



## Annual Compliance Report 2022-23

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

### Notes on Submission and Publication

As per Regulation 43(2) of the Pubs Code, pub-owning businesses should submit their full compliance report to the Office of the Pubs Code Adjudicator no later than 31st July 2023.

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

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

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

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

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

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

Submitted by

Code Compliance Officer for (POB)

## Audit Committee Statement on Compliance

In the absence of an Audit Committee, the Chief Executive Officer hereby declares that the enclosed report has been reviewed and approved in accordance with Regulation 43(5) and that as part of doing so any additional material required under Regulation 43(7) has also been provided and considered. Further to this, a summary of the enclosed report is produced as per Regulation 43(8) and will be made available on the corporate website within the reporting window in compliance with Regulation 43(9).

As part of Punch's culture and ways of working, the core code principles are upheld. Punch communicates regularly with its tied pub tenants in order to ensure that they understand and are aware of their rights.

On behalf of **Punch Taverns Limited** trading as **Punch Pubs & Co**

**Donna Gracey**

Question	POB Response	Additional Response Space
<b>Total number of Pubs Code Agreements at the beginning of this reporting period (1 April 2022).</b>	1025	
• Of which, those that are tenanted or leased.	912	
Total number of acquisitions - during this reporting period - that fall under the Pubs Code.	1	
Total number of premises - previously under tied tenancies, leases and/or licences - that are no longer tied but still owned by your POB.	124	
• Of which, are now part of your POB's managed estate.	11	
Total disposals during this reporting period of those premises that fell under the Pubs Code	6	
• Of which, were to another POB.	0	
• Of which, were sold to a person who is <b>not</b> a landlord of 500 or more tied pubs.	4	
• Of which, were permanently closed or disposed for other use.	2	
Total number of Pubs Code Agreements that ended during this reporting period.	192	
Number of free of tie tenancies agreed with existing tied tenants outside of the Pubs Code procedures.	0	
<b>Total number of Pubs Code Agreements at the end of this reporting period (31 March 2023).</b>	896	
• Of which, how many are:		
• Agreements contracted into the Landlord and Tenant Act 1954.	330	
• Agreements <b>not</b> contracted into the Landlord and Tenant Act 1954.	419	
• Short agreements under regulation 14.	147	
• Of those, short agreements entitling occupation by a tenant for a total period of 12 months or more.	107	
Number of qualifying Investments under regulation 56.	24	
Total number of agreements at the end of the reporting period with provisions for sharing turnover.	312	
• Of which, those that fall under regulation 55.	0	
• Of which, those that fall outside the Pubs Code.	310	
Number of legal surrenders.	30	
• Of which, the tenant was in place for:		
• Less than 1 year.	0	
• Between 1-2 years.	4	
• Between 3-5 years.	1	
• 6 years or more.	25	
Number of forfeitures.	10	
• Of which, the tenant was in place for:		
• Less than 1 year.	0	
• Between 1-2 years.	5	
• Between 3-5 years.	2	
• 6 years or more.	3	
Number of assignments.	4	
• Of which, the tenant was in place for:		
• Less than 1 year.	0	
• Between 1-2 years.	0	

• Between 3-5 years.	1	
• 6 years or more.	3	
Number of abandonments.	4	
• Of which, the tenant was in place for:		
• Less than 1 year.	1	
• Between 1-2 years.	1	
• Between 3-5 years.	0	
• 6 years or more.	2	
Please list your contractual arrangements	<p><b>Retail Contracts</b> - These are forms of management agreement under which the publican operates the pub on behalf of Punch. As there is no tie and no rent is charged, pubs run under these contracts fall outside of the definition of a tied pub under the SBEE Act 2015. Notwithstanding this Punch chooses to treat these contracts as covered by the Pubs Code for the purposes of reporting/figures and adopts the Pubs Code principles and behaviours in its dealings with the publican.</p> <p><b>Management Contracts</b> - This is our current form of management agreement under which Punch retains the services of a company to manage the pub on its behalf in return for a share of turnover. This form of contract falls outside the SBEE Act 2015. These contracts are not included in Pubs Code agreement reporting/figures.</p> <p><b>Managed House</b> - This is a fully managed house operating model where Punch will directly employ the team operating the pub on a day-to-day basis. These Pubs are not covered by the Code and not included in Pubs Code agreement reporting/figures.</p> <p><b>Short Agreement</b> - Tenancy at Will agreements or Agreements for less than 12 months where there is a maximum 28-day notice period for either side. These are typically fully tied tenancy agreements covered under the Code.</p> <p><b>Unprotected Tied Lease</b> - These are lease agreements typically 5 – 20 years in length. These Lease agreements are contracted out of the Landlord &amp; Tenant Act 1954, are assignable and have rent review provisions typically every 5 years. Full or partial tie with fully repairing obligations.</p> <p><b>FOT Agreements</b> - These are commercial FOT agreements usually on fully repairing leases with upwards only rent reviews and rent payment quarterly in advance.</p>	<p><b>Unprotected Tied Tenancy</b> - These are tenancy agreements typically 3 or 5 years in length with fixed terms and contracted out of the Landlord &amp; Tenant Act 1954. Full or partial tie with internal repair obligations only. The agreements normally carry a notice clause/break option for either party which can be served at any time.</p> <p><b>Protected Tied Tenancy</b> - These are tenancy agreements typically 3 or 5 years in length with rolling or fixed terms and contracted into the Landlord &amp; Tenant Act 1954 Full or partial tie with internal repair obligations only. The agreements are covered under the Code.</p> <p><b>Turnover Tenancy</b> - These are tenancy agreements typically 5 years in length with fixed terms and contracted out of the Landlord &amp; Tenant Act 1954. A base property rent is charged alongside a turnover fee based on total sales. The agreements normally carry a notice clause/break option for either party which can be served at any time.</p> <p><b>Turnover Lease</b> - These are lease agreements typically 10 – 20 years in length. Lease agreements are contracted into the Landlord &amp; Tenant Act 1954, are assignable and have rent review provisions typically every 5 years. A base property rent is charged alongside a turnover fee based on total sales. The agreements normally carry a full repair obligation.</p>

Renewals, including Landlord and Tenant Act (LTA) 1954		
Total number of regulated tenants as of 31 March 2023 whose contracts contain terms entitling them to renew at the end of the term.	330	
Number of regulated tenants who exercised their contractual right to renew during this reporting period.	n/a	
• Of which, the POB consented.	n/a	
• Of which, the POB opposed.	n/a	
Number of renewals under the LTA 1954 during this reporting period.	12	
Number of LTA 1954 S.25 notices issued.	1	
• 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.	1	
• Of which, those proposing a variation of the terms.	0	
Number of LTA 1954 S.26 notices opposed.	0	
Number of LTA 1954 S.26 notices unopposed.	4	
Number of instances of landlord opposing renewal in whole or in part in reliance on LTA 1954 S.30(1)(g).	1	
Number of LTA 1954 <b>court proceedings</b> where the POB relied in whole or in part on an intention to take the pub back into occupation.	1	
• 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.	1	

<b>New tenants and agreements</b>		
Number of new <b>tenants</b> / legal entities that fall under the Code. i.e. <b>not</b> tenants / legal entities that have had - or currently have - other agreements with your POB.	40	
Number of new tied-tenancy <b>agreements</b> .	122	
<ul style="list-style-type: none"> <li>Of which, those that are protected tenancies with renewal rights under the LTA 1954.</li> </ul>	7	
Number of tied-tenancies that were previously under the LTA 1954, but no longer fall within this Act.	8	

<b>Rent proposals</b>		
Number of rent proposals provided in this reporting period.	21	
<ul style="list-style-type: none"> <li>Of which, those under regulation 15(2-5).</li> </ul>	0	
<ul style="list-style-type: none"> <li>Of which, those under regulation 15(6).</li> </ul>	0	
<ul style="list-style-type: none"> <li>Of which, those under regulation 15(7).</li> </ul>	21	

<b>Rent assessment proposals</b>		
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.	22	
Number of rent assessment proposals requested under regulation 19(2)(a) - 5 years, of which those:	0	
<ul style="list-style-type: none"> <li>Provided</li> </ul>	0	
<ul style="list-style-type: none"> <li>Rejected</li> </ul>	0	
Number of rent assessment requests under regulation 19(2)(b) - significant increase in price, of which those:	0	
<ul style="list-style-type: none"> <li>Provided</li> </ul>	0	
<ul style="list-style-type: none"> <li>Rejected</li> </ul>	0	
Number of rent assessment requests under regulation 19(2)(c) - trigger event, of which those:	0	
<ul style="list-style-type: none"> <li>Provided</li> </ul>	0	
<ul style="list-style-type: none"> <li>Rejected</li> </ul>	0	

<b>Market Rent Only (MRO)</b>		
Total number of MRO Notices received, of which those:	8	
<ul style="list-style-type: none"> <li>Accepted</li> </ul>	6	
<ul style="list-style-type: none"> <li>Rejected</li> </ul>	2	
<ul style="list-style-type: none"> <li>Withdrawn</li> </ul>	0	
Number of MRO Notices received under regulation 24 – significant increase in price, of which those:	0	
<ul style="list-style-type: none"> <li>Accepted</li> </ul>	0	
<ul style="list-style-type: none"> <li>Rejected</li> </ul>	0	
Number of MRO Notices received under regulation 25 – trigger event, of which those:	0	
<ul style="list-style-type: none"> <li>Accepted</li> </ul>	0	
<ul style="list-style-type: none"> <li>Rejected</li> </ul>	0	
Number of MRO Notices received under regulation 26 – renewal of a pub arrangement, of which those:	1	
<ul style="list-style-type: none"> <li>Accepted</li> </ul>	1	
<ul style="list-style-type: none"> <li>Rejected</li> </ul>	0	
Number of MRO Notices received under regulation 27 – rent assessment or an assessment of money payable in lieu of rent, of which those:	7	

• Accepted	5	
• Rejected	2	
Number of full responses to <b>rejected</b> MRO Notices issued.	2	
Number of full responses to <b>accepted</b> MRO Notices issued.	6	
Where an MRO Notice has been accepted; those that resulted in:		
• Free-of-tie arrangements that are:	0	
• New agreement - including short term agreements.	0	
• Deed of variation.	0	
• New tied arrangements that are:		
• Agreed by new lease.	1	
• Other new tied arrangements (rent or other terms).	1	
• Tied tenant departure from the pub.	0	
• Other outcomes.	0	
• Ongoing – yet to be concluded.	4	

<b>Length of MRO tenancies initially offered by POB</b>		
Minimum length (in months)	36	
Maximum length (in months)	120	
Average length (in months)	82	

<b>Length of MRO tenancies requested by tenants</b>		
Minimum length (in months)	n/a - not recorded	
Maximum length (in months)	n/a - not recorded	
Average length (in months)	n/a - not recorded	

<b>Length of MRO tenancies agreed</b>		
Minimum length (in months)	36	
Maximum length (in months)	120	
Average length (in months)	82	

<b>Independent Assessors (IAs)</b>		
Number of IA appointments.	3	
• Of which, those jointly agreed with the tenant.	3	
• Of which, those appointed by the PCA.	0	
Number of cases where rent was determined by the IA.	3	
• Please list for each case - the proposed MRO rent and the MRO rent set by the IA.	Case 1: Proposed rent: £60,000 - IA Rent: £35,350 Case 2: Proposed rent: £53,000 - IA Rent: £33,500 Case 3: Proposed rent: £50,000 - IA Rent: £40,000	
Number of IA determinations challenged under:		
• Regulation 37(10)	1	
• Regulation 37(11).	0	

<b>Buildings Insurance</b>		
Number of tenants requesting to price match their building insurance during this reporting period.	7	
• Number of unsuccessful price match requests.	6	
• Number of occasions when you have agreed in writing that any difference is not payable by the tenant under regulation 46(5).	1	

<ul style="list-style-type: none"> <li>Number of occasions when you have purchased the tenant's alternative policy.</li> </ul>	0	
Whether you receive commission or rebate from insurers and, if so, what percentage.	No commission received	

<b>Gaming machines</b>		
Number of new Pubs Code tied agreements, including renewal, in which:		
<ul style="list-style-type: none"> <li>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.</li> </ul>	0	
<ul style="list-style-type: none"> <li>The tenant has entered into a side agreement to purchase or rent a gaming machine from your POB or a nominated supplier.</li> </ul>	82	
<ul style="list-style-type: none"> <li>The tenant has sourced a free-of-tie machine agreement with a third-party supplier.</li> </ul>	0	
<ul style="list-style-type: none"> <li>The tenant has chosen not to have gaming machines.</li> </ul>	0	

<b>P&amp;L</b>		
Number of requests received for blank template during the reporting period (regulation 48).	0	

<b>Sale of freehold or long leasehold</b>		
Number of notifications under regulation 49(2).	0	
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
<b>Entering into an Agreement:</b>			
<b>Pub Entry Training</b> Regulation: 9	<b>1.</b> 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.	The Punch policy is that it is a mandatory requirement for all new publicans engaging with Punch to have completed the BII PEAT certification. Further to this, Punch has a 5-day Progress course for all new publicans to undergo, exemptions to this can be granted subject to the statutory exemption criteria contained within Regulation 9(3) being met.  Compliance with this forms part of all final checks on new tied agreements completing. Either a confirmation of both attendance to the course and exam certification or a valid exemption form needs to be evidenced as part of every tied pub letting.	
<b>Sustainable Business Plan</b> Regulation: 10	<b>2.</b> 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.	All new tied agreements under the Code are required to have a business plan completed; business plans will only be accepted having been completed after a publican has had the opportunity to consider all the required information detailed in Schedule 1 of the Code. The business plan is completed on a standard Punch template which ensures all requirements under Regulation 10 are complied with.  Alongside the business plan, any new agreement requires evidence that the publican has been advised to seek independent professional advice as part of competing their business plan. This business plan is discussed in detail with the allocated Operations Manager to verify sustainability as part of the recruitment interview process.  Compliance with this forms part of all final checks on new tied agreements completing.	
<b>Schedule 1</b> Regulation: 11	<b>3.</b> 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.	A new tied agreement under the Code will not be allowed to complete unless the publican has been able to access all of the required information under Schedule 1 prior to completion of their business plan. This information is provided to the prospective tied pub tenant by both our Recruitment and Legal & Estates teams. Compliance with this forms part of all final checks on new tied agreements completing.	
<b>Assignments</b> Regulation: 12	<b>4.</b> 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:	Where a TPT intends to assign their agreement a 'buyer and seller pack' is issued to both the TPT and the proposed assignee which details the implications of the assignment and any associated fees.  A schedule of dilapidations and information in relation to schedule 1 is provided to the proposed assignee.	
	4.1 It complies with the provisions in regulation 12(4)(a)	The schedule 1 information is provided directly to the assignee	
	4.2 It complies with the provisions in regulation 12(4)(b)	All proposed assignees will go through the same process as a new tied pub tenant in relation to pre-entry training	
	4.3 It complies with the provisions in regulations 12(4)(c)	All proposed assignees will go through the same process as a new tied pub tenant in relation to independent advice.	
<b>Premises</b> Regulation: 13	<b>5.</b> 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.	All new tenants undertake a property inspection and are advised to obtain independent professional property advice.  All new lets and renewals will receive a property schedule detailing the condition or any applicable dilapidations due under the agreement.  Where an investment is planned a schedule of works will be provided and a post-investment schedule of condition carried out once works are complete.	
<b>Dilapidations</b> Regulations: 12, 13 and Schedule 1 (para. 15, 22)	<b>6.</b> Provide a detailed report of your POB's approach to assessing dilapidations and resolving disputes.	All schedules of dilapidations are carried out by an independent third party firm of surveyors. For long leases, interim schedule of dilapidation are carried out in line with the rent review cycle to highlight ongoing repairs obligations throughout the term of the agreement. Dilapidations reports are served 18 months in advance where possible and the tenant can liaise directly with the surveyor in order to arrange a reinspection where they have carried out any works.	
<b>Short agreements</b> Regulation: 14	<b>7.</b> 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.	All new tenants entering into a short agreement are provided with the amount of rent to be paid under the agreement and the required information from schedule 1, this is hard wired into the process for granting short agreements.  In addition, the TPT will also be made aware of the associated exemptions as well as consequence of their tenure under a short agreement extending beyond 12 months and the wider Code rights granted at such point.	
<b>Ending a Tenancy:</b>			
<b>Forfeitures</b>	<b>8.</b> Provide a detailed report explaining your POB's processes and procedures before, and after, issuing a Section 146 notice.	The decision to issue such notices are considered on a case by case basis and in full appreciation of the principles of fair and lawful dealing in accordance with the Code.	

<p><b>Rent Proposals</b> Regulations: 15-18</p>	<p><b>9.</b> Provide a detailed report on your POB's compliance with rent proposals, including the production of a rent proposal, its contents, when the proposal is provided and how any further information and advice is given.</p> <p>Identify any and all steps taken to verify compliance and improve Code-related arrangements.</p>	<p>The provision of a rent proposal is hard wired into our process for letting new tied agreements as well as proposing tied agreement renewals.</p> <p>For a new tied agreement, the rent proposal is provided as part of the Schedule 1 information for the proposed agreement. For protected agreement renewals, the rent proposal is provided by a RICS chartered surveyor as part of the lease renewal negotiations.</p> <p>The rent proposal template is produced in accordance with the Code requirements and allows for all information required under Regulation 15 and Schedule 2 of the Code to be provided.</p> <p>Rent events with strict time requirements for provision of a rent proposal are managed by our workflow system, Appian, and our Commercial Estates Managers. Any requests received under Regulation 15 are provided within the associated statutory timeframes.</p> <p>Requests for further information are dealt with directly by the representatives acting for each party on an individual case basis. This matter is not measured with compliance being verified by an absence of complaints.</p>	
<p><b>Rent Assessment Proposals</b> Regulations: 19-22</p>	<p><b>10.</b> Provide a detailed report on your POB's compliance with rent assessment proposals, including the duty to conduct, how it is conducted and the effect of a rent assessment; identifying any and all steps taken to verify compliance and improve Code-related arrangements.</p>	<p>All rent events due under the terms of the agreement are built into our workflow system for rent events, Appian, and managed by our Commercial Estates Managers. The Appian process identifies contractual/periodic rent reviews 15 months prior to the rent review date and initiates the process. The workflow then follows the process from initial contact, inspection, valuation, presentation, negotiation and through to resolution. All documents and key dates are recorded within the process.</p> <p>Any request under Regulation 19 (1)(b) are also logged into the workflow system as 'ad-hoc' rent reviews but follow the same process logging.</p> <p>The rent assessment proposal template is produced in accordance with the Code requirements and allows for all information required under Regulation 20 and Schedule 2 of the Code to be provided.</p> <p>The Appian workflow system monitors dates in connection with service requirements. The process will automatically issue a rent assessment proposal once approved to be proposed.</p>	

**MROs:**

<p><b>MRO - Notice</b> Regulations: 23-27</p>	<p><b>11.</b> Provide a detailed report on your POB's compliance with MRO regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p>	<p>Punch have produced a Pubs Code Guide and MRO FAQ document to assist out tied pub tenants in understanding the MRO provisions of the Code.</p> <p>In addition, we actively notify our tied pub tenants in relation to their Code rights upon receipt of a rent assessment proposal. Where a MRO notice is received it is firstly recorded and verified.</p> <p>In the event that the notice is invalid the TPT will be informed in a timely manner and in appreciation of the deadlines within the Code. Punch will take a pragmatic view in respect of technical deficient and always look to clarify intention where ambiguity exists.</p> <p>Any MRO notice receive is recorded centrally and within our workflow process to ensure the subsequent MRO deadlines are complied with. The MRO proposal/full response will then be provided and negotiations undertaken between the TPT and Punch Commercial Estates Manager.</p> <p>Monthly reporting on MRO notices takes place to ensure deadlines are complied with.</p>	
	<p>11.1 Provide a detailed report of your POBs handling of tenants who claim a significant price increase event (Reg 24), including the nature of the circumstances relied upon by the tenant.</p>	<p>Punch have produced a Pubs Code Guide and MRO FAQ document to assist out tied pub tenants in understanding the MRO provisions of the Code.</p> <p>No requests under regulation 24 during the reporting period.</p>	
	<p>11.2 Provide a detailed report of your POBs handling of tenants who claim a trigger event (Reg 25), including the nature of the circumstances relied upon by the tenant.</p>	<p>Punch have produced a Pubs Code Guide and MRO FAQ document to assist out tied pub tenants in understanding the MRO provisions of the Code.</p> <p>No requests under regulation 25 during the reporting period.</p>	
	<p>11.3 Provide a detailed report of your POBs handling of tenants who request a MRO option in a renewal of a pub arrangement (Reg 26), including the nature of the circumstances relied upon by the tenant.</p>	<p>Punch have produced a Pubs Code Guide and MRO FAQ document to assist out tied pub tenants in understanding the MRO provisions of the Code.</p> <p>Detail on the number of s.25 or s.26 notices served during the reporting period is contained with Section A of this report.</p>	
	<p>11.4 Provide a detailed report of your POBs handling of tenants who request a MRO following a rent assessment proposal (Reg 27).</p>	<p>Punch have produced a Pubs Code Guide and MRO FAQ document to assist out tied pub tenants in understanding the MRO provisions of the Code.</p> <p>Where a rent assessment proposal is provided to a TPT, the covering letter details the associated Code rights. In addition, Punch will issue a reminder in respect of the associated Code rights to highlight the 21 day window for serving a valid MRO notice in relation to receiving the rent assessment proposal.</p>	

<p><b>MRO - Procedure</b> Regulations 28-33</p>	<p><b>12.</b> Provide a detailed report on your POB's compliance with MRO regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p> <p>Please include a report on handling procedural and event disputes and the issue of a revised response.</p>	<p>All MRO notices received within the reporting period were acknowledged as soon as reasonably practicable. Upon receipt, the MRO notice is recorded centrally and within our workflow system. The notice will then be verified for validity. Full responses for all MRO notices were provided within the statutory time frame and in compliance with the emergency period declarations experienced within the reporting window.</p> <p>Punch have evolved our MRO cover letter that accompanies the MRO proposal to improve understanding and justification for the proposal provided. This is also accompanied by the Compliance Declaration as introduced by the PCA office and a copy of the MRO rent proposal to further assist understanding. The full response will comprise of a cover letter detailing the proposed MRO heads of terms and justification, confirmation of the existing tied proposal, the MRO rent assessment, an illustrative copy of the MRO documentation, a copy of any relevant schedule of dilapidations under the existing lease, a copy of the Punch Pubs Code Guide and MRO FAQ and a copy of the associated CCO Compliance Declaration.</p> <p>In addition, both the Punch Pubs Code Guide and the MRO cover letter provides sign posting to the PCA website and literature to assist a TPT in understanding the MRO process.</p>	
<p><b>MRO - Independent Assessor</b> Regulations 36-38</p>	<p><b>13.</b> Provide a detailed report on your POB's compliance with Independent Assessor regulations 36-38; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p>	<p>Punch acknowledges the process for appointing an Independent Assessor in accordance with Regulation 36.</p> <p>Where such a request is received, the associated Commercial Estates Manager will engage with the TPT to explore the possibility of jointly appointing an IA in consideration with any perceived conflict of interests. Where an IA is jointly agreed a mutual approach will be made to make the necessary appointment.</p> <p>The appointed Independent Assessor in each case will set out their directions for the matter.</p>	
<p><b>MRO - End of Procedure</b> Regulations 39 and 40</p>	<p><b>14.</b> Provide a detailed report on your POB's compliance with MRO regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p>	<p>Punch understands the events which bring an end to the MRO procedure as per Regulation 39.</p> <p>Punch understands the nature of Regulation 40; however, no such issues have occurred during the reporting period.</p>	
<p><b>Business Development Managers:</b> Regulation 41</p>	<p><b>15.</b> Provide a detailed report on your POB's compliance with BDM regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p>	<p>All employees coming into the Punch business who meet the criteria of a Business Development Manager in accordance with the Pubs Code are provided with a full induction in relation to the Code and the governance of the relationship between Punch as a POB and TPT's. Each year an annual refresher training course is undertaken through issuing an e-learning module to all employees. The importance of fair and lawful dealing is embedded within the Punch business and aligns to the Punch culture of 'Doing Well by Doing Good'.</p> <p>The nature of the relationship between a TPT and a BDM is set out within the Punch Services Guide.</p> <p>All individuals responsible for carrying our rent assessments are RICS qualified chartered surveyors and qualified in terms of valuation. In addition, these individuals are required to record at least 20hrs of CPD every year as part of maintaining their qualified status through the RICS.</p>	
<p><b>Code Compliance Officer:</b> Regulation 42</p>	<p><b>16.</b> Provide a detailed report on your POB's compliance with the duty to appoint a Code Compliance Officer; identifying any and all steps taken to verify compliance and improve Code-related arrangements, including statutory code deadline(s) and the processes followed.</p>	<p>Punch has appointed a suitably qualified employee to the post of Code Compliance Officer. The Code Compliance Officer has full authority to investigate and review any processes connected to the Pubs Code and as part of their role regularly reviews this processed to identify any areas for improvements and to verify compliance.</p>	
<p><b>Insurance:</b> Regulation 46</p>	<p><b>17.</b> Provide a detailed report on your POB's compliance with insurance provision regulations; identifying any and all steps taken to verify compliance and improve Code-related arrangements.</p> <p>17.1. With specific regard to regulation 46(2)(a); confirm if any levied insurance charge exceeds what your POB pays in insurance premiums and, if so, that this information has been communicated to your tenants.</p> <p>17.2 With specific regard to regulation 46(2)(b); confirm if your POB - or any other group - receives, or expects to receive any commission or rebate and, if so, that this information has been communicated to your tenants.</p>	<p>Punch insures our estate by way of a block property insurance policy featuring self-retention levels.</p> <p>The insurance charge for an individual premises is calculated on a standalone basis and recharged to the publican.</p> <p>As part of the insurance programme Punch do not receive any commission in connection with insurance arrangements.</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>Punch offers a price match policy for all of our TPT's. This enables the TPT to obtain a comparative quote on equivalent cover in order to benchmark their existing insurance charges. In the event that equivalent cover is obtained for a lower price, Punch will refund the difference. Punch will provide any TPT who wishes to explore this option with the relevant price match criteria. All of this information is communicated to our entire estate every year ahead of the insurance renewal. This guide to insurance is also available throughout the rest of the year.</p> <p>Any price match quotes received are reviewed by our appointed Brokers for verification. Where a price match quote is accepted the insurance charge will be adjusted and back dated to the start of the insurance year.</p>	
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### Miscellaneous

<b>Extended Protections</b> Regulation 45A	<b>18.</b> Provide a detailed report on your POB's compliance with the requirement to notify the Adjudicator of circumstances giving rise to extended protection.	When selling a pub, as soon as we agree an exchange date we will inform both the tied tenant and the PCA of the name and address of the purchaser, the company number of the purchaser if applicable and the anticipated completion date for the transfer.	
<b>Gaming Machines</b> Regulation 47	<b>19.</b> Provide confirmation that no new - or renewed - tenancies or licences require a tied pub tenant to rent or purchase a gaming machine.	Punch do not enter into new tied agreements or renewals of tied agreements featuring a machine tie. The decision as to whether or not to have gaming machines as part of the pub offer is at the discretion of the publican. The TPT can choose to operate without machines. Alternatively, should they wish to operate machines on the premises they can enter in a separate machine contract with Punch to permit this.	
<b>Sale of Freehold / Long Leasehold</b> Regulation 49	<b>20.</b> 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.	Punch is fully aware of, and comply with, the requirements under Regulation 49 where relevant.	
	<b>20.1</b> Provide detailed report on the steps your POB takes - including timings - to inform the tenant of plans to sell the premises.	Punch communicates, in writing to any TPT as soon as reasonably practicably possible to inform them of any plans to sell the premises.	
<b>Detriment</b> Regulation 50	<b>21.</b> 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.	Punch will not subject a TPT to any detriment on the grounds that they are exercising, or attempting to exercise, their Code rights.	
<b>Flow Monitoring Devices</b> Regulation 51	<b>22.</b> 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.	Punch acknowledges the content of Regulation 51 and comply with the requirement to not subject a TPT to any detriment, or impose any liabilities on the TPT, based on flow monitoring readings without additional evidence in connection with the purchase and stock of alcohol at the tied pub.	
<b>Exemptions</b> Regulations 54-56	<b>23.</b> 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:		
	<b>23.1</b> The provisions in regulation 54 - short agreements	Where short agreements are granted the TPT will be informed that in the event that their tenure exceeds 12 months the exemptions fall away, and they acquire the full protection of the Code.	
	<b>23.2</b> The provisions in regulation 55 - pub franchise agreements	n/a	
	<b>23.3</b> The provisions in regulation 56 - Investment exception	Where a qualifying investment is agreed with a TPT documentation is provided to ensure compliance with the requirements of Regulation 56. A qualifying investment agreement will be entered into.	
<b>Void or unenforceable terms of a tenancy or licence</b> Regulation 57	<b>24.</b> Provide a detailed report on your compliance with regulation relating to void or unenforceable terms; identifying any and all steps taken to verify compliance and improve Code-related arrangements.	Punch acknowledges the content of Regulation 57, however, there were no such issues during the reporting period	

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	
<b>Breaches</b> - 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.					
<b>Part 2</b>	<b>Pub Entry Training</b> Regulation 9	Total number of breaches, or alleged breaches.	0		
		• Of which, those upheld.	0		
		• Of which, those not upheld.	0		
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
	<b>Sustainable Business Plan</b> Regulation 10	Total number of breaches, or alleged breaches.	0		
		• Of which, those upheld.	0		
		• Of which, those not upheld.	0		
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
	<b>The Required Information</b> Regulation 11	Total number of breaches, or alleged breaches.	0		
		• Of which, those upheld.	0		
		• Of which, those not upheld.	0		
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
	<b>Assignments</b> Regulation 12	Total number of breaches, or alleged breaches.	0		
		• Of which, those upheld.	0		
		• Of which, those not upheld.	0		
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
	<b>Premises</b> Regulation 13	Total number of breaches, or alleged breaches.	0		
		• Of which, those upheld.	0		
• Of which, those not upheld.		0			
Steps taken in relation to each breach, or alleged breach, and the outcome(s).		n/a			
<b>Short Agreements</b> Regulation 14	Total number of breaches, or alleged breaches.	0			
	• Of which, those upheld.	0			
	• Of which, those not upheld.	0			
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a			
<b>Part 3</b>	<b>Rent Proposal - Duty to Provide</b> Regulation 15	Total number of breaches, or alleged breaches.	0		
		• Of which, those upheld.	0		
		• Of which, those not upheld.	0		
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
	<b>Rent Proposal - Contents</b> Regulation 16	Total number of breaches, or alleged breaches.	0		
		• Of which, those upheld.	0		
		• Of which, those not upheld.	0		
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
	<b>Rent Proposal - When it must be provided</b> 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).	n/a		
	<b>Rent Proposal - Further Information and Advice</b> Regulation 18	Total number of breaches, or alleged breaches.	0		
		• Of which, those upheld.	0		
		• Of which, those not upheld.	0		
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
	<b>Part 4</b>	<b>Rent Assessment - Duty to Conduct</b> 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).			n/a		
<b>Rent Assessment Proposal</b> Regulation 20		Total number of breaches, or alleged breaches.	0		
		• Of which, those upheld.	0		
		• Of which, those not upheld.	0		
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
<b>Conduct of the Rent Assessment</b> 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).	n/a	
	<b>Effect of the Rent Assessment</b> Regulation 22	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
<b>Part 5</b>	<b>MRO Notice - Significant Increase</b> Regulation 24	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	<b>MRO Notice - Trigger Event</b> Regulation 25	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	<b>MRO Notice - Renewal</b> Regulation 26	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
<b>MRO Notice - Rent Assessment</b> Regulation 27	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
<b>Part 6</b>	<b>MRO Procedure - Arrangements</b> Regulation 28	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	<b>MRO - Effect of Tenant's Notice</b> Regulation 29	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	<b>MRO - Required Terms and Conditions</b> 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).	n/a	
<b>MRO - Unreasonable Terms and Conditions</b> 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).	n/a		
<b>MRO - Procedural dispute</b> Regulation 32	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
<b>MRO - Event Dispute</b> Regulation 32	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
<b>MRO - Right to Refer</b> Regulation 35	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		

Part 7	<b>MRO - Appointment of Independent Assessor</b> Regulation 36	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	<b>MRO - Independent Assessor: Procedure</b> Regulation 37	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	<b>MRO - Referral to Adjudicator in connection with the Independent Assessor</b> Regulation 38	Total number of breaches, or alleged breaches.	0	
• Of which, those upheld.		0		
• Of which, those not upheld.		0		
Steps taken in relation to each breach, or alleged breach, and the outcome(s).		n/a		
Part 8	<b>MRO - End of Procedure</b> Regulation 39	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	<b>MRO - Disputes about rent etc payable during MRO procedure</b> Regulation 40	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
• Of which, those not upheld.		0		
Steps taken in relation to each breach, or alleged breach, and the outcome(s).		n/a		
Part 9	<b>Business Development Managers</b> Regulation 41	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	<b>Code Compliance Officer - Duty to appoint</b> Regulation 42	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
• Of which, those not upheld.		0		
Steps taken in relation to each breach, or alleged breach, and the outcome(s).		n/a		
Part 10	<b>Extended Protection</b> Regulation 45A	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	<b>Insurance</b> Regulation 46	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	<b>Gaming Machines</b> Regulation: 47	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
<b>Blank template for P&amp;L</b> Regulation 48	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
<b>Sale of Freehold or Long Leasehold</b> 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).	n/a		
<b>Tied Pub Tenant Not to Suffer Detriment</b> Regulation 50	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		
	Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a		
<b>Flow Monitoring Devices</b> Regulation 51	Total number of breaches, or alleged breaches.	0		
	• Of which, those upheld.	0		
	• Of which, those not upheld.	0		

		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
Part 12	Exemptions - Short Agreements Regulation 54	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	Exemptions - Franchise Agreements Regulation 55	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
	Exemptions - Investment Exception Regulation 56	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
Part 13	Void or Unenforceable Terms Regulation 57	Total number of breaches, or alleged breaches.	0	
		• Of which, those upheld.	0	
		• Of which, those not upheld.	0	
		Steps taken in relation to each breach, or alleged breach, and the outcome(s).	n/a	
Other	Other complaints made by tenants	Number and narrative of complaints made by tied pub tenants about their tenancy during the reporting period not specifically reported on elsewhere; including the type/subject of complaint and outcome of the complaint.	During the reporting period there were 9 tied pub tenants who raised Exec Complaints that did not directly relate to specific Code provisions or form part of ongoing arbitrations.  These complaints covered allegations and complaints regarding repairs, energy costs and planning applications. Punch engaged in constructive dialogue with all 9 tied pub tenants regarding the issues raised. All complaints were responded to with no further action/arbitration required.	