

What Tied Pub Tenants Need to Know

Repairs and Dilapidations



How to use this factsheet:

This factsheet is for tied pub tenants who want to know about the handling of repairs and dilapidations under the Pubs Code.

It provides information to support tenant understanding. It is not a substitute for the Pubs Code legal framework.

Our website also contains other useful information about accessing your Pubs Code rights: <u>www.gov.uk/pca</u>

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At a glance...repairs and dilapidations

Your POB should provide you with all the information about repairs to the property before you enter into your agreement, including a Schedule of Condition which records the state of repair of the property at the start of your agreement. You should refer back to this information and your agreement terms for information about who is responsible for repairs and when they should be carried out.

Dilapidations are works which are needed to bring your property into the standard of repair required by your agreement. They are usually your responsibility to carry out at the end of your agreement or on assignment.

Terms and abbreviations

Term/abbreviation	What it means
Assignment	The transfer of an agreement to a new tenant, usually where a pub is sold.
BDM	Business Development Manager
Code	The Pubs Code etc. Regulations 2016
PCA	Pubs Code Adjudicator
РОВ	Pub-owning Business (often referred to as pub company)
Schedule of Condition	The provisions in a tenancy or licence which specify the condition of the premises.
Sustainable Business Plan	A plan for the running of a business at a pub which has been prepared following consideration of professional advice and containing financial forecasts which the POB considers are reasonable for the TPT to achieve.
ТРТ	Tied Pub Tenant

Repairs

Initial assessment of the state of repair at the pub

See Pubs Code – Regulations 11(1) and 13(1)

Before you enter into any new agreement for a tied pub under the Pubs Code and to assist you in preparing your Sustainable Business Plan, your POB must:

- ☑ provide you with a full and clear description of the premises to which the agreement relates
- ☑ tell you whether you must buy any fixtures and fittings and the arrangements for paying for them
- ☑ advise you to carry out a thorough inspection of the premises
- ☑ advise you to take advice from a surveyor with experience relating to tied pubs
- ☑ provide a Schedule of Condition for the premises
- \blacksquare point out any specific problems in the premises.



For more information about what a POB is required to do for new tenants and the other information that must be provided when they are considering entering into a new tied pub agreement (including more information about preparing a Sustainable Business Plan) see the PCA's factsheet:

What Tied Pub Tenants Need to Know about the Duties of a Pub-owning Business in Connection to New Tied Agreements

What is a Schedule of Condition?

See Pubs Code – Regulations 2(1), 11(1) and 13

A Schedule of Condition is a document or part of a tenancy or licence which summarises the state of repair of the premises.

Your POB must provide you with a Schedule of Condition for the premises to record the state of repair before you take on a new agreement.

Your POB must update the Schedule of Condition in accordance with your agreement, or if your agreement doesn't include such a review, in the following circumstances:

- If, before a new agreement is finalised, it is agreed that works will be carried out to the premises, the Schedule of Condition must be updated in light of the works as soon as reasonably practicable after they have been completed;
- following any structural alterations; and
- at least 6 months before the end of the agreement.

Unless your agreement says otherwise, the premises must be kept in at least the state of repair shown in the Schedule of Condition. Before you prepare your Sustainable Business Plan, your POB must make it clear what state of repair they expect the premises to be in at the end of the agreement.

How will I know who is responsible for repairs?

See Pubs Code – Regulations 10(2)(a), 11(1) and 13(5)

If you are taking on a new agreement, the POB should provide you with information about who is responsible for repairs and decoration before you prepare your Sustainable Business Plan. The POB must take the Schedule of Condition into account before agreeing who is responsible for repairs and maintenance.

You should take independent professional advice about the property as part of preparing and considering your Sustainable Business Plan.

If you already have an agreement in place, your agreement should set out who is responsible for repairing the premises. If the agreement doesn't contain this information, it may be set out in a separate code of practice or manual, and you should check with the POB for more details.

When should repairs be carried out?

See Pubs Code – Regulations 11(1) and 13

Before you enter into an agreement, the POB must tell you when they will review the Schedule of Condition.

Your POB must give you reasonable notice of any plans to access the premises, unless it is an emergency, where:

- It plans to carry out repairs for which it is responsible;
- To review the Schedule of Condition; or
- To review the state of repair of the premises.

After a review, the POB may ask you to carry out work to the premises if it finds repairs need to be done and your agreement says you are responsible for those repairs. You should carry out the repairs within any time frame agreed with the POB.

If your POB is responsible for any repairs, it must have a procedure in place for carrying out these repairs and give you information about their procedures.

What if I assign my agreement?

See Pubs Code – Regulation 12

Where your agreement allows you to assign your agreement to another person, you must tell your POB if you intend to do this. After you have told your POB, it must tell you about any repairs which must be fixed before assigning your agreement as soon as reasonably possible.

If you must get your POB's approval to an assignment under your agreement, your POB must also be satisfied that the incoming tenant has been advised to seek independent advice, including advice from a qualified surveyor with experience relating to tied pubs.

How do I report an issue with repairs?

If the POB is responsible for any repairs, it must have a procedure in place for carrying out these repairs. The POB must also have a process for you to raise concerns about any repairs the POB hasn't fixed.

You should receive information about these procedures before you enter into the agreement.

What other support is available?

See Pubs Code – Regulations 11(1) and 41(4)

POBs should tell you about any advice and support that is available in relation to decoration and repairs before you prepare your Sustainable Business Plan.

Once your agreement is in place, your Business Development Manager (BDM) must make appropriate notes of any discussions they have with you regarding repairs to the premises. The BDM must provide you with a record of any discussions within 14 days of the discussion. You have 7 days to notify the BDM if you do not agree with any part of this record.



For more information about what a BDM is required to do when dealing with TPTs, see the PCA's factsheet:

What Tied Pub Tenants Need to Know about Business Development Managers and Code Compliance Officers

Dilapidations

Who is responsible for dilapidations?

See Pubs Code – Regulations 11(1) and 13

Before you prepare a Sustainable Business Plan the POB should provide you with details of how dilapidations will be worked out and the procedure for fixing them. The POB should set out their responsibilities under these procedures, as well as yours.

If you are responsible for any dilapidations, the POB must also tell you when any surveys will be carried out to work out the extent of the dilapidations.

When should I think about dilapidations?

See Pubs Code – Regulations 12 and 13

The POB must carry out any surveys to review any dilapidations at the premises in line with your agreement, and at least 6 months before the end of your agreement.

The POB must give you reasonable notice before carrying out a dilapidations survey (unless there is an emergency).

If the POB asks you to fix any dilapidations before assigning your tenancy, it must tell you what must be fixed as soon as possible after you tell the POB about your intention to assign the tenancy.

What can I do if there is a dispute?

See Pubs Code – Regulations 11(1) and 41(4)

Any discussions about repairs to the premises with your BDM must be recorded (see "What other support is available?" above), and copies of those records sent to you.

Your POB must have a process for dealing with disputes about repairs of the premises, including dilapidations, and must tell you what this process is before you enter into the agreement.

If you cannot resolve a dispute about the extent of repairs or dilapidations, or responsibility for them, it can be referred to the Courts. Disputes about compliance with any of the Pubs Code duties may be referred to arbitration (although time limits may apply). It is the responsibility of your POB's Code Compliance Officer to verify compliance with the Pubs Code and you can contact them with any query about the Pubs Code.

See "What Other Support is Available" above for a link to further information about the Code Compliance Officer's role

Repairs Checklist

This checklist sets out all the information about repairs and dilapidations you should receive from a POB before you enter into a new agreement.

You should check you have received and reviewed all this information before entering into the agreement.

- □ A Schedule of Condition
- Details of any specific problems in the premises
- □ Whether you must buy the fixtures and fittings and if so, arrangements for paying for them
- □ Your responsibility for any repairs to the premises
- □ The POB's responsibility for any repairs to the premises
- □ The POB's procedure for fixing repairs it is responsible for
- □ How you can report issues with repairs the POB should fix
- □ What level of repair is needed and whether it is the level set out in the Schedule of Condition
- □ Your responsibility for any dilapidations
- □ When the Schedule of Condition can be reviewed
- □ The process for agreeing any repair works after a review of the Schedule of Condition
- □ When any dilapidations survey will be carried out
- □ The procedure for dealing with disputes about repairs and dilapidations
- □ The POB's requirements about the state of repair at the end of the agreement
- □ The advice and support available about repairs and decoration

Questions about this factsheet

For general queries about the information in this factsheet, you may contact our enquiry service.

Please note, we can provide information about your rights, the Code and our processes. We cannot advise you about your case.



Complete our online enquiry form at www.gov.uk/pca



Email: office@pubscodeadjudicator.gov.uk



Call 0800 528 8080 to request a call back

This factsheet provides information to support tenant understanding. It is not a substitute for the Pubs Code framework.

You may find it helpful to take independent professional advice before making any decisions that may affect you and your business.

Find out more

Follow the PCA on social media @pubscodepca



Access other PCA factsheets in the series: <u>'What Tied Pub Tenants Need to Know'</u>





Property Timeline

