

**HARLOW BOROUGH COUNCIL  
LICENSING SUB-COMMITTEE  
14<sup>th</sup> JULY 2022**

**THE CLOCK HOUSE, 11 ADMAS HOUSE, HARLOW, CM20 1BD**

---

**SKELETON SUBMISSIONS OF PREMISES LICENCE HOLDER**

---

**Introduction**

1. Stonegate Pub Company accepts that this review has been properly brought by the Police.
2. The review arises because of failures in management and due diligence, for which it sincerely apologises both to this Sub-Committee and to the Police.
3. The failures are entirely out of keeping with the standards that Stonegate sets in its premises both in this borough and nationally. For the same reason, the disorder which occurred is wholly exceptional across Stonegate's premises.
4. The reaction of Stonegate was to shut the premises, in advance of these review proceedings. They have of course remained closed, pursuant to the order of this Sub-Committee.
5. Stonegate has taken appropriate measures to prevent a recurrence of these incidents.
6. In these submissions, Stonegate will deal with:
  - Stonegate and its brands.
  - Systems for training and control.
  - The incidents.
  - Investigation and remedial measures.

- Conclusions.

## **Stonegate**

7. Stonegate Pub Company is the largest privately held managed pub operator in the UK.
8. It has over 4527 sites, 894 Managed operations, 480 Operator led and 3,153 leased and tenanted and employs 16,000 people, the male/female split being 50:50.
9. It has a strong record of investing in the fabric of its estate, with over £100 million invested each year.
10. Its high street brands will be well-known to the Sub-Committee, including Slug and Lettuce, Yates, Walkabout, Common Room and Venues.
11. Stonegate's reputation depends on two factors. The first is that it is service-oriented. It is dedicated to providing excellent hospitality to its customers. The second is that it works in a regulated sector, so it lays great stress on working in partnership with the authorities in all of its sites.
12. It has enjoyed success both economically and reputationally. For example, in the Publican Awards 2019 Stonegate won awards for Business Leader of the year, Best Community Pub Operator, Best Managed Pub Company 51+ sites and Best Pub Employer 501+ sites. Most recently, Stonegate Group has won two awards at the British Institute of Innkeeping's (BII's) National Innovation in Training Awards (NITAs) 2022. The company won Best Apprenticeship Training Programme and Jemelle Bish, Stonegate's Career Development Manager, won HR Manager of the Year.
13. Stonegate recognises that it is only as good as the people who work in its sites.
14. It therefore runs a multi-award winning training programme and academy. The training programme is designed to ensure that all the front line staff are equipped with the necessary skills to operate safely and legally within the business. Within the last 6 months alone, over 100,000 training modules have been undertaken by pub staff.

15. From day one employees are inducted into the company's systems. All staff have to take and pass modules including age verification, allergens, control of substances hazardous to health, drugs awareness, fire safety, health and safety, manual handling, company code of conduct and data protection. At site level, the due diligence files on employees includes their training on site specific matters such as fire evacuation, premises risk assessments etc.
16. Stonegate encourages staff to follow career pathways through the organisation, from bar staff to team leaders, to deputy managers and managers. It has had a high degree of success in staff retention and development.
17. Stonegate encourages strong engagement within the community. 84% of its pubs and bars are engaged in a local community safety programme such as Pubwatch, Purple Flag or Best Bar None. Hundreds of Stonegate pubs across the country have received awards from local schemes and programmes, with many managers taking active leads locally.
18. Stonegate believes that social responsibility and commercial responsibility are inextricably linked. It is highly committed to the promotion of responsible consumption of alcohol, in ways going beyond the mandatory conditions. To take one example, even when faced with deep discounting by competitors in university towns, Stonegate will not price any alcoholic drinks below £1.
19. Stonegate tries to work within the communities it serves. For example, it provides services for local clubs and teams, raises money for local charities, provides free meals to local people in need and uses local suppliers wherever possible.
20. The governance of the company is designed to ensure a consistent application of standards, while providing discretion to local management in response to local demand.
21. Every site is issued with a Licensing Manual, in which are set out the company's systems for promoting the licensing objectives, e.g. regarding security, search, intoxication and so forth, as well as the licence itself and its conditions. Enforcement of the contents of the manual is the responsibility of the management team.

22. The corporate structure is that general managers report to area managers, who report to the Operations Director, who report to a Managing Director, who sits on the Operating Board which reports to the company board. The Operations Director meets all area managers at least monthly for the purpose of discussing any relevant changes or requirements, and to listen to and advise upon any matters arising. In turn, area managers chair a meeting with general managers at least monthly, for the same purpose, and general managers hold a monthly meeting for their staff. In this way, there is a consistent cascading of information from the board downwards and site level upwards. In addition, there is direct information to all staff via a weekly newsletter, online videos from a member of the Executive and group Facebook pages.
23. As well as that structure of communication, on a weekly basis, there are live updates to all general managers with key messages from the CEO, Executive Members and Operations Directors.
24. Also on a quarterly basis, the company's Risk Committee meets to discuss risks to the organisation, so that policies and mitigating measures are developed and implemented through the Operating Board.
25. In any organisation, matters arise on a day to day basis. So, there is a thorough system for incident reporting, whereby managers are responsible for reporting incidents on an internal system. The report is cascaded to the area manager and risk team, with any serious incidents escalated on the night to the Operations Director and beyond if necessary for discussion in the weekly Executive meetings. Incidents are collated by the risk team, with any serious incidents flagged and investigated. The Operating Board meets weekly to discuss any issues or concerns and to oversee measures in response, which are picked up with Area Managers by Operations Directors. A weekly summary of incidents and risks is circulated to the Operating Board, and a weekly conference call takes place with the Operations Directors and board members to discuss the previous week and any concerning incidents.
26. So far as security is concerned, Stonegate uses twenty eight national providers which are vetted annually. For The Clock House, Stonegate utilises Regency Security. The company is the holder of Approved Contractor status under the "gold standard" statutory scheme administered by the national regulator the Security Industry

Authority. The company is respected in the field, providing security to 251 Stonegate sites, amounting to 15,200 people-hours each week. It also provides security to major operators including Wetherspoons, Revolution Bars, M&B, the Rekom Group and Star Pubs and Bars. Their performance has not previously given Stonegate any cause for concern.

27. The above systems for control of risk have proved to be effective in the promotion of the licensing objectives across the Stonegate estate.
28. Given that a significant portion of the company's estate operates in the late night economy, it is hoped that the Sub-Committee will see that the events which have brought Stonegate before this Sub-Committee are vanishingly rare.

### **The Clock House**

29. The Clock House trades in a format called "Proper Pub" and operates as a high street pub. It sets out to provide good value food and drink in comfortable surroundings during the day and provides more of a late-night music atmosphere at night.
30. The Clock House was refurbished in September 2016 with a capital investment of £300k.
31. The staff contingent is 11, 3 at management level and two personal licence holders.
32. The general manager at the material time was an experienced manager with in excess of 18 years of experience in the licensed industry. She has worked at the site her full hospitality career.
33. Given its prominent town centre location and size, it has a substantial rent and rates commitment, currently amounting to £183,000 per annum. Accordingly, its late night trade is important to its survival, in what the Sub-Committee will know is a challenging time for all high street operators.

## **The incidents**

34. Stonegate accepts the Police accounts of the incidents on 18<sup>th</sup> June, 28<sup>th</sup> May, 1<sup>st</sup> May and 30<sup>th</sup> April.
35. It appreciates that the incidents, and particularly the first, do not reflect well on its management, and again it apologises for the failures which have occurred.
36. The principal failure in relation to the incidents which have given rise to the current review proceedings was one of due diligence. Whilst the company has detailed reporting requirements in relation to incidents and, indeed, processes of escalation for dealing with those, it is evident that the general manager had tried to cover up the recent incidents. These has not been properly reported to the area manager, despite the fact that site management had been given a very clear brief from the company to immediately report any incidents of disorder up the line.

It is important to note that the company had directly engaged with the Police in both December of 2021 and March of 2022, with regards to incidents which were occurring at the premises. Remedial actions were agreed upon, and the company gave the management the necessary tools to implement those at site level. At the second of those meetings, which took place in March, it did appear that the number of incidents was reducing and, therefore, the company were reassured (to some extent) that the premises were moving in the right direction. What is now clear is that some of those measures were not properly implemented at site level, despite the fact that the company had given management clear instruction to do so, even if it came at the cost of sales. The company understood that it might be necessary to take a financial hit in the short term, in order to get the premises back on track.

## **Investigation and remedial measures**

37. These incidents have been properly investigated by Stonegate.
38. The general manager failed to follow company processes, plus fully implement the action plan the business had agreed. She had no reasonable excuse for these failures.

She also failed to follow the company's Crisis Management Policy, in particular by failing to immediately contact the Area Manager for support.

39. These failures have been viewed extremely seriously by Stonegate, not least because it put members of the public at risk, and resulted in the need for police intervention. As a result, the general manager is currently undergoing a disciplinary investigation as a result of her failings in managing these premises.
40. In addition, the role of the Area Manager has been investigated, no further action is taking place as strong evidence was submitted of his conversations with the general manager. The Operation Director will be monitor the premises for a period of time.
41. Stonegate also considers that it would be better to take a fresh approach in terms of security at the site and 50% of the security personnel will be changed.
42. Stonegate has retained all the staff during this period of suspension, and has also taken the opportunity to retrain them in the licence conditions and company policies.
43. It is important to realise that the first Stonegate knew of the recent problems was when they were advised of an impending Expedited Review application on the very day that it was submitted. They took the immediate decision to close the premises, and immediately reached out to the Police in the hope of having meaningful discussions as to the long-term operation of the business, regardless of any interim steps which might be imposed.
44. Stonegate had meaningful discussions with the Police on the morning of the Interim Steps hearing, and those discussions have continued thereafter.
45. Stonegate agree wholeheartedly that the premises needs a new manager, and are actively recruiting a new manager and will seek the approval of the Police prior to any application to vary the Designated Premises Supervisor being submitted. **Further details in respect of the proposed new manager will be provided to the Police and to the Licensing Sub-Committee either at or before the full review hearing, scheduled for 14<sup>th</sup> July.**

## Conclusion

46. Stonegate is determined that there will be no repeat of the failures which occurred or their consequences.

47. Accordingly, it has taken the steps set out above.

48. As the Secretary of State's Guidance under section 182 of the Licensing Act 2003 states:

*"In deciding which of these powers to invoke, it is expected that licensing authorities should so far as possible seek to establish the cause or causes of the concerns that the representations identify. The remedial action taken should generally be directed at these causes and should always be no more than an appropriate and proportionate response to address the causes of concern that instigated the review."*

49. Stonegate respectfully suggests that the Sub-Committee endorse the agreement which has been reached with the Police in this case, relating to:

- 1) Removal of the current DPS
- 2) Reduction in trading hours
- 3) Addition of conditions to the licence

50. The full detail of the proposal is outlined in the Police submission for consideration at the full review hearing in Police Appendix D, at page 59 of the Public Document Pack.

51. In terms of the Interim Steps currently imposed, we would respectfully suggest that the current suspension be replaced by those very same measures referred to in paragraphs 49 and 50 above.

52. The steps suggested above directly address what went wrong in this case. While Stonegate is a competent, experienced operator on the national stage, it is clear that local management failed on this occasion. The steps suggested above are directed to and remedy that failure.



53. Stonegate has learned from these events. It has reviewed what went wrong and applied remedial measures, demonstrating both commitment and insight. It is an operator with a strong track record of compliance and promotion of the licensing objectives, and can be trusted to run these premises in a proper manner. It is respectfully submitted that no further period of suspension, or revocation, is required.
54. Most importantly, quite independently of this review, Stonegate fully understands that the events which have occurred cannot be permitted to recur, and is entirely committed to utilising its corporate resources to prevent recurrence and also to liaise with the statutory authorities to ensure that they too are satisfied with the measures that are being taken.