

Stonegate Partnership Tenancy FAQ's

How much will it all cost including any extras?

We'll agree the rent with you up front by considering all of the terms of the tenancy and the potential profitability of the business. Once agreed, your rent, including VAT, will be paid weekly in advance by Direct Debit. We use the Consumer Price Index House (CPIH) to make any adjustments, up or down, every year.

When the tenancy starts, we will need a cash deposit from you to cover any unforeseen costs along the way. It's equivalent to 3 months' rent We'll add interest over the years and if all's well will return this at the end of the tenancy. We might also ask for further money to obtain credit on trading terms.

All rates and other bills including utilities will be down to you and you'll have to notify all suppliers of the tenancy change to avoid any confusion.

What can I use the property for?

The property has to be used as a fully licensed public house, which means its main business is selling alcoholic and non-alcoholic drinks. You can also sell food to support the main business offer.

What insurance will I need?

You will be required to arrange insurance cover for contents including trade inventory, stock, all fixed glass, the premises licence and employer's liability. You must also insure against third party and public liability, loss caused by interruption to the business and any loss of money. It sounds daunting but there's lots of help and advice out there – just ask and we'll point you in the right direction.

What products can I buy out of tie?

You can choose to be free of tie on some or all the drink categories in exchange for payment of an annual fee for each category of drinks. These include conditioned cask, lager, cider, wines, spirits, minerals, flavoured alcoholic beverages and low alcohol products. If you do this, it will stay in force through the whole tenancy. However, either of us can give 3 months written notice to cancel a tie release fee and revert to a 'full tie' if they wish. Any tie release fees will be fixed at an agreed amount, in line with the Consumer Price Index House (CPIH) and reviewed every year and will be paid alongside your weekly rent.

What about drinks discounts?

The drinks price list and any discount structure will be agreed from the start and will continue throughout the term. We may update prices, discounts and products from time to time. We'll take payment for tied products on the rent day in the week following your delivery by way of Direct Debit. To make ordering easier, less costly, and more efficient, we will ask you to place stock orders with us online and be invoiced to reflect this.

Can I use gaming machines?

These are often referred to as fruit machines, amusement machines, pool tables and the like. We will agree the best plan for you to maximise leisure machine income by using the best suppliers, latest machines, and their expertise. There is a simple income share split equally between supplier, us, and you.

Do you use any monitoring equipment?

Yes. We use a system to monitor draught products and to keep this equipment working well, we just ask that you allow us or the experts' access to the premises to install, inspect and maintain Flow Monitoring Equipment.

What about Fixtures and Fittings?

Once we have agreed a valuation of the items included in what's called the 'loose trade inventory' you will have to repair and replace these items as necessary during the tenancy.

If you own the inventory, then we may purchase it at valuation during or at the end of the term and offset the value against any money you may owe but you can't sell or charge the inventory to any third party. We will own Landlord's fixtures and fittings throughout the term.

Can I leave before the end of the 5 year period?

Yes, you'll be able to end the agreement at any time, for any reason by giving us 9 months' notice.

Can Stonegate Pub Partners terminate the tenancy?

Yes, we will be able to end the tenancy on 6 months' notice if you are in breach of any of your obligations in the Tenancy.

We will also be able to end the Tenancy on 9 months' notice for any reason from the twenty seventh (27th) month of the Term (meaning that in these circumstances the Term will end no earlier than after the expiry of the third year of the Term).

Please can you explain my repairing obligations?

We are responsible for all repairs to the exterior, structure, and services. If you notify us as soon as you are aware of any required repairs, we'll get it sorted as soon as possible so that we can both avoid further damage.

You will be responsible for all other repairs and day to day maintenance. This includes things like drains, pipes, toilets etc. You'll also need to keep all car parks, access ways, gardens, play areas, landscaping, or other areas safe for the public to access, well maintained, clean, tidy and weed free. You'll also need to maintain and repair the interior and the fixtures and fittings.

To keep the pub looking attractive, we'll agree the timings for you to redecorate the interior of the property. This will need to be done as often as needed and we might ask you to do this in the last 6 months of the term. We will redecorate the exterior as often as necessary to keep it looking attractive and welcoming.

To help spread the cost, we'll ask you to pay an agreed amount per week to be put towards your decorating 'fund'. If you leave, and the premises are in a good state of decoration and all other accounts are up to date then we'll pay the balance of this fund to you.

It's worth knowing that for your bigger plans you won't be able to carry out any structural alterations, but you may carry out non-structural alterations with our OK. It's worth bearing in mind we may ask that these alterations are reinstated at the end of the term.

To keep you and the property in a safe condition, we will deal with compliance testing for health & safety, lifting equipment and gas & electrical safety. To cover the cost, we'll ask you to pay a service charge, paid weekly in addition to your rent. You'll pay a service charge for the cellar cooling maintenance and for the heating system maintenance and it means it's all taken care of.

Will you need to see my accounts and stock reports?

To make sure that you're keeping the business running well we'll ask you to use and pay for appropriate third-party accounting and stocktaking services from properly qualified suppliers. We might ask to see copies of any documentation that they prepare for you to make sure everything being run well and so that we can advise and help if you need it. We may also ask to see copies of your VAT returns & annual accounts from time to time.

What training do you offer?

We have developed a suite of e-learning modules, videos and pub principles guides to help you through the lettings process, preparing for the day you take over your pub and beyond. These can all be accessed via PC, laptop, or mobile device at a time to suit you.