



The Pubs Code etc Regulations 2016

These Regulations came into force on 21 July 2016 and apply to all businesses owning 500 or more 'tied' pubs in England and Wales. The regulations have been introduced under The Small Business, Enterprise and Employment Act 2015.

A 'tied' pub is a premises having a licence authorising the sale of alcohol on a premises which is occupied under a tenancy or licence, whereby the tenant or licensee of the premises ('a tied pub tenant') is subject to a contractual obligation that some or all of the alcohol to be sold is supplied by the landlord, a person nominated by the landlord, or a person who is a group undertaking in relation to the landlord ('a pub owning business').

Tied pubs provide continuous business demand for breweries as they cannot suddenly change their beer supplier. The new code governs the relationship between the 'pub-owning business' and 'the tied pub tenant'.

The Code has been drafted to be fair and lawful ensuring that tied pub tenant's receive important information to make informed decisions prior to taking on a pub, during the consideration of a new a lease, or alternatively during the consideration of an assignment of an existing lease.

Section 13 of the Code relates to premises. Regulation 13(1)(a) highlights the importance of tied pub tenants undertaking a thorough inspection of the premises and regulation 13(1)(b) recommends the obtaining of professional advice from a qualified surveyor; all before entering into a new agreement. This approach endeavours to ensure that all relevant matters that could have significant implications are appropriately addressed at the right time.

As Chartered Building Surveyors, JGA are well-placed to provide advice and recommendations to pub-owning businesses and/or tied pub tenants with respect to lease matters and dilapidation issues arising at the end of leases.

The regulations specifically require the preparation of a Schedule of Condition. JGA regularly prepare Schedules of Condition for lease purposes which include detailed roof surveys and the underground drains. These typically inaccessible elements provide additional reassurances.



The Schedule of Condition will be used to assess any maintenance or repairs in respect of the public house at the outset of a new lease. The Schedule should be updated and reviewed during the course of the tenancy or licence, and will also be used at the end of the tenancy to determine the extent of dilapidations (i.e. wants of repair) that require attention.

The scope and content of the Schedule is significantly important if the tenant is responsible for remedying, or paying for, dilapidations, as this could result in a large expenditure at the end of the lease. JGA recommend an early assessment of dilapidation liabilities on behalf of tenants so that suitable monies can be set aside for payment at the relevant time (as applicable).

JGA regularly undertake dilapidation instructions for both landlords and tenants, and our specialist property law experience, allied to being Chartered Building Surveyors, enables us to offer our clients best advice beyond the natural scope of services provided by other Surveyors.

For more information please contact us.