

Property at your Service

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Stonegate Group

PUB PARTNERS

Property at your service

We aim to work with our publicans to ensure that all of our pubs are in the best possible condition to optimise their trading potential throughout the terms of their agreement.

Understanding the condition of the property

Before you commit to taking a new agreement, we will provide you with a copy of our latest Schedule of Condition and agree a time to review it with you if required. This will help you to understand the level of commitment that you will be taking on. The Schedule of Condition is intended to provide a fair representation of the pub at the time of inspection. It's not a full structural survey and should not be relied upon as such. You should arrange your own inspection of the property and must take your own independent professional property advice from a qualified surveyor with professional experience relating to tied pubs before you enter into any agreement.

Agreeing any repair works

Before the start of a new agreement we will ensure that the property is in good condition; that it is statutorily compliant, habitable and fit to trade. We will agree with you, in writing, details of any works that we are to carry out as a condition of the letting and a copy of this will be attached to the agreement.

It is our aim to complete all works as soon as reasonably possible and in any event within six months of the start of a new agreement. If we are prevented from doing this by events that are beyond our control, we will advise you of any expected delay as soon as we become aware of it and agree a revised time table with you. We will keep you updated throughout the repairs process and we will do our best to complete the works with the minimum disruption to you or your business. We will ensure that there is an appropriate level of supervision by ei publican partnerships or our representatives, to ensure that the repairs are completed to a satisfactory standard.

It will always be our intention to complete the works within the agreed timescales. In the unlikely event that we are unable to do this, we will discuss the delays with you and seek to agree how we can mitigate their impact.

If we agree that you are to carry out any works as a condition of taking a new agreement, we will confirm details of the works in writing and attach a copy to the agreement. We will update the Schedule of Condition once we, or you, have completed any works that are a condition of the agreement and we will send you a copy for your records.

Understanding responsibility for repairs

The specific responsibilities of each party for repairs and maintenance will be defined within the individual agreement. We will explain to you the extent of the relevant repairing obligations contained in your agreement before you complete your business plan.

Some of our agreements require the publican to "Put & Keep" the property in good condition. If this is the case, we will inform you before you complete your business plan. We will agree with you the condition that the property needs to be put into, including any specific works that you, or we, will be required to carry out at the start of the agreement. You will then be required to "Keep" the property in that condition through the term of the agreement.

You should always take your own independent advice to ensure that you understand the repairing obligations contained in your agreement. Once you have completed your new agreement, a representative of our Property team will visit you in the first three months to answer any questions you may have regarding your property.

Repairs & maintenance fund

For new agreements, you will be required to contribute to a repairs & maintenance fund to help manage on-going repairing obligations through the term. Prior to the commencement of the agreement we will confirm the amount of money you will be required to pay each month for the purpose of ensuring the property is maintained in good condition in line with your repairing responsibilities.

Monthly payments will be placed in a dedicated account reserved exclusively for this purpose. The balance in the fund will attract interest at 0.5% below the Bank of England base rate, subject to a minimum rate of 0.5%. If there isn't enough money in your repairs & maintenance fund to meet the full costs of your repair obligations, you will be responsible for funding any short-fall.

Property helpdesk

If any damage or disrepair should arise during the term of your agreement which you believe to be our responsibility you should report the problem to our Property Helpdesk on **03333 20 20 85** as soon as possible. If the disrepair is our responsibility we will arrange for the necessary works to be completed in an appropriate timescale. If the works are your responsibility we will advise you accordingly. We may agree with you that the repairs will be carried out by our contractor and the cost recharged to you.

Complying with your repairing obligations

We will carry out regular inspections of your pub to produce a Pub Condition & Standards Report (PCSR). This is not a full survey but will include a visual inspection of all areas of the premises. As a result of this, we will highlight any immediate items of repair that require your attention and, where appropriate, provide advice on how best to deal with the problem. As a general rule, if you follow the recommendations set out in the PCSR the level of any formal dilapidations should be kept to a minimum throughout the term of the agreement. You will be asked to sign the completed PCSR and we will send you a copy for reference.

You should take advantage of these visits to discuss any property related questions you may have, including any relating to the exterior of the premises, with our representative.

From time-to-time during the term of an agreement we may make arrangements to produce a Schedule of Dilapidations. We will provide reasonable written notice of our intention to carry out such a survey and will endeavour to agree a mutually convenient time. We will require your co-operation to gain access to all parts of the property including the living accommodation, cellar and any outbuildings. The Schedule of Dilapidations will be prepared having regard to the specific repairing obligations contained within your agreement and any relevant legislation.

We will provide a copy of the Schedule, identifying any element of the property that requires repair or replacement; confirming the action required to address the defect and we will arrange a convenient time to meet with you and/or your advisors to discuss the content of the Schedule and to agree when any necessary works will be completed. Our representative will arrange to call to monitor progress with the works and to confirm when they have been completed.

You will be responsible for paying the reasonable costs of carrying out a survey in connection with preparing a Schedule of Dilapidations and any necessary follow-up visits. Should you fail to maintain the property in line with your repairing responsibilities or fail to comply with any statutory requirements, we reserve the right to undertake any necessary works and to recharge the costs, including any associated professional fees.

Dilapidations at the end of your agreement

You must hand back the premises in good repair and in a condition that allows it to be re-let on a similar agreement and equal terms, without lengthy time delays or costs resulting from its condition.

Before the end of your agreement, we will prepare a formal Terminal Schedule of Dilapidations. This will identify any repairs that you must complete to comply with the terms of your agreement before the end of the agreement. The Schedule will be completed having regard to the specific repairing obligations set out in the agreement. In the case of tenancies, we will aim to issue a Terminal Schedule at least six months before the end of the contractual term. For leases, we will endeavor to do this at least 24 months before the end of the contractual term.

We will provide a copy of the Schedule, identifying each element of the property that requires repair or replacement; confirming the action required to address the defect and we will arrange a convenient time to meet with you and/or your advisors to discuss the content of the Schedule and to agree when any necessary works will be completed. Our representative will arrange to call to monitor progress with the works and to confirm when they have been completed. We reserve the right to charge you for any works that remain outstanding at the end of the agreement.

You will be responsible for paying the reasonable costs of carrying out the survey in connection with preparing a Terminal Schedule of Dilapidations and any necessary follow-up visits.

Where a dispute arises between parties over the level of dilapidations to be applied, we will provide access to a recognised, independent dispute resolution service, and will agree to pay 50% of their associated fees (not exceeding £500).

Investment opportunities

There may be occasions during the life of your agreement when you feel that building alterations or the addition of new facilities would enhance the trading opportunity at your pub. You should discuss your ideas with your Regional Manager in order that we may consider your proposals and, if appropriate, agree the best route for you to progress the project.

Subject to our prior written consent, you may choose to fund and organise the project using your own funds, design team and building contractors. It will still be important for you to talk to your Regional Manager who will instruct the property team to prepare a "Licence to alter", at your expense, which documents the agreed works enabling you to progress the project at your own pace. You should not carry out any alterations without a Licence to alter, as any such alterations would not be considered as improvements in any future rent assessment.

In the event that we agree to fund or part-fund the project, you will need to agree the scope of your business plan with your Regional Manager including any variations to rent or other commercial terms which may be required to reflect the investment that we are making. We will provide you with details of how we believe the proposed project will benefit your business but you should always take your own independent professional advice to ensure that you understand the impact that the proposed project will have. Your Regional Manager will then instruct the property team to prepare all necessary plans, designs and schedules of works which will be formally agreed by all parties before commencement of the project. We will also agree details of any contribution that you may be required to make towards the costs of the development and confirm the specification of any fixtures and fittings that you may be required to purchase. Before we commence work we will complete a formal Deed of Variation, confirming the works to be completed and any changes to the rent or other commercial terms of your agreement.

You may be asked to pay a deposit towards the cost of any professional fees that we incur in preparing details of the proposed project. The deposit will not be refundable if you decide not to proceed with the project.

Utilities & environmental impact

You will be responsible for meeting the cost of all utilities and services associated with your use and occupation of your pub. You should monitor power consumption and we would encourage you to operate the business in an environmentally friendly manner.

If your property is not connected to mains drainage, it may be necessary to hold an environmental discharge licence. If this is the case, we will confirm any specific obligations or conditions contained in the licence before we enter into the new agreement. You would be responsible for complying with the terms of any such licence and for meeting any associated costs whether the discharge licence is held by you or us.

Health & safety

At the start of the agreement, we will ensure the property is in a statutorily compliant condition, with all services functioning unless specifically agreed otherwise. During the term of the agreement, responsibility for on-going statutory compliance, and any associated repairs or replacement, will be determined by the terms of the respective agreement. This may include compliance with any new legislation that is introduced during the term of your agreement.

You will be the employer of all staff at the pub and the Responsible Party in control of the premises for the purpose of all health & safety legislation and fire safety management throughout the term of your agreement. You will be legally responsible for all duties and responsibilities that accompany these positions under UK H&S law. This includes the day - to - day management of health & safety within your pub, i.e. assessment of risk, reporting of accidents, maintaining a safe and suitable environment, employee training and awareness.

Regardless of the agreement type you must cooperate with us in our on-going efforts to manage health & safety. This co-operation will include informing us via the Property Helpdesk (**03333 20 20 85**) of any necessary property repairs as soon as possible and ensuring that you allow access to us or our contractors to enable us to deal with any health & safety related repairs, remedial work or statutory compliance testing. Whilst we will always try to give you reasonable notice of any such works, we may need to gain immediate access to the property in the case of emergency.

Property management service packages

To help you to keep on top of health & safety matters and to minimise the risk of your business being disrupted by problems with heating, cellar cooling problems, we have developed the following support packages:

Cellar Cooling Maintenance Scheme:

- Leases - www.stonegatepubpartners.co.uk/cellar-lease
- Tenancy - www.stonegatepubpartners.co.uk/cellar-tenancy

Heating & Boiler Maintenance Scheme*:

- Leases - www.stonegatepubpartners.co.uk/heating-lease
- Tenancy - www.stonegatepubpartners.co.uk/heating-tenancy

Safety Management Solutions:

- Leases - www.stonegatepubpartners.co.uk/sms-lease
- Tenancy - www.stonegatepubpartners.co.uk/sms-tenancy

Full details of these packages can be seen by clicking on the links above. When you complete your new tenancy you will automatically be enrolled in all three schemes.

* If you take a new lease you will be enrolled into the Cellar Cooling and Safety Management schemes but not the Heating & Boiler schemes.

Property Helpdesk: 03333 20 20 85

stonegategroup.co.uk

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