

Annual Compliance Report 2024-25

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.

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.

Approved by - this should be the Chair of the Audit Committee, or where such a committee does not exist, the non-executive director who is responsible for functions normally associated with an Audit Committee, or in the absence of such a post, by the POB's CEO, Managing Director or equivalent. Please provide their **name**.

Job title of the person who approved the compliance report

Date of approval

Submitted by - Code Compliance Officer for (POB)

Audit Committee Statement on Compliance; please provide your responses in the blue cells below

All new staff of Stonegate Group engaging with our regulated estate (trading as Stonegate Pub Partners and Craft Union Pub Company) receive a copy of the Pubs Code as part of their induction with the company and are briefed on the two core principles.

BDM roles and roles that support Pubs Code processes go on to 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.

Stonegate Group confirm that prior to submission, this report has been approved by the Chief Executive Officer.

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

David McDowall

Chief Executive Officer

19th August 2025

James Richards
Code Compliance Officer for Stonegate Group

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 2024).	2621	
• Of which, those that are tenanted.	1723	
• Of which, those that are leased.	898	
• Of which, those located in Wales.	104	
<i>Please indicate whether you have different agreement types or policies in place for pubs in Wales and if so, explain any differences. .</i>	n/a	No different agreement types or policies in place for pubs in Wales.
Total acquisitions - during this reporting period - that fall under the Pubs Code.	0	
Additional tied pubs already owned for this reporting period.	679	
Total disposals during this reporting period of those premises that fell under the Pubs Code.	24	
• Of which, were to another POB.	0	
• Of which, were sold to a person who is not a landlord of 500 or more tied pubs.	18	
• Of which, there was a publican in situ. i.e. those disposals subject to extended protection.	0	
• Of which, were permanently closed or disposed for other use.	6	
Premises that are no longer tied but still owned by your POB - for this reporting period.	99	
• Of which, are now part of your POB's managed estate.	5	
Total number of Pubs Code Agreements that ended during this reporting period.	538	Excludes Short Agreements
Number of free of tie tenancies agreed with existing tied tenants outside of the Pubs Code procedures.	4	
Total number of Pubs Code Agreements at the end of this reporting period (31 March 2025).	3177	
• Of which:		
• Agreements contracted into the Landlord and Tenant Act 1954.	755	
• Agreements not contracted into the Landlord and Tenant Act 1954.	1383	
• Short agreements under regulation 14.	954	
• Tenancies at will (or other agreements for less than 12 months) where tenant has acquired full Code rights	85	
Number of qualifying Investments under regulation 56.	8	
Total number of agreements at the end of the reporting period with provisions for sharing turnover or profit.	629	
• Of which, those that fall outside the Pubs Code.	61	
• Of which, those that fall under regulation 55 (pub franchise agreements) .	0	
Number of legal surrenders.	208	
<i>Only include those surrenders where the publican left the property.</i>		
• Of which, the tenant was in place for:		
• Less than 1 year.	24	
• Between 1-2 years.	82	
• Between 3-5 years.	51	
• 6 years or more.	51	
Number of forfeitures.	67	
• Of which, the tenant was in place for:		
• Less than 1 year.	6	
• Between 1-2 years.	19	
• Between 3-5 years.	14	
• 6 years or more.	28	
Number of assignments.	24	
• Of which, the tenant was in place for:		
• Less than 1 year.	1	
• Between 1-2 years.	2	

● Between 3-5 years.	4	
● 6 years or more.	17	
Number of abandonments.	30	
● Of which, the tenant was in place for:		
● Less than 1 year.	4	
● Between 1-2 years.	11	
● Between 3-5 years.	6	
● 6 years or more.	9	
Please list your contractual arrangements	Tenancy at Will (Pubs Code Short Agreement) Short Term Tenancy (Pubs Code Short Agreement) Craft Short Tenancy (Pubs Code Short Agreement) Retail Partnership Tenancy (Pubs Code) Fixed Term Tenancy (Pubs Code) Turnover 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 tenancies, as of 31 March 2025, whose contractual terms entitle the tenant to renew at the end of the term. i.e. as described in Regulation 26(3). This is different to the right to renew under the LTA 1954.	8	
How many tenants had the contractual right to renew (an MRO event under 26(3)) during the reporting period. This is different to a right to renew under LTA 1954.	17	
● Of which, those who exercised their contractual right to renew during this reporting period.	1	
● Of which, the POB opposed.	0	
Total number of regulated tenancies as of 31 March 2024, with LTA 1954 protection.	839	
Total number of LTA 1954 S.25 notices issued in this reporting period.	6	
● 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.	6	
● Of which, those proposing a variation of the terms.	0	
Number of LTA 1954 S.26 notices received in this reporting period	8	
● Of which, those you opposed.	7	
● Of which, those you opposed at any time after receipt of an MRO notice.	5	
● Of which, those you opposed within an MRO procedure.	0	
● Of which, those proposing a variation of terms.	1	
Number of instances of landlord opposing renewal in whole or in part in reliance on LTA 1954 S.30(1)(g).	6	
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.	2	
● Of which, the number of objections to a new tenancy that were upheld.	0	
● Of which, the number of objections to a new tenancy that were dismissed.	0	
● Of which, are still ongoing.	2	

New tenants and agreements		
Number of new tenancies that fall under the Code in this reporting period. <i>Do not include tenancies where the tenant has, or has had, a previous agreement (other than a short agreement) for that pub.</i>	1731	
● Of which, are short agreements under regulation 14.	1291	
● Of which, have LTA 1954 rights.	0	
Number of new unprotected tied tenancies with tenants previously having 1954 Act protected tenancies.	5	

Rent proposals		
Number of rent proposals provided in this reporting period.	832	
● Of which, those under regulation 15(2-5).	6	
● Of which, those under regulation 15(6).	0	

● Of which, those under regulation 15(7).	826	
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Rent assessment proposals (RAP)		
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.	110	
Number of rent assessment requests under regulation 19(2)(a) - 5 years, of which those:	1	
● RAP Provided	1	
● RAP Rejected	0	
Number of rent assessment requests under regulation 19(2)(b) - significant increase in price, of which those:	0	
● RAP Provided	0	
● RAP Rejected	0	
Number of rent assessment requests under regulation 19(2)(c) - trigger event, of which those:	0	
● RAP Provided	0	
● RAP Rejected	0	

Market Rent Only (MRO)		
Total number of MRO Notices received, of which those:	33	
● Accepted	31	
● Rejected	2	
● Withdrawn	0	
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:	7	
● Accepted	6	
● Rejected	1	
Number of MRO Notices received under regulation 27 – rent assessment or an assessment of money payable in lieu of rent, of which those:	26	
● Accepted	25	
● Rejected	1	
Number of full responses issued to rejected MRO Notices.	2	
Number of full responses issued to accepted MRO Notices.	30	
Where an MRO Notice has been accepted; those that resulted in:		
● Free-of-tie arrangements that are:		
● New agreement - including short term agreements.	11	
● Deed of variation.	4	
● New tied arrangements that are:		
● Agreed by new lease.	11	
● Other new tied arrangements (rent or other terms).	13	
● Tied tenant departure from the pub.	10	
● Other outcomes.	1	
● Ongoing – yet to be concluded.	17	
Length of MRO tenancies initially offered by POB		
Minimum length (in months)	5	
Maximum length (in months)	127	
Average length (in months)	58	
Length of MRO tenancies requested by tenants		

Minimum length (in months)	60	
Maximum length (in months)	240	
Average length (in months)	150	
Length of MRO tenancies agreed		
Minimum length (in months)	55	
Maximum length (in months)	241	
Average length (in months)	99	

Independent Assessors (IAs)																								
Number of IA appointments.	5																							
• Of which, those jointly agreed with the tenant.	4																							
• Of which, those appointed by the PCA.	1																							
Number of cases where rent was determined by the IA.	4																							
• Please list for each case - the MRO rent proposed by the POB and the MRO rent set by the IA.	<table><tr><th>POB submission</th><th>TPT submission</th><th>IA award</th><th>Date of IA award</th></tr><tr><td>85,000</td><td>48,000</td><td>55,500</td><td>10/02/2025</td></tr><tr><td>70,000</td><td>54,000</td><td>60,000</td><td>02/12/2024</td></tr><tr><td>59,500</td><td>39,000</td><td>49,200</td><td>09/10/2024</td></tr><tr><td>110,000</td><td>67,500</td><td>95,000</td><td>13/09/2024</td></tr></table>		POB submission	TPT submission	IA award	Date of IA award	85,000	48,000	55,500	10/02/2025	70,000	54,000	60,000	02/12/2024	59,500	39,000	49,200	09/10/2024	110,000	67,500	95,000	13/09/2024		
POB submission	TPT submission	IA award	Date of IA award																					
85,000	48,000	55,500	10/02/2025																					
70,000	54,000	60,000	02/12/2024																					
59,500	39,000	49,200	09/10/2024																					
110,000	67,500	95,000	13/09/2024																					
Number of IA determinations challenged under:																								
• Regulation 37(10)	0																							
• Regulation 37(11).	0																							

Buildings Insurance		
Number of tenants requesting to price match their building insurance during this reporting period by providing notification of a tenant's alternative policy (under regulation 46(3c))	8	
• Number of unsuccessful price match requests.	7	
• Number of occasions when you have agreed in writing that any difference is not payable by the tenant under regulation 46(5).	1	
• Number of occasions when you have purchased the tenant's alternative policy.	0	
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:		
• 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	
• The tenant has entered into a side agreement to purchase or rent a gaming machine from your POB or a nominated supplier.	1082	
• The tenant has sourced a free-of-tie machine agreement with a third-party supplier.	23	
• The tenant has chosen not to have gaming machines.	202	

Sale of freehold or long leasehold		
Number of notifications under regulation 49(2).	15	
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 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). Our onboarding system ensures all applicants taking new pubs code agreements are required to upload a copy of their PEAT training certificate or approved exemption.	
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 to provide sustainable business plans, prepared by a qualified accountant, and signed off by the Regional Manager. We provide pre-entry interim BII membership to all prospective applicants for a tied pub opportunity which provides access to accredited accountants via the BII Accredited Advisors . 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 Team and wider support teams and provided through our new onboarding platform to prospective tenants taking on new tied agreements. Compliance is managed through our new onboarding system in ensuring all schedule one documentation is provided to an applicant and a new letting cannot progress until all documents have been provided and the applicant has confirmed they have received and understood such documents.	
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:	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 Team and support teams and provided to prospective assignees	
	4.2 It complies with the provisions in regulation 12(4)(b)	We ensure that all assignees are advised to complete BII Pre-Entry Awareness Training (PEAT) unless exempt under regulation 9(3).	
	4.3 It complies with the provisions in regulations12(4)(c)	We ensure that the assignee has been advised to take independent advice before completion of the assignment and capture 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 via our Property Team and their nominated contractors as well as a Schedule of Works detailing any agreed works documented in the tenancy agreement. Compliance is managed through our onboarding system which will not let a process progress until the SOC and schedule of works are provided ahead of an applicant producing their Business Plan.	
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 process. 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 professionally qualified surveyors to discuss any differentials in order to achieve an agreed resolution.	
Short agreements Regulation: 14, 54,	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 Onboarding system and verified through the governance and controls within the system regarding allowing an application to progress.	
Ending a Tenancy:			
Forfeitures Section 146 notice	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 Operations 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 is dealt with via solicitors. 	
Rent Proposals Regulations: 15-18	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. Identify any and all steps taken to verify compliance and improve Code-related arrangements.	The rent proposal administration process is managed within our Onboarding system. Rent proposals are sent out to new tenants as part of the onboarding process and to other tenants on request. The contents of the rent proposal form are regularly reviewed to ensure compliance with the requirement of the Code. 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). 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. Any requests for further information or advice are directed through the Regional Manager.	
Rent Assessment Proposals Regulations: 19-22	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.	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. The contents of the rent proposal form are regularly reviewed to ensure compliance with the requirement of the Code. The BDM visits the pub to gather relevant information to assist with the preparation of the rent assessment proposal. The Agreements Team verify the date of this visit to ensure it is within 3 months before the rent assessment proposal is issued. 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). Any requests for further information or advice are directed through the LDM who deals with the rent assessment. Once a rent assessment is provided, we will actively engage regarding the assessed rent with the tenant and progress the assessment to PIRRS or arbitration (unless MRO is proceeding) if required. 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. 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.	

MROs:			
MRO - Notice Regulations: 23-27	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.	The MRO administration process is managed by the Agreements team who ensure that the deadlines and timescales are met as prescribed in the Code. Any areas of non-compliance are referred to the internal Pubs Code inbox and Code Compliance Officer who would assess the impact on the tenant and address as appropriate. Any query over the MRO event type/ validity would be escalated to the Code Compliance Officer. If we think that an MRO notice is unclear, we will revert to the tenant to ask them to clarify. We do not reject MRO notices where the tenant has made an obvious typographical error.	
	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.	We have not had an MRO notice based on this ground.	
	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.	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 Agreements team.	
	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.	The MRO administration process is managed by the Agreements team who ensure that the deadlines and timescales are met as prescribed in the Code. Any areas of non-compliance are referred to the internal Pubs Code inbox and Code Compliance Officer who would assess the impact on the tenant and address as appropriate. Any query over the MRO event type/ validity would be escalated to the Code Compliance Officer.	
	11.4 Provide a detailed report of your POBs handling of tenants who request a MRO following a rent assessment proposal (Reg 27).	The MRO administration process is managed by the Agreements team who ensure that the deadlines and timescales are met as prescribed in the Code. Any areas of non-compliance are referred to the internal Pubs Code inbox and Code Compliance Officer who would assess the impact on the tenant and address as appropriate. Any query over the MRO event type/ validity would be escalated to the Code Compliance Officer.	
MRO - Procedure Regulations 28-33	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. Please include a report on handling procedural and event disputes and the issue of a revised response.	The MRO administration process is managed by the Agreements team who ensure that the deadlines and timescales are met as prescribed in the Code. Any areas of non-compliance are referred to the internal Pubs Code inbox and Code Compliance Officer who would assess the impact on the tenant and address as appropriate. The MRO proposal is prepared in line with our 'MRO Proposal Policy'. 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. We include a rent offer in the proposed MRO terms as a matter of course. Where disputes arise the appointed 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. 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.	
	12.1 Provide a detailed report on how your POB handles arrangements during the MRO process (Reg 28).	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.	
	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).	The MRO proposal is prepared in line with our 'MRO Proposal Policy'. 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.	
MRO - Independent Assessor Regulations 36-38	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.	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. All submissions are prepared in accordance with the RICS Professional Statement "Surveyors Acting as Advocates" 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. 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.	
MRO - End of Procedure Regulations 39 and 40	14. Provide a detailed report on your POB's compliance with MRO regulations including the duty to enter into an agreed tenancy or license as soon as reasonably practical; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.	The MRO administration process is managed by the Agreements team and the tenant is notified in writing when the MRO procedure has come to an end and feedback is requested. We actively endeavour, either directly or via appointed solicitors, to enter into an agreed MRO agreement as soon as reasonably practical. Any issues or concerns raised in relation to this matter, of which there has been none, would be escalated to the Code Compliance Officer to investigate.	
Business Development Managers: Regulation 41			
15. Provide a detailed report on your POB's compliance with Regulation 41 regarding Business Development Managers, including their training requirements; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed. Tell us about any new ways of working or improvements you have made.		All BDMs have been trained on the requirements of the Pubs Code and receive both dedicated induction and annual refresher training regarding the Pubs Code. The BDM CPD declaration is published on our website. We are in the process of developing new IT systems to accommodate meeting minutes to prevent non-compliance with Code requirements concerning the timescale for provisions of meeting minutes to tied pub tenants. Revised guidance has been issued to all BDM's on compliance with Regulation 41(4) whilst the new system is being developed.	
Code Compliance Officer: Regulation 42		The Code Compliance Officer appointed satisfies the requirements of the regulation.	
Insurance: Regulation 46			
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.		Stonegate 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. Stonegate 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.	
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 whether this information has been communicated to your tenants.		The levied insurance charge does not exceed the cost of our insurance programme. We do receive a commission for the placement of our insurance and this is communicated to tied pub tenants annually as part of our insurance renewal communications.	

	<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 whether 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 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> <p>Any proposed alternate policy is reviewed on the basis of extent of coverage, sums insured, standard of insurer and comparative conditions and/or warranties as part of reviewing if such a quote/proposal is suitable and comparable. Should an alternate policy be deemed not to be suitable and comparable the tenant will be informed of the reasons why and also directed to insurance providers who can satisfy this requirement for a suitable and comparable alternative quote to be provided.</p>	

Miscellaneous

Extended Protections Regulation 45A	18. Please confirm that your Extended Protection reports to the PCA have been accurate and timely in accordance with policy.	Confirmed	
Gaming Machines Regulation 47	19. Please confirm that no new - or renewed - tenancies or licences require a tied pub tenant to rent or purchase a gaming machine.	Confirmed	
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 and in line with Pubs Code requirements.	
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.	Stonegate 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:	As follows:	
	23.1 The provisions in regulation 54 - short agreements	The pre-entry requirements in relation to short agreements are managed by the Agreements team. 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	Stonegate do not have any pub franchise agreements as defined under the Regulations.	
	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. Please confirm that your agreements do not contain void or unenforceable terms within the tenancy or licence under Regulation 57.	Our new agreements do not contain void or unenforceable terms. In relation to existing legacy 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).	0
	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).	0
	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).	0
	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).	0
	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).	0
	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).	0
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).	0
	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).	0
	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).	0
	Rent Assessment - Duty to Conduct Regulation 19	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 Assessment Proposal Regulation 20	Total number of breaches, or alleged breaches.	1
		• Of which, those upheld.	1
		• Of which, those not upheld.	0

Part 4		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	RAP was issued to incorrect email provided by Regional Manager for Publican. Emailed to correct email address once Agreement Co-ordinator made aware.	
	Conduct of the Rent Assessment Regulation 21	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	
	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).	0	
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).	0	
	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).	0	
	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).	0	
	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).	0	
Part 6	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).	0	
	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).	0	
	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.	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 - 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).	0	
	MRO - Right to Refer Regulation 35	Total number of breaches, or alleged breaches.	2	
		• 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).	Referrals made in relation to MRO full response, both resolved between parties	

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).	0	
	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).	0	
	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).	0	
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).	0	
	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).	0	
Part 9	Business Development Managers Regulation 41	Total number of breaches, or alleged breaches.	43	
		• Of which, those upheld.	43	
		• Of which, those not upheld.	1	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	43 breaches were due to meeting minutes issued late. We have now implemented a new company policy to issue meeting minutes within 48 hours of the meeting. New system in production to enhance the meeting minute process. Stonegate have notified the PCA of these breaches via self-reporting. 1x referral (from prior reporting year) resolved within this reporting year. All claims not upheld and Stonegate awarded costs.	
	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).	0	
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).	0	
	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).	0	
	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).	0	
	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).	0	
	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	

		<ul style="list-style-type: none"> Of which, those not upheld. 	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	0	
	Flow Monitoring Devices Regulation 51	Total number of breaches, or alleged breaches.	0	
		<ul style="list-style-type: none"> Of which, those upheld. 	0	
		<ul style="list-style-type: none"> Of which, those not upheld. 	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	0	
Part 12	Exemptions - Short Agreements Regulation 54	Total number of breaches, or alleged breaches.	0	
		<ul style="list-style-type: none"> Of which, those upheld. 	0	
		<ul style="list-style-type: none"> Of which, those not upheld. 	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	0	
	Exemptions - Franchise Agreements Regulation 55	Total number of breaches, or alleged breaches.	0	
		<ul style="list-style-type: none"> Of which, those upheld. 	0	
		<ul style="list-style-type: none"> Of which, those not upheld. 	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	0	
	Exemptions - Investment Exception Regulation 56	Total number of breaches, or alleged breaches.	0	
		<ul style="list-style-type: none"> Of which, those upheld. 	0	
		<ul style="list-style-type: none"> Of which, those not upheld. 	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	0	
Part 13	Void or Unenforceable Terms Regulation 57	Total number of breaches, or alleged breaches.	0	
		<ul style="list-style-type: none"> Of which, those upheld. 	0	
		<ul style="list-style-type: none"> Of which, those not upheld. 	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	0	
Other	Other Pubs Code complaints made by tenants	Number and nature of Pubs Code complaint(s) 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.	9 complaints received in relation to the Pubs Code from tied pub tenants. Four regarding property, 3 in relation to their legal agreement and 2 a mixture of legal agreement and property issues. All 9 complaints have been resolved between the parties.	
	Arbitrations Those breaches - or alleged breaches - that were referred to arbitrations and which have concluded during this reporting year.	Please state the regulation(s) they relate to and whether the arbitrator found that a breach had occurred.	<p>2 x referral received during the reporting period regarding MRO terms under Regulation 35, both resolved between parties prior to arbitration.</p> <p>1x live referral from previous reporting arbitrated and resolved during reporting period regarding Regulation 41. No findings of breaches were found and Stonegate awarded costs.</p>	