



# **Pubs Code: Regulation 43 compliance report framework for pub-owning businesses**

March 2019

## **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 31<sup>st</sup> July 2019.**

**In addition to the minimum statutory publication requirements in Regulations 43(8) and (9) of the Pubs Code, pub-owning businesses should publish the full compliance report on their company website no later than 30<sup>th</sup> September 2019.**

*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*

## **Introduction**

From the inception of the Pubs Code ('the Code') in July 2016 and indeed from the implementation of the voluntary Industry Framework Codes in 2010, Admiral Taverns has adopted a thorough approach to achieve full compliance.

This has involved working in a collaborative manner with the PCA, the BBPA, the other large Pub Owning Businesses and with those tenant groups that we were able to engage with. We believe great progress has been made by all parties in that time.

This Compliance Report has been compiled following the completion of an internal audit by qualified auditors through May and June 2019. The outcome of the audit was that the company was compliant with the Code.

As at the date of submission of this Compliance Report, Admiral Taverns has still to receive a referral to the Adjudicator which supports our belief that we have met the requirements of the Code in full.

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

*A declaration that the statutory requirements in Regulations 43(5), (7), (8) and (9) have been complied with.*

We confirm that

- The Chair of the Audit Committee approved the report on 10<sup>th</sup> July 2019 having been provided and reviewed the internal audit reports of May/June 2019 and been led through the annual Compliance Report by the Company Compliance Officer.
  
- A summary of the annual Compliance Report will be included in the company annual report with the full report published on the company website on or before 30<sup>th</sup> September 2019.

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**Section 2: Tied Estate Summary**

As of 31 March 2018, total number of Pubs Code Agreements	735
Total acquisitions since 31 March 2018	0
Total disposals since 31 March 2018	42
<ul style="list-style-type: none"> <li>• Which were to another Pub Owning- Business (POB) (for use as a pub)</li> </ul>	0
<ul style="list-style-type: none"> <li>• Where the title has been transferred to the ownership of a person who is not a landlord of 500 or more tied pubs (for use as a pub)</li> </ul>	41
<ul style="list-style-type: none"> <li>• Directly disposed for other use [e.g. residential; other commercial]</li> </ul>	1
<p><i>Narrative report confirming that:</i></p> <ul style="list-style-type: none"> <li>• <i>(Where applicable) the POB has informed the PCA and its Tied Pub Tenants (TPTs) of any change during the reporting period to its status as a landlord of 500 or more tied pubs as required by Regulation 45</i> Not applicable. There has been no change to our status in the reporting period.</li> <li>• <i>The POB has in each case met its obligations under Regulation 49 and taken steps to inform the TPT of plans to sell the pub</i> We confirm that on each sale we have notified the TPT of the intention to sell as soon as soon as reasonably possible. We are not aware of any breach of the requirements of this regulation and have not been made aware of the same.</li> <li>• <i>For each transfer, informed the PCA of:</i> <ul style="list-style-type: none"> <li>○ <i>The identity of the new landlord</i></li> <li>○ <i>The end date of the tenancy under which the tied pub is currently occupied</i></li> <li>○ <i>The date of the conclusion of the last rent assessment for the tied pub</i></li> <li>○ <i>The date of the next scheduled rent review for the tied pub under the current tenancy agreement<sup>1</sup></i></li> </ul> </li> </ul> <p>Not applicable.</p>	
As of 31 March 2019, total number of Pubs Code Agreements	695
Of total Pubs Code Agreements, how many are:	
<ul style="list-style-type: none"> <li>• Agreements contracted into the Landlord and Tenant Act 1954</li> </ul>	<b>92</b>

<sup>1</sup> This information is required to enable the PCA to track when extended protection will end.

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• Agreements not contracted into the Landlord and Tenant Act 1954	<b>450</b>
• Short Agreements under Regulation 14	<b>153</b>
• Pub Franchise Agreements under Regulation 55	<b>0</b>
• Qualifying Investments under Regulation 56	<b>2</b>

### Types of Agreements

*Narrative report listing all the different categories of agreements (current and historic) within the POB's tied estate, a schedule of their main characteristics (e.g. lease or tenancy; duration; repairing obligations), whether these agreements sit inside or outside of the Pubs Code and how many TPTs fall within each agreement.<sup>2</sup>*

See attached Schedule of Admiral Agreements

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<sup>2</sup> This information is required to give the PCA a detailed picture of the size and shape of the regulated tied sector. It is being requested as part of the compliance reporting framework to consolidate and reduce the administrative requirements placed on POBs.

**Section 3: Code Compliance**

**Part I: Investigations**

*Narrative report on how the POB has co-operated with the PCA in respect of any investigations under section 53 Small Business, Enterprise and Employment Act 2015 (SBEEA) into that POB or any combination of POBs during the reporting period. Where an investigation has concluded, the action taken by the POB as a result of that investigation.*

Not applicable. Admiral has not been part of any such investigations by the PCA.

**Part II: Enforcement**

*Narrative report on the steps the POB has taken to comply during the reporting period with any enforcement measures, taken by the PCA, in respect of it; under sections 55-58 SBEEA.*

Not applicable. Admiral has not been part of any such investigations by the PCA.

**Part III: Guidance and Advice**

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

We have yet to incur an arbitration and so have not had cause to utilise the Guidance on Arbitration Costs issued on 22nd June 2018.

We have met the requirements of the What Tenants Should Expect issued in June 2018 subject to the clarification points raised with the PCA.

We continue to adopt all of the recommendations and best practice requirements that have been proposed by and agreed with the PCA.

We engaged openly with the Sediment and Wastage Consultation and have adopted all recommendations albeit they fall within the 2019/20 reporting period.

**Part IV: Unfair Business Practices**

*Narrative report on the steps taken by the POB in response to any representations from the PCA during the reporting period about business practices that have been the subject of a report on avoidance to the Secretary of State under section 71A SBEEA.*

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We are not aware of any business practices that have been reported to the Secretary of State under Section 71a SBEEA. However, we repeat our commitment to work with and adopt the recommendations and best practice requirements proposed by the PCA.

**Section 4: Tied Agreements**

<b>Part I: Code Tied Agreements</b>	
<i>During the reporting period, numbers of:</i>	
New Agreements	95
<p><i>Narrative report on how the POB has complied with Code pre-entry requirements.</i></p> <p>We recommend that all new tenants complete the industry recognised Pre-Entry Awareness Training.</p> <p>We record and can evidence the signed receipt of the Schedule 1 and Schedule 2 information by each tenant who has entered into a New Agreement. We have received no complaints arising from any shortfall in the provision of this information.</p> <p>Once we have received the signed receipt, we ensure and can evidence that suitable professional advice is taken prior to the completion of the sustainable business plan and the final negotiation of the offer.</p> <p>We ensure that all new tenants conduct a thorough inspection of the premises and walk around of the site with the BDM.</p> <p><u>Short Agreements</u></p> <p>We record and can evidence that all required information is provided to the prospective tenant in advance of them entering into their agreement.</p>	
Assignments	1
Forfeitures	4
• Of pre-Pubs Code tenancies	3
• Of tenancies granted since the Pubs Code came into force	1
<p><i>Breakdown of how many Forfeitures were for tenancies of:</i></p> <ul style="list-style-type: none"> <li>• <i>Less than 1 year</i></li> <li>• <i>between 1-2 years</i></li> <li>• <i>between 3-5 years</i></li> <li>• <i>6 years and older</i></li> </ul> <p><i>Narrative report on reasons for forfeiture.</i></p> <p>Of the 4 forfeitures, there were 3 x 5 year tenancy agreements and 1 x 10 year lease.</p> <p>Pub A TPT had been in occupation for more than 6 years.</p> <p>Pub B TPT had been in occupation for 1-2 years.</p> <p>Pub C TPT had been in occupation for 3-5 years.</p> <p>Pub D TPT had been in occupation for more than 6 years.</p>	
Section 146 notices issued	0

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<p><i>Narrative report/breakdown of the process and/or procedures followed when issuing a Section 146 notice.</i></p> <p>All forfeiture cases were based upon rent arrears and therefore there was no requirement to serve a section 146 notice.</p>	
<p>Legal Surrenders (<i>where the TPT has surrendered their agreement and left the pub and <u>not</u> instances of 'surrender and regrant).</i></p>	10
<p><i>Narrative report on the reasons for these Legal Surrenders.</i></p> <p>A combination of business failure leading to an agreed debt position or write off. Alternatively, on a number of occasions the surrender was made at the request of the tenant for reasons varying from retirement, relocation or a desire to be released from the obligations within the agreement.</p>	
Abandonments	12
Renewals	3
<p><i>Narrative report on how the POB has complied with the Code requirements to provide statutory information.</i></p> <p>On each L&amp;T protected renewal we have as a minimum provided the Benchmarking Information as per the requirements of the Code. In practice we provide the bulk of the schedule 1 and the same schedule 2 information as with a New Agreement.</p>	
<p><i>Please explain the approach the POB has taken to deal with assessments of terminal dilapidations, when agreeing terms at renewal.</i></p> <p>If dilapidations have been pursued then on each occasion we have attended the site to carry out a Schedule of Dilapidations at least 6 months before the expiry of the agreement. In practice for leases we write to the lessee 14 months before the expiry of their agreement to remind them of their repairing obligations and commence the dilapidations process. On a lease renewal we will work with the lessee to agree a sensible and achievable dilapidations programme of works which depending on the urgency and scale of the works we will work with the lessee to agree an achievable timeline for completion.</p>	
Investment Exceptions agreed under Regulation 56	0

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<b>Part II: Code Rent Assessments &amp; Rent Assessment Proposals</b>	
<i>During the reporting period, numbers of:</i>	
Total number of Rent Proposals & Rent Assessment Proposals in connection with a contractual review	11
<p><i>Narrative report on how the POB has complied with the Code requirements to provide statutory information.</i></p> <p>On each Rent Review we have provided a compliant version of the Schedule 2 information along with any Schedule 1 information that has not previously been provided. This can be evidenced on each occasion. This information has been provided at least 6 months before the date of each rent review. This can be evidenced.</p>	
Total number of Rent Assessment Proposals requested by tenant	0
<ul style="list-style-type: none"> <li>• reason of no rent review concluded in last 5 years</li> </ul>	0
<ul style="list-style-type: none"> <li>• reason of a significant increase in price</li> </ul>	0
<ul style="list-style-type: none"> <li>• reason of a trigger event</li> </ul>	0
<p><i>Narrative report on how the POB has complied with the Code requirements to provide statutory information.</i></p> <p>Not applicable</p>	
<p><i>Narrative report on how the POB has complied with the statutory Code deadlines.</i></p> <p>On each Rent Review we have provided a compliant version of the Schedule 2 information along with any Schedule 1 information that has not previously been provided. This can be evidenced on each occasion. This information has been provided at least 6 months before the date of each rent review. This can be evidenced.</p>	
Total number of requests for Rent Assessment Proposals rejected	0
<p><i>Narrative report on the reasons for rejecting requests for Rent Assessment Proposals.</i></p>	

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<b>Part III: Renewals under the Landlord and Tenant Act 1954 (LTA)</b>	
<i>During the reporting period, numbers of:</i>	
Section 25 Notices issued opposing a new tenancy	2
Section 25 Notices issued proposing a variation of the terms	1
Section 26 Notices opposed	0
Section 26 Notices unopposed	0
<p><i>Narrative report on:</i></p> <ul style="list-style-type: none"> <li>• Which grounds were relied upon to oppose the s.25 and s.26 renewals</li> <li>• How many notices were uncontested</li> <li>• What is the current status of these decisions.</li> </ul> <p>We have opposed renewal on two section 25 notices on the grounds of disrepair. On one occasion the lessee has ceased engagement and intimated that they did not wish to renew. The notice was used to create a final and agreed date for exit.</p> <p>Given the limited numbers we do not believe it is appropriate to comment openly on the ongoing negotiations. It is, however, our normal policy to grant an extension to the time to allow for a court application where there has been engagement or co-operation.</p>	
LTA court proceedings where the POB relied in whole or in part on an intention to take the pub back into occupation	0
<ul style="list-style-type: none"> <li>• Of which, the number of objections to a new tenancy that were upheld</li> </ul>	0
<ul style="list-style-type: none"> <li>• Of which, the number of objections to a new tenancy that were dismissed</li> </ul>	0
<p><i>Narrative report, to include:</i></p> <ul style="list-style-type: none"> <li>• The timeline the POB follows.</li> <li>• The preparatory work done to identify which pubs to take back into management, including who/what body is responsible for making any relevant decisions and how that decision is made.</li> <li>• 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.</li> </ul> <p>Not applicable. We do not operate a managed house or operator managed division.</p>	

<b>Part IV: Other contractual renewals (where applicable)</b>	
<i>During the reporting period, numbers of:</i>	
Tenants who exercised a contractual right to renew their tenancy	0

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• Of which, the number of these to which the POB consented	0
• Of which, the number of these that were opposed by the POB	0
Total number of contractual renewals	0

**Section 5: MRO**

<b>Part I: MRO Notices</b>	
<i>During the reporting period, numbers of:</i>	
Total number of MRO Notices received and acknowledged	0
• Following receipt by a TPT of a Rent Assessment Proposal	0
• In relation to the renewal of a tenancy	0
• Requested in response to a significant increase in price	0
• Requested in response to a trigger event	0
<i>Narrative report on the nature of the circumstances relied upon by TPTs in support of claims of trigger events (from business cases received from TPTs ).</i>	
Not applicable	
Total number of MRO Notices accepted	0
Total number of MRO Notices rejected	0
• Following receipt by a TPT of a Rent Assessment Proposal	0
• In relation to the renewal of a tenancy	0
• Requested in response to a significant increase in price	0
• Requested in response to a trigger event	0
<i>Narrative report on the reasons for rejecting MRO Notices.</i>	
Not applicable	
Total number of MRO Proposals issued	0
<i>Narrative report on how the POB has complied with the statutory Code deadlines, including the process followed and how a decision is made regarding the length of the lease at renewal and how a decision is made regarding the length of the lease when other MRO gateways are used.</i>	
<p>To date our initial proposal at renewal has been a 20 year lease. We advise at outset that we will negotiate this term if a different period is required and we will give consideration to the length of the current agreement.</p> <p>We have to date applied the same approach following each request for MRO at rent assessment. However, we reserve our position in this respect.</p>	

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<b>Part II: MRO Negotiations</b>	
<i>During the reporting period, numbers of:</i>	
MRO Negotiations undertaken with tenants	1
<p><i>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 tenant who has sent an MRO Notice but not included in the executed MRO tenancy.</i></p> <p>Given the infrequency of MRO negotiations in the reporting period we do not believe this is applicable. However, we can confirm that we would not to the best of our knowledge include a term that was not perceived to be common within the free of tie commercial lease market.</p>	
Times that each of the regularly challenged terms above has ultimately appeared in a completed MRO agreement (please list and enumerate)	0
MRO tenancies agreed	1
<ul style="list-style-type: none"> <li>Of which number of free of tie arrangements agreed by new agreement</li> </ul>	1
<ul style="list-style-type: none"> <li>Of which number of new free of tie arrangements agreed by deed of variation</li> </ul>	0
Total number of tied settlements connected with MRO negotiations	
<ul style="list-style-type: none"> <li>Of which number of new tied arrangements agreed by new lease</li> </ul>	1
<ul style="list-style-type: none"> <li>Of which number of other new tied arrangements agreed (rent or other terms)</li> </ul>	1
<ul style="list-style-type: none"> <li>Of which number of tied tenant departures from the pub</li> </ul>	0
<ul style="list-style-type: none"> <li>Other outcomes</li> </ul>	0
<ul style="list-style-type: none"> <li>Ongoing – yet to be concluded</li> </ul>	0

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<b>Part III: MRO Independent Assessment</b>	
<i>During the reporting period, numbers of:</i>	
Total Independent Assessor appointments	0
• Of which number that were appointed jointly in agreement with the tenant	0
• Of which number that were appointed by the PCA	0
<i>Please list the Independent Assessors appointed during the reporting period, and for each Independent Assessor the number of appointments</i>	
Not applicable.	
Independent Assessments challenged	0
Any second challenges to Independent Assessments	0
<i>Narrative reporting on the reasons for the challenging by the POB of independent assessments</i>	

**Section 6: Other Code Reporting**

<b>Code Part 10 Provisions</b>	
<i>For the reporting period, reports on compliance with:</i>	
Regulation 46 – Insurance provisions	
<p><i>Please provide details of the types of policies purchased; whether by the POB or by the TPT; and any intermediaries involved.</i></p> <p><i>Please provide details of any packaged insurance products offered to TPTs, and a narrative on how their market value is tested.</i></p> <p><i>What commission do the POB make from insurance policies provided to TPTs?</i></p> <p><i>How many TPTs found a cheaper insurance policy elsewhere and had their policy price matched?</i></p> <p>We purchase a block buildings insurance policy against all usual risks for the entire Admiral estate and we recharge our tenants based upon pre-agreed charges.</p> <p>We do not provide packaged insurance products but instead recommend that TPTs obtain their own insurance (bar buildings) and facilitate contact with a competitive provider.</p> <p>In line with Regulation 46 we write out to tenants in advance of the renewal and offer them the opportunity to find suitable alternative cover which if they are able to do we will price match. We do not make commission from the insurance policies we offer.</p> <p>We are not aware of any breach of this regulation and have not been made aware of the same.</p> <p>In the reporting period one TPT has found a cheaper insurance policy and had their policy price reduced.</p>	
Regulation 47 – Gaming Machines	
Number of new Pubs Code tied agreements in which:	
The tenant has accepted a machine tie within the tied agreement itself	0
The tenant has accepted a machine tie in a side agreement	86
The tenant has sourced a free of tie machine agreement with a third-party supplier	12
The tenant has chosen not to have machines	0
Regulation 48 – Requests for blank profit and loss templates	
We have had no requests for this. However, a blank template is provided within our Code of Practice which is provided as part of the Schedule 1 information for each New Agreement.	
Regulation 49 – Sale of freehold or long leasehold (including numbers)	

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We are not aware of any breach of this regulation and have not been made aware of the same. All tenants are made aware of the potential sale at outset along with the proposed new landlord when a sale has been exchanged.

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

We are not aware of any breach of this regulation and have not been made aware of the same.

Regulation 51 – Flow Monitoring Devices

We are not aware of any breach of this regulation and have not been made aware of the same. We confirm that a charge for breach of purchasing obligations has not been applied based upon flowmeter evidence alone.

**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*

Not applicable

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

*Statement on internal procedures for handling complaints about breaches and alleged breaches of the Code*

All Pubs Code related complaints are reported to our Compliance Officer and the Regional Director. We commit to investigate and respond to the complaint within 2 weeks.

If the matter remains unresolved then the matter is escalated to the relevant Director under the supervision of the Compliance Officer.

A quarterly review of Pubs Code related complaints (where applicable) is undertaken by the Compliance Officer and his reporting Director.

*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*

Not applicable for all areas above. We have not had a formal referral through the PCA and have not been made aware of any breaches of the Code by tenants with such rights.

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

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

Not applicable

**Part IV: Referrals for arbitration**

*During the reporting period, numbers of:*

Total MRO cases referred to the PCA	
Referrals of MRO terms on grounds that they are not MRO-compliant	0
Referrals of void or unenforceable terms under Regulation 57(2)	0
Referrals of all other non-MRO Code matters	0

*Please describe and enumerate the cases where breaches of the Code were found by the PCA.*

Not applicable

*Please describe and enumerate:*

- *All referrals for arbitration on the same issue or very similar issues (including multiple challenges to the same term in MRO proposals).*
- *The number of these where arbitration proceedings continued following a determination by the arbitrator of non-compliance.*

Not applicable

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

*Narrative report on the nature and volume of complaints about their tenancy by TPTs during the reporting period not specifically reported on elsewhere, including the type/subject of complaint, outcome of the complaint and the time taken to resolve the complaint.*

Not applicable

**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. Please provide the Training Log as an Annex to the report.<sup>3</sup>*

Mark Brown was appointed our Compliance Officer by letter of 18th July 2016. Mark is our Head of Legal and an experienced industry solicitor with a strong knowledge of this legislation. Mark is part of the CCO group which meets regularly to share and improve understanding of this legislation and liaises with the PCA in this respect. Mark confirms he has been given enough time to study and understand the Code, undergo relevant training sessions and discussions with internal and external colleagues and the narrow band of external providers who can usefully contribute on this subject.

Mark confirms that written records of the annual BDM training are kept on each employee's personnel file.

**Part II: Business Development Managers (BDMs) - 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.*

The Admiral Code of Practice version 5 sets out our commitment towards the continuous professional development and improvement of our BDMs and how we fulfil that commitment.

We confirm that all employees designated as BDMs under the Code have received annual refresher training in the Pubs Code along with appropriate periodic updates of current issues and role specific training to assist in their ongoing professional development. Records of all professional qualifications and courses undertaken are recorded on each employee's personnel file.

*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.*

We confirm and can evidence that all BDMs whether in post on 21<sup>st</sup> July 2016 or appointed subsequently have received a copy of the Pubs Code before liaising with tied pub tenants on pub matters. An online link is provided annually as part of the refresher training.

*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*

<sup>3</sup> Training logs are requested as evidence in support of the compliance statement.

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Annual Refresher training for BDMs is delivered internally by our Code Compliance Officer who is a qualified solicitor. Annual training on Schedule 2 preparation is provided by an RICS accredited surveyor. BDM training schedule is annexed.

- *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).*

Confirmed.

- *schedule of all Code updates and guidance issued to BDMs.*

This information is relayed to BDMs at regional training sessions.

- *Narrative on how BDM's have been trained in respect of newly issued PCA advice, guidance and/or arbitrations.*

BDMs are trained at regional or annual meetings as to the current guidance and issues arising from the PCA. This training is carried out by the Compliance Officer.

**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; include supporting evidence.*

The Annual Refresher training places great emphasis on the importance of the 'fair and lawful dealing' principle. This is supported by our Regional Directors who also attend the training sessions and reinforce this principle through their teams. BDMs have an open access to our Code Compliance Officer to discuss code related matters but we believe this principle goes beyond the Pubs Code.

The Admiral business ethos is that we 'do the right thing' to create a sustainable business for our tenants and this very much echoes the fair and lawful principle. We believe the lack of referrals and complaints about our business supports our approach.

*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 tenants 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.*

We have developed a Meeting Agenda application which creates a record of both the note of the meeting and the time of the email sending it to the tenant. It also highlights the 7 day response period for any challenge. Our standard process is that this is provided simultaneously if the BDM is able to sync his laptop at that time.

*Please include any supporting evidence in respect of the above.*

In the reporting period we have issued 6926 meeting notes of which approximately 99% were delivered by email. Where the email is returned for any reason then our Administration Team will send the Meeting Note out by recorded delivery.

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

10

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

If a challenge to a Meeting Note is received within the requisite time period, the challenge is put back to the BDM with the Regional Director and the Compliance Officer is also made aware.

Commonly the challenge is a clarification or an oversight or an error in what has been recorded, in this instance the Note will be amended and re-sent to the tenant.

Where there is a disagreement which we are unable to remedy as only the tenant and the BDM are aware of the actual discussion, we will seek to resolve through the Regional Director. Only in the most extreme case would we anticipate this outcome. We have not yet been unable to resolve.