

# **Pubs Code: Regulation 43 Compliance report framework for Pub-owning businesses Star Pubs & Bars**

**July 2018**

## **Section 1: Audit Committee Statement on Compliance**

In accordance with the statutory requirements set out in Regulations 43(5), (7), (8) & (9) of The Pubs Code etc. Regulations 2016, Star Pubs & Bars confirms that prior to submission this report has been approved by Lawson Mountstevens as Managing Director, Star Pubs & Bars, Heineken UK.

This approval is supported by the provision and evaluation of reporting information to demonstrate compliance with the Code.

Star Pubs & Bars does not produce an annual report but a summary of this compliance report will be available on the Star Pubs & Bars website as of 31<sup>st</sup> July 2018.

**Note**

The compliance reporting period is 21<sup>st</sup> July 2016 to 31<sup>st</sup> March 2018, during this time Star Pubs & Bars acquired 1,856 pubs from Punch Taverns. These 1,856 pubs were subject to a Transitional Services Arrangement, for 6 months from the date of acquisition, 28<sup>th</sup> August 2017 until 5<sup>th</sup> March 2018. During this period the ownership sat with Star Pubs & Bars but day to day operations remained 'business as usual' with Punch Taverns.

For the purposes of this report, in order to make the statistics meaningful the two sections of the estate are reported on separately. The pubs acquired from Punch Taverns will sit in columns titled 'Punch' and this data has been provided by Punch Taverns. All narrative relates to the Star Pubs & Bars ways of working.

For the sake of clarity it is the intention to report on the combined estate for the next reporting period.

**Section 2: Estate Summary**

<i>As of 31 March 2018, total numbers of:</i>		
Pubs Code Agreements	<b>SP&amp;B</b>	<b>Punch</b>
• Agreements contracted in to the Landlord & Tenant Act	<b>678</b>	<b>727</b>
• Agreements not contracted in to the Landlord & Tenant Act	<b>31</b>	<b>428</b>
• Short Agreements under Regulation 14	<b>121</b>	<b>314</b>
• Pub Franchise Agreements under Regulation 55	<b>0</b>	<b>0</b>
• Qualifying Investments under Regulation 56	<b>82</b>	<b>0</b>

### **Section 3: Code Compliance**

#### **Part I: Investigations**

N/A

Star Pubs & Bars has not been subject to any investigations under section 53 of SBEE during the reporting period.

#### **Part II: Enforcement**

N/A

Star Pubs & Bars has not been subject to any enforcement measures taken by the PCA in respect of it under sections 55-58 of SBEE.

#### **Part III: Guidance & Advice**

*Narrative report on the steps the POB has taken in response to any guidance issued by the PCA under section 61(3) SBEE or advice given by the PCA under section 60 SBEE during the reporting period*

Star Pubs & Bars is committed to the Pubs Code, both in word and spirit. New legislation brings challenges and uncertainty but we aim to work transparently and collaboratively with lessees. We have continually listened and reflected learnings in our processes, correspondence and ways of working.

Star Pubs & Bars is committed to openly sharing information about the Pubs Code with our lessees and our commitment to this is shown by the signposting of information at all stages of the process, full details can be found in following sections.

Whilst minimum requirements are laid out within the Code, we in a number of cases go beyond the legislation through our Code of Practice 'Working with Star' commitments. We will continue to review and update our ways of working on a regular basis.

#### **Part IV: Unfair Business Practices**

N/A

Star Pubs & Bars has not been subject to any representations from the PCA about business practices that have been the subject of a report in avoidance to the Secretary of State under section 71A SBEE.

## Section 4: Tied Agreements

<b>Part I: Code Tied Agreements</b>		
<i>During the reporting period, numbers of:</i>		
	<b>SP&amp;B</b>	<b>Punch</b>
New Agreements	<b>151</b>	<b>53</b>
<p><i>Narrative report on how the POB has complied with Code pre-entry requirements</i></p> <p>Pubs available for let are advertised on the Star Pubs &amp; Bars website including key information that a lessee requires to make an informed choice about taking a pub. This includes, but is not limited to, the information set out in Schedule 1 of the Code.</p> <p>An applicant will then complete an online application form which is reviewed by the Star Pubs &amp; Bars recruitment team. If successful a second stage interview will be held with the Business Development Manager (BDM).</p> <p>The applicant must visit the pub, review all information provided and take professional advice before completing a business plan. This plan will be reviewed before any formal offer is made. The offer will be made in a Heads of Terms document, the content of which will be discussed at a meeting with a Star Pubs &amp; Bars representative.</p> <p>Star Pubs &amp; Bars advises all lessees to complete appropriate industry training such as the Pre-Entry Awareness Training provided by the BII. Star Pubs &amp; Bars have also developed Inside Knowledge, a 5 day residential course which all applicants, unless they fulfil a strict waiver criteria, must attend prior to taking on a lease.</p> <p>Once an applicant has fulfilled this criteria the lease will be instructed. All applicants must use a solicitor to complete the lease and once complete the lessee will receive a copy for their records.</p>		
	<b>SP&amp;B</b>	<b>Punch</b>
Assignments	<b>29</b>	<b>14</b>
Forfeitures	<b>12</b>	Not recorded <sup>2</sup>
Legal Surrenders	Not recorded <sup>1</sup>	Not recorded <sup>2</sup>
Abandonments	Not recorded <sup>1</sup>	Not recorded <sup>2</sup>
<p><sup>1</sup>We record the date of the end of the agreement, whilst the reason and method of departure have historically not been captured in our data systems.</p>		

The requirement to publish this information is not included within the Code. We are however in the process of updating our systems and this information will be available for collation and reporting in 2019.

<sup>2</sup>This information was not provided to Star Pubs & Bars – it will however form part of our business as usual for the next period of reporting

	SP&B	Punch
Code Rent Reviews	256	72

*Narrative report on how the POB has complied with the Code requirements to provide statutory information*

Twelve months before the date of the rent review Star Pubs & Bars will write to the lessee informing that they have a rent review pending.

The property will be inspected and a valuation will be prepared by an RICS qualified surveyor. This will be within three months of the proposal being made. During the inspection the surveyor will explain the process of rent review and answer any questions that the lessee may have.

Seven months ahead of the rent review date Star Pubs & Bars will write to the lessee in a document market 'Important Information.' The letter will contain:

- Rent Assessment
- Rent Assessment overview including a shadow profit and loss
- Star Pubs & Bars 'Guide to Tied Rent Assessments and Rent Review'
- Pubs Code etc. Regulations 2016
- Heineken UK price list
- Calculation of duty paid on cask ale
- Pubs Code Adjudicator advice leaflet

	SP&B	Punch
Renewals	3	7

*Narrative report on how the POB has complied with the Code requirements to provide statutory information*

Star Pubs & Bars will write to the lessee 12 months before the expiry date to inform them that they have an upcoming renewal date. The letter sets out the rights of the lessee and directs them to the Pubs Code Adjudicator website for further information.

Seven months before the renewal date the Landlords section 25 notice is served. The pack contains:

- Section 25 notice and covering letter – including information for the tenant on their MRO rights, process and timescales
- Shadow Profit and Loss
- MRO Notice template

- Pubs Code Adjudicator Factsheets
- Flowcharts showing MRO procedure and process
- Signpost and link to PCA website

During the reporting period Star Pubs & Bars has not served any hostile s.25 notices

*Please explain the approach you have taken to agreeing terms in renewals to deal with assessments of terminal dilapidations*

A dilapidations survey is undertaken by a suitably qualified professional at least 12 months before the contractual lease expiry.

The costed survey is given to the pub and one of our maintenance surveyors will meet on site with the lessee to discuss the schedule and agree a plan.

Upon confirmation from the lessee that the works have been undertaken, or within a suitable time period a re-inspection will occur to confirm the works have been completed.

Star Pubs & Bars has changed our dilapidations policy in response to the market and to ensure this is not seen as a barrier to taking an MRO agreement. The lessee now has until the first rent reviews (5 years) of the new agreement to comply with the dilapidations obligations.

	SP&B	Punch
Investment Exceptions agreed under Regulation 56	88	0

## Part II: Code Rent Assessments

*During the reporting period, numbers of:*

	SP&B	Punch
Total Rent Assessments conducted under terms of the tenancy	256	72
Total number of Rent Assessment Proposals requested by tenant		
• By reason of no rent review concluded in last 5 years	1	0
• By reason of a significant increase in price	0	0
• By reason of a trigger event	0	0

*Narrative report on how the POB has complied with the statutory Code deadlines*

Star Pubs & Bars has clear reporting in place to ensure that timescales and deadlines are met. These are produced by the Pubs Support team and form part of the day to day working of the Estates Managers. They are reviewed regularly with the Head of Estates and Compliance Manager.

	SP&B	Punch
Total number of requests for Rent Assessment Proposals rejected	1	0
<p><i>Narrative report on the reasons for rejecting requests for Rent Assessment Proposals</i></p> <p>The requirements set out within the Pubs Code had not been met – a rent review had been concluded within the last 5 years.</p>		

<b>Part III: Renewals under the Landlord and Tenant Act 1954</b>		
<i>During the reporting period, numbers of:</i>		
	SP&B	Punch
Section 25 Notices issued opposing a new tenancy on the grounds of an intention to take the pub back into occupation	0	0
Section 26 Notices opposed on the grounds of an intention to take the pub back into occupation	0	0
LTA court proceedings related to an intention to take the pub back into occupation	n/a	n/a
<ul style="list-style-type: none"> <li>Of which, the number of objections to a new tenancy that were upheld</li> </ul>	n/a	n/a
<ul style="list-style-type: none"> <li>Of which, the number of objections to a new tenancy that were dismissed</li> </ul>	n/a	n/a
<p><i>Narrative report on:</i></p> <ul style="list-style-type: none"> <li><i>The preparatory work done to identify which pubs to take back into management</i></li> <li><i>The documentation and process that is then completed to confirm the intention to take a particular pub back into management prior to service of the relevant notice</i></li> </ul> <p>N/A</p>		

## Section 5: MRO

<b>Part I: MRO Notices</b>		
<i>During the reporting period, numbers of:</i>		
	<b>SP&amp;B</b>	<b>Punch</b>
Total number of MRO Notices received and acknowledged	49 43 valid 6 invalid	23 19 valid 4 invalid
• Following receipt by a tenant of a Rent Assessment Proposal	49	17
• In relation to the renewal of a tenancy	0	2
• Requested in response to a significant increase in price	0	0
• Requested in response to a trigger event	0	0
<p><i>Narrative report on the nature of the circumstances relied upon by tenants in support of claims of trigger events</i></p> <p>Star Pubs &amp; Bars have not received any notices in relation to trigger events</p>		
	<b>SP&amp;B</b>	<b>Punch</b>
Total number of MRO Notices accepted	43	19
Total number of MRO Notices rejected	6	4
• Following receipt by a tenant of a Rent Assessment Proposal	6	17
• In relation to the renewal of a tenancy	0	2
• Requested in response to a significant increase in price	0	0
• Requested in response to a Trigger event	0	0
<p>Since the start of the Pubs Code Star have rejected 6 MRO notices. 5 of these were because the notices were not within the time frames set out in the code. The final rejection was due to the fact the notice was in the incorrect format, this was however resubmitted and subsequently accepted.</p>		
	<b>SP&amp;B</b>	<b>Punch</b>
Total number Full Responses to MRO Notices issued	43	19
<p><i>Narrative report on how the POB has complied with the statutory Code deadlines</i></p> <p>The MRO offer is made to the lessee within 28 days of the valid request being made. The letter reminds the lessee of the negotiating period open to them and advises them to take independent professional advice.</p>		

Star Pubs & Bars track and monitor response times via our Pub Support Team to ensure Code compliance for every stage of the process. The lessee is presented with regular information including where appropriate PCA factsheets and links to the PCA website.

## Part II: MRO Negotiations

*During the reporting period, numbers of:*

MRO Negotiations undertaken with tenants

**12\***

\*Star Pubs & Bars have granted 3 MRO agreements through the Pubs Code MRO process. 9 MRO agreements have been granted following commercial negotiations outside of the process.

*Narrative report, in order of frequency and enumerated, on which are the 10 terms most often included in a draft MRO proposed tenancy sent to a TPT who has sent an MRO Notice but not included in the executed MRO tenancy*

The sample is too small to be able to draw any meaningful conclusions

	SP&B	Punch
Times that each of the regularly challenged terms above has ultimately appeared in a completed MRO agreement (please list and enumerate)		
MRO tenancies agreed		
<ul style="list-style-type: none"> <li>By a New Agreement</li> </ul>	<b>12</b>	<b>0</b>
<ul style="list-style-type: none"> <li>By a Deed of Variation</li> </ul>	<b>0</b>	<b>0</b>
Total number of tied settlements following MRO negotiations	<b>26</b>	Unknown
<ul style="list-style-type: none"> <li>Of which number of new tied tenancies agreed</li> </ul>	<b>1</b>	Unknown
<ul style="list-style-type: none"> <li>Of which number of tied rent reviews concluded</li> </ul>	<b>23</b>	Unknown
<ul style="list-style-type: none"> <li>Of which number of tied tenant departures</li> </ul>	<b>2</b>	Unknown
Because of the partial reporting period meaningful conclusions cannot be made for the Punch data as 'in-flight' negotiations cannot be tracked		

<b>Part III: MRO Independent Assessment</b>		
<i>During the reporting period, numbers of:</i>		
	<b>SP&amp;B</b>	<b>Punch</b>
Total Independent Assessor appointments	2	5
<ul style="list-style-type: none"> <li>Of which number that were appointed jointly in agreement with the tenant</li> </ul>	2	Unknown
<ul style="list-style-type: none"> <li>Of which number that were appointed by the PCA</li> </ul>	0	Unknown
<b><u>SP&amp;B</u></b>		
Andrew Crease FRICS FCIarb Andrew Crease & Co – 1 appointment		
Anthony Alder BSc(Hons) FRICS, AG&G – 1 appointment		
Independent Assessments challenged	0	1
Any second challenges to Independent Assessments	0	0
Not applicable		

## **Section 6: Other Code Reporting**

### **Part I: Code Part 10 Provisions**

*For the reporting period, narrative reports on compliance with:*

#### **Regulation 46 – Insurance provisions**

The detailed Star Pubs & Bars insurance information can be found –  
[https://www.starpubs.co.uk/sites/default/files/misc\\_docs/Guide to Insurance Responsibilities.pdf](https://www.starpubs.co.uk/sites/default/files/misc_docs/Guide%20to%20Insurance%20Responsibilities.pdf)

#### **Regulation 47 – Gaming Machines**

Star Pubs & Bars offers licensees two options for machines, which impact the rent payable.

- Machine income is shared between Star and the Licensee – machine income is excluded from the pub income on the rent assessment. This is the standard method.
- Machine income is not shared with Star. Machine income would then be included within the pub income on the Rent Assessment when calculating profitability and rent.

In cases where machine income is shared Star’s machine manager and third party suppliers provide expertise and this is funded through the Star share of the machine income. We do not charge royalties, up front access payments or administration fees, nor do we receive any commission from suppliers.

#### **Regulation 48 – Requests for blank profit and loss templates**

Business plan advice is given in the following documents. This includes details of licensed trade accountants who can provide further advice.

[https://www.starpubs.co.uk/sites/default/files/misc\\_docs/SPB-Standard%20business%20plan%20Aug%202017.pdf](https://www.starpubs.co.uk/sites/default/files/misc_docs/SPB-Standard%20business%20plan%20Aug%202017.pdf)

#### **Regulation 49 – Sale of freehold or long leasehold (including numbers)**

Star Pubs and Bars policy is that the BDM will have a discussion with the lessee to inform them of our intentions to sell. This is followed up in writing with a letter from the Estates Manager setting out the process and offering to answer any questions.

During the reporting period Star Pubs & Bars has made 39 disposals covered by the Code. Of these 39 disposals only 8 had a tenant in place. These 8 tenanted disposals were a direct result of the instructions issued by the Competition and Markets Authority (CMA) as part of the acquisition of 1,900 pubs from Punch Taverns.

Regulation 50 – No tenant detriment from exercising Code rights (including action in response to any finding of detriment)

**50.** A pub-owning business must not subject a tied pub tenant to any detriment on the ground

That the tenant exercises, or attempts to exercise, any right under these Regulations.

Star Pubs & Bars is committed to the Pubs Code both in word and spirit. Our ambition is to Build Britain’s Best Pub Company by attracting and retaining the best operators. The Code has created a more level playing field and has put rigour into processes and created a higher level of transparency. We work openly with our lessees at all stages from recruitment, rent review through to renewal to clearly inform them of their options.

Regulation 51 – Flow Monitoring Devices

[https://www.starpubs.co.uk/sites/default/files/misc\\_docs/Guide\\_to\\_Flow\\_Monitoring.pdf](https://www.starpubs.co.uk/sites/default/files/misc_docs/Guide_to_Flow_Monitoring.pdf)

**Part II: Extended Protection**

*During the reporting period, numbers of:*

Tied pubs where title has been transferred to the ownership of a person who is not a landlord of 500 or more tied pubs	0
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31 of 39 Star Pubs & Bars disposals have been sold as vacant sites. The exception to this were the 8 disposals directed by the Competition and Markets Authority (CMA) as part of the acquisition of 1,900 pubs from Punch Taverns Punch A estate.

For these sites both the tenants and the PCA were fully informed of our intentions and the subsequent new ownership arrangements.

## **Section 7: Reporting on Tenant Complaints, Code Breaches and Arbitration**

### **Part I: Breaches of the Code identified by tied pub tenants**

*Narrative report on Code-related complaints by tied pub tenants during the reporting period covering:*

- *The total number of complaints*
- *The parts of the Code concerned*

For clarity any complaints citing the Pubs Code are shown below along with a brief description.

#### **Star**

Pub A – former tenant tried to lodge a complaint re conduct of a senior manager and handling of alleged health and safety breaches from 2013. PCA found this not be a valid complaint.

Pub B – various allegations by temporary tenant on TMA unsuccessfully applying for long term deal. Referred to PCA but found to not be covered by the Code.

Pub C – Pubs Code quoted in correspondence. Complaint relates to completion statement including rent arrears and dilapidations from 2014. Investigation is ongoing

Pub D – Complaint around health and safety allegations quoted Pubs Code – dealt with through Star complaints procedure

Pub E – Complaint raised citing Pubs Code relating to numerous issues including delivery and online ordering. Resolved through Star complaints procedure

Pub F – Pubs Code quoted in correspondence tenant unhappy with commercial terms and issue with cellar cooling.

Pub G – Complaint raised by tenant over dealings with BDM. Dealt with through Star complaints procedure

#### **Punch**

During the reporting period punch registered 270 complaints – SP&B do not have the detailed information for the split of these however they are believed to be a combination of Code and general complaints.

### **Part II: Steps taken in relation to complaints**

Star Pubs & Bars take any complaint seriously, and have a structured and robust grievance procedure in place should any of our licensees feel that we have failed to meet our responsibilities under the Code. Our grievance system is set up so that all complaints are escalated internally and reviewed by our senior management team.

This complaints procedure is clearly visible on the website with response timeframes transparently indicated. Full details can be found:

[https://www.starpubs.co.uk/sites/default/files/misc\\_docs/Working%20with%20Star%20-%20Complaints%20and%20Grievances\\_0.pdf](https://www.starpubs.co.uk/sites/default/files/misc_docs/Working%20with%20Star%20-%20Complaints%20and%20Grievances_0.pdf)

*Narrative report on actions in response to complaints detailed in Part I covering:*

- *Handling (including details of formal referrals to the PCA)*
- *Outcomes (including cases unresolved at the end of reporting period)*
- *Breaches upheld:*
  - *Internally*
  - *Following referral to PCA*

All complaints are handled consistently through the Star Pubs & Bars complaints procedure. All complaints are escalated internally and reviewed by our senior management team.

Formal referrals to the PCA are detailed in Part 1 but were not found to be valid complaints.

No breaches were found for the completed complaints.

**Part III: Self-notification of breaches**

*Narrative report on any cases during the reporting where the POB has self-notified the PCA of breaches of the Code (including steps taken to prevent further occurrences)*

N/A

**Part IV: Referrals for arbitration**

*During the reporting period, numbers of:*

	<b>SP&amp;B</b>	<b>Punch</b>
Total MRO cases referred to the PCA	16	13**
Referrals of MRO terms on grounds that they are non MRO-compliant	12	8
Of which number where breaches of the Code were found by the PCA	3	3

Referrals of void or unenforceable terms under Regulation 57(2)	0	0
Referrals of all other non-MRO Code matters	4	5
Decisions issued by the PCA	4	3
Referrals withdrawn	8	2
<p>**14 including the second referral made in relation to Punch Pub B in February 2018</p> <p>**15 including second referral made in relation to Punch Pub A</p>		
<p><i>Please describe and enumerate the cases where breaches of the Code were found by the PCA</i></p> <p><b>Star</b></p> <p><b>Pub A:</b> MRO tenancy non-compliant on the basis of: landlord's right of first refusal on fixtures and fittings; dilapidations provision (to be remedied within 6 months); stocking requirement in relation to keg.</p> <p><b>Pub B:</b> MRO tenancy non-compliant on the basis of: SDLT, absence of recital regarding statutory renewal under Landlord and Tenant Act 1954, dilapidations (to be remedied within 6 months), and landlord's right of pre-emption on proposed assignment.</p> <p><b>Pub C:</b> POB breached Regulation 19 by failing to conduct rent assessment.</p> <p><b>Pub D:</b> MRO tenancy non-compliant on the basis of: restriction regarding staffing numbers, dilapidations, and keg stocking requirement.</p> <p><b>Punch</b></p> <p><b>Pub A:</b> MRO tenancy non-compliant on the basis of: Deposit of 3 months' rent, rent payable by monthly instalments, upwards only rent review, restriction regarding installation of machinery, absence of recital regarding statutory renewal under Landlord and Tenant Act 1954, and dilapidations.</p> <p><b>Pub B:</b> MRO tenancy non-compliant on the basis of: Deposit of 6 months' rent, upwards only rent review, insurance payable annually in advance, absence of recital regarding statutory renewal under Landlord and Tenant Act 1954, and dilapidations.</p> <p><b>Pub C:</b> MRO tenancy non-compliant on the basis of: Dilapidations, deposit of 3 months' rent, restriction of permitted use, pre-conditions for assignment,</p> <p><i>Please describe and enumerate all referrals relating to any Code issue on which the POB has previously been found to be in breach of the Code by the PCA</i></p> <p><b>Star</b></p> <p>The only repeat referrals regarding Code compliance were Pubs B, C &amp; D. However, all of these repeat referrals were received outside the reporting period</p> <p><b>Punch</b></p> <p>Subsequent referral accepted regarding Pub B in February 2018. Referral made on the basis that the revised MRO tenancy contains a requirement for the tenant to meet the landlord's legal costs, and an upwards only rent review. The Claimant also argues that MRO by way of new lease (as opposed to deed of variation) is unreasonable.</p>		

**Part V: Other complaints made by tenants**

*Narrative report on the nature and volume of complaints about their tenancy by tied pub tenants during the reporting period not specifically reported on elsewhere*

The number of complaints received by Star Pubs & Bars averages between 2 and 5 per month. The reasons for these complaints is varied and includes matters such as repairs, delivery issues and the conduct of tenants.

The complaints are dealt with through the Star Pubs & Bars complaints procedure.

## **Section 8: Corporate Compliance Structures**

### **Part I: Compliance Officer**

*A declaration, evidenced as necessary, that the POB has met in full its duty under Regulation 42 to appoint and empower a Compliance Officer and maintained written records of training received.*

Star Pubs & Bars confirm that Christopher John Moore was appointed and empowered as Compliance Manager and has met his full duty under Regulation 42 to maintain written records of training received.

### **Part II: Business Development Managers - Training**

*A declaration that the POB has published – and sent the latest version to the PCA – the document required by Regulation 41(5) specifying:*

- *its commitment towards the continuous professional development and improvement of its BDMs and how it proposes to fulfil that commitment, referring where appropriate to relevant qualifications and training*

Star Pubs & Bars is committed to the continuous professional development and improvement of BDMs. All BDMs have a comprehensive induction upon joining the company covering the scope and responsibilities of the role. All BDMs have or are working towards a BII (British Institute of Innkeeping) Accredited qualification – MUM / MRM or MLPM at an appropriate level. This is to level 3 or above with the majority being level 4.

We are including this declaration in the updated 'Working with Star' guide which will be published by September 2018

*Narrative report confirming that:*

- *all BDMs in post when the Code came in to force or appointed since received a copy of the Code before liaising with tied pub tenants on pub matters*

All Star Pubs & Bars BDMs, receive a copy of the Code and full training on the Code as a compulsory part of their induction. This takes place before liaising with tied pub tenants on pub matters and is signed off by the line manager. This is a key part of the induction process for new starters.

Refresher training is held annually for all staff and the completion of which is a key competency within the annual appraisal framework.

*Schedule of BDM Code training and guidance during the reporting period including:*

- *outlines of the various forms of training delivered to BDMs – including whether it is delivered internally or externally; and how it is accredited*
  - *confirmation that all BDMs who are responsible for conducting rent assessments have received appropriate training before doing so (including reporting on exceptions and remedial action)*
- *schedule of all Code updates and guidance issued to BDMs*

All new starters are given a comprehensive induction including Pubs Code training. The Pubs Code training is a combination of an internal face to face session with a test to check understanding and a Pubs code e-learning module which carries a 90% pass mark. Each BDM is also given a copy of the Code.

All BDMs hold or are working towards a BII (British Institute of Innkeeping) Accredited qualification – MUM / MRM or MLPM at an appropriate level. This is to level 3 or above with the majority being level 4.

MLPM training forms part of induction for those not already qualified. Training is via CPL and includes sessions detailing the BDM responsibilities under the Code.

There is an annual Pubs Code e-learning refresher which is compulsory. This has a 90% pass mark and forms a mandatory section of the annual Star Pubs & Bars appraisal.

All BDMs receive appropriate training before being allowed to undertake any work relating to rent assessments or any other areas covered by the Code.

Along with the training detailed above any updates, guidance and learnings are reflected in the e-learning module and cascaded to BDMs at team meetings.

### Part III: Business Development Managers - Conduct

*Statement of how the POB ensures that BDMs act in a manner that is consistent with the core Code principle of fair and lawful dealing in relation to tied pub tenants.*

*Confirmation of the processes in place to ensure that BDMs:*

- *make appropriate notes of discussions with tied pub tenants in connection with:
 
  - *rent proposals*
  - *rent assessments / assessments of money payable in lieu*
  - *repairs to the pub*
  - *matters relating to the tenant's current or future business plans**
- *provide the tenant with records of the above within 14 days of the discussion*
- *Inform the tenant that they should respond to the BDM within 7 days of receiving the record if they disagree with any aspect of it.*

BDMs produce business review sheets to document interactions with lessees. The BDMs have received training to ensure these records are a fair and accurate reflection of the matters discussed and the action points arising along with allocation of responsibilities.

This includes but is not limited to discussions with tied pub tenants in relation to rent proposals, rent assessments, repairs and matters relating the tenants current or future business plan.

Both the tenant and the BDM sign the Business Review Sheet to confirm that it reflects the discussion held.

A copy of the business review sheet is provided to the tenant within 14 days and in many instances is sent the same day.

The Business Review sheet states that if the tenant does not agree with any aspect of the record they should respond to the BDM within 7 days of receiving it.

For the reporting period, the number of challenges by tenants about the non-provision or content of a BDM record.

This is not separately recorded

Under the terms of the Code there is no legal requirement to report this, to do so would require significant changes to our reporting systems and substantial costs.

*Steps taken by the POB to resolve disagreements and any consequential changes to BDM reporting protocols.*

Any disagreements are dealt with through the Star Pubs & Bars complaints procedure as outlined above. This allows any issues to be dealt with in a fair and consistent manner.