Rent Proposal - Duty to Provide Regulation 15	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	Rent Proposal - Contents Regulation 16	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	Rent Proposal - When it must be provided Regulation 17	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	0	
Rent Proposal - Further Information and Advice Regulation 18	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A		
Part 4	Rent Assessment - Duty to Conduct Regulation 19	Total number of breaches, or alleged breaches.	5	self reported
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	5 x rent assessment proposals not issued, 1 tied renewal agreed, 3 section 25/26 notices served and 1 section 27 served.	
	Rent Assessment Proposal Regulation 20	Total number of breaches, or alleged breaches.	1	self reported
		• Of which, those upheld.	0	
• Of which, those not upheld.		0		
Steps taken in relation to each breach, or alleged breach, and the outcome(s).		1 x rent assessment proposal sent late due to an admin error		
Conduct of the Rent Assessment Regulation 21	Total number of breaches, or alleged breaches.	1	self reported	
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		

		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	1 x rent assessment proposal issued where the visit to the pub to collate data was over 3 months old	
	Effect of the Rent Assessment Regulation 22	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
Part 5	MRO Notice - Significant Increase Regulation 24	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	MRO Notice - Trigger Event Regulation 25	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	MRO Notice - Renewal Regulation 26	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
Part 6	MRO Notice - Rent Assessment Regulation 27	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	MRO Procedure - Arrangements Regulation 28	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	MRO - Effect of Tenant's Notice Regulation 29	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
MRO - Required Terms and Conditions Regulation 30	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	0		
MRO - Unreasonable Terms and Conditions Regulation 31	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	0		
MRO - Procedural dispute Regulation 32	Total number of breaches, or alleged breaches.	3	3 referrals based on MRO terms, settled between the parties.	
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A		
MRO - Event Dispute Regulation 32	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A		
MRO - Right to Refer Regulation 35	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A		

Part 7	MRO - Appointment of Independent Assessor Regulation 36	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	MRO - Independent Assessor: Procedure Regulation 37	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	MRO - Referral to Adjudicator in connection with the Independent Assessor Regulation 38	Total number of breaches, or alleged breaches.	0	
• Of which, those upheld.		0		
• Of which, those not upheld.		0		
Steps taken in relation to each breach, or alleged breach, and the outcome(s).		N/A		
Part 8	MRO - End of Procedure Regulation 39	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
MRO - Disputes about rent etc payable during MRO procedure Regulation 40	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A		
Part 9	Business Development Managers Regulation 41	Total number of breaches, or alleged breaches.	183	self reported
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	Out of 19,768 meeting minutes sent in the reporting period, 183 of them were sent outside of the 14-day period allowed by the Code (0.1%). No complaints were raised by the tenant.	127 of the 183 instances were due to an IT issue, for which a systems solution is in development. Where delays relate to individuals, these are escalated to line managers as required.
Code Compliance Officer - Duty to appoint Regulation 42	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A		
Part 10	Extended Protection Regulation 45A	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	Insurance Regulation 46	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	Gaming Machines Regulation: 47	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	Blank template for P&L Regulation 48	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
Sale of Freehold or Long Leasehold Regulation 49	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	0		
Tied Pub Tenant Not to Suffer Detriment Regulation 50	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		

		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	Flow Monitoring Devices Regulation 51	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
Part 12	Exemptions - Short Agreements Regulation 54	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	Exemptions - Franchise Agreements Regulation 55	Total number of breaches, or alleged breaches.	N/A	
		• Of which, those upheld.	N/A	
		• Of which, those not upheld.	N/A	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
	Exemptions - Investment Exception Regulation 56	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
Part 13	Void or Unenforceable Terms Regulation 57	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	N/A	
Other	Other complaints made by tenants	Number and narrative of complaints made by tied pub tenants about their tenancy during the reporting period not specifically reported on elsewhere; including the type/subject of complaint and outcome of the complaint.	93 complaints were made directly to Ei Group Limited by a current tied pub tenant, previous tied pub tenant or tenant representative within the reporting period. All complaints were dealt with in line with our internal complaints policy. Out of the 93 total complaints, 58 required an explanation/clarification only. Ei Group Limited took further action on the remaining 35 complaints. 92 complaints were resolved by the date of this report and 1 remains open.	