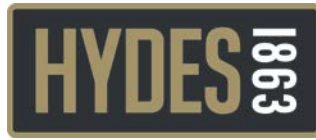


## GUIDE TO HYDES TENANCIES



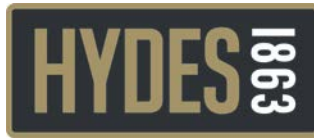
A **Must Read** for Prospective and Current Tenants

July 2023



## GUIDE TO HYDES TENANCIES

ABOUT US.....	3
THE ROUTE TO BECOME A TENANT.....	4
HYDES TENANCY AGREEMENT .....	8
TERMS OF BUSINESS .....	9
RENT.....	10
AMUSEMENT MACHINES, POOL & OTHER GAMING MACHINES.....	12
FLOW MONITORING EQUIPMENT.....	13
THE PUB .....	14
MATERIAL CHANGES/EXCEPTIONAL CIRCUMSTANCES .....	17
DISPUTE RESOLUTION ( non rent related).....	17
WHY CHOOSE HYDES.....	18
BUSINESS SUPPORT .....	19
SCHEDULE OF RESPONSIBILITIES FOR REPAIRS .....	23



## GUIDE TO HYDES TENANCIES

### ABOUT US

Hydes is one of the few breweries that is still owned and managed as a family business and in an age where most traditional breweries have been swallowed up by the giants of the industry this is no mean feat. However, Hydes is not merely surviving - it is thriving and has grown steadily over the last century to become one of the top 10 regional breweries in the UK.

Our success is based on our fastidious commitment to quality in every aspect of our business: quality of the people we employ, quality of the beers we brew, quality of the pubs we run and the service we provide to our customers. It's this quality combined with over 160 years experience that you look for when enjoying a pint in your Hydes local.

There's much more to Hydes than just beer! In fact we have a diverse business designed to meet the challenges of today There are 2 routes into running a pub with Hydes:

- As a Manager where you receive a salary. Hydes owns the pub and all staff work for the Company.
- As a Tenant where you rent a pub from Hydes and are tied to purchase certain products from us. Together with the Code of Practice published on our website, this document is intended to give you a good insight into what is involved and what you can expect.

The Code of Practice is used by a number of companies and sets out the principles that will be observed when offering pub businesses to rent and the obligations that are also required from our prospective tenants. It is not capable of being unilaterally altered. You may also hear about lease agreements which involve longer term rental of a pub and different obligations for the leaseholder and the landlord. However, we do not offer these agreements at Hydes. In addition to the Hydes managed estate of circa 30 sites, we have a number of tenanted public houses and just like the Hydes managed estate, there are a range of options on the menu. You could be the tenant of the locals' favourite watering hole, a busy town-centre tavern, or a specialist food pub where the Beef Wellington competes with the beer for the customers' attention.

We aim to give you the space to run your own business, whilst being on-hand to provide support and expert advice whenever you may need it. The best of both worlds is there for the taking: the freedom to realise your own personal vision, with the backing and resources of an award-winning brewer and pub retailer. We're big enough to compete and small enough to care. Hydes Brewery Ltd is a member of the British Beer & Pub Association (BBPA) and, as such, we offer high standards of fairness and transparency to our tenants.

As members of the BBPA, Hydes Brewery also subscribes to the Pub Independent Rent Review Service (PIRRS)



## GUIDE TO HYDES - BECOMING A TENANT

### THE ROUTE TO BECOME A TENANT

*This section tells you what you need to know before you apply and how our application process works.*

#### BEFORE YOU APPLY

1. If you are new to the licensed trade you will have to undertake a short online training course to ensure you are fully aware of the nature of the contract you will be entering into and that you know exactly what is involved in running a pub business.
2. You will also need to hold a personal licence. A personal licence is granted to an individual and authorises them to sell alcohol, or authorise the sale of alcohol, in accordance with the terms of the premises licence where the alcohol is being sold.

*Every premises licensed to sell alcohol must have one personal licence holder who is in day-to-day control of the business, this person is called a Designated Premises Supervisor or DPS*

#### THE APPLICATION PROCESS

*Our application process is simple.*

1. Choose from:



*Online*

through our website ([www.hydesbrewery.com](http://www.hydesbrewery.com)) or any of our partner sites where you see a Hydes tenancy advertised

**OR**

through our website, [www.hydesbrewery.com](http://www.hydesbrewery.com), to register your general interest



*Email*

us on [recruitment@hydesbrewery.com](mailto:recruitment@hydesbrewery.com)



*Write*

to us at Hydes Brewery Ltd, The Beer Studio, Salford, M50 2GL

2. We'll get in touch with you within **one week** of receiving any application.
3. If your application is progressed you'll be asked to meet with an Operations Manager to discuss your application and your suitability for the site. You need to ensure that you've visited the site, as a customer, before this initial meeting.
4. If your application progresses further, we'll arrange a more detailed site visit for you. That way you can take a look at any associated accommodation too.
5. There may be more meetings regarding your application, before we progress to the Final Interview.



## GUIDE TO HYDES - BECOMING A TENANT

### THE FINAL INTERVIEW

At this stage we'll ask you to:

1. present a detailed business plan to support your application. You'll need to demonstrate that you have taken independent professional financial and legal advice before the interview commences.
2. provide your written consent to obtain a standard credit authorisation report, something we do for all new tenants.
3. provide us with photo I.D. and proof of your home address -such as a current utility bill. Should you wish to operate a tenancy through a Company this requirement extends to all directors who own more than 25% of that Company. This is a legal requirement.
4. show us your **PERSONAL LICENCE**
5. give us details of any proposed referees, whom we will only contact with your consent.

### YOUR PREPARATION FOR THE FINAL INTERVIEW

#### 1 BUSINESS PLAN

Your professional advisers should ensure you are made aware of the effects that any future changes may have on your business plan. Your business plan must include estimations of incomes and related costs (including any index linked changes to rent), together with projected profit and loss calculations.

#### 2 PEAT

You will need to provide a copy of your PEAT certificate to prove you have completed it, **one week** before attending any Final Interview. *(This requirement may only be waived if you are able to demonstrate to our satisfaction that you have the necessary skills and experience of running a successful pub business.)*

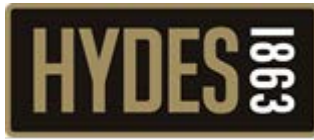
3 You'll need to ensure that you have read this guide in full.

4 You'll need to have seen the full site, including any associated accommodation. We'll set that viewing up for you.

### WHAT WE WILL PROVIDE TO YOU IN ADVANCE

- 1 A template for the Business Plan which you must use, sign and date before attending the Final Interview
- 2 Details of the volume of beer and other tied products purchased directly from the company for the last 3 years and any other relevant information on costs which is available to us.
- 3 A Site Information Pack which will contain:
  - a. Premises Plan
  - b. Premises Licence and details of any usage restrictions
- 4 Three years' history of turnover ( if the site was managed)
- 5 Template Tenancy Agreement
- 6 Energy Performance Certificate

We strongly advise prospective tenants and their advisers to liaise with the outgoing tenant to seek more detailed information. Benchmarking reports are also available (including a report produced by the Association of Licensed Multiple Retailers (ALMR) [www.almr.org.uk](http://www.almr.org.uk)) which may provide further assistance.



## GUIDE TO HYDES - BECOMING A TENANT

We will also endeavour to provide:

- Latest asbestos survey
- Latest electrical report
- Current Gas safety certificate

***If we cannot provide you with any other information that you request from us, we will tell you why.***

### THE OFFER AND APPOINTMENT

If your application is successful we'll send you a pack ( by email and/or letter) which will contain:

1. a letter setting out all of the key terms of the agreement, together with
2. a copy of your proposed Tenancy Agreement and
3. a proposed timetable towards the planned ingoing date – the date on which your Tenancy Agreement would start. This shows what you and Hydes need to do to get your business off to the best start possible
4. proposals for your induction, at the brewery - where you would meet everyone that you would deal with at Hydes.
5. a consent form which allows us to apply for you to be assigned to the Premises as the Designated Premises Supervisor

You will need to sign and return 1) and 2) above, by the deadline noted in the pack.

### BEFORE THE AGREEMENTS STARTS

There are some key things you need to have in place.

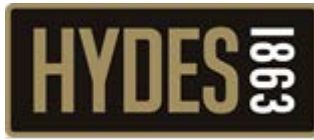
#### INSURANCE

Hydes' insurance covers the building (which, for example, includes the fixed bar and any fixed seating and cooling equipment) and this is provided free of charge to our tenants. The tenant is responsible for all internal insurance including regarding fire, theft, employee and public liability.

To clarify, tenants are required to insure some parts of the business as detailed below:

- Stock
- All internal items including those which belong to the Company, such as the trade furniture. These are listed within the Company Inventory.
- Business interruption and loss of rent for 1 year
- Breakage of plate glass
- Employers liability of £10 million
- Public liability of £2million
- Products liability of £2 million
- There may be other areas that you choose to ensure such as cash in gaming machines
- Own contents in domestic quarters

You would be required to use our nominated insurer who will provide the appropriate level of cover at a very competitive price. If you are able to source the same level of cover from another reputable provider, we will refund you the difference – on receipt of a written quote from them.



## GUIDE TO HYDES - BECOMING A TENANT

### ACCOUNTING

You are also required to employ and pay for the services of a Company nominated Accountant for at least the first year of your tenancy. This accountant will share your financial information with Hydes so that we can assist you in building and maintaining a successful pub.

### REGISTERING WITH GOVERNMENT BODIES

When you become a tenant, you must arrange to register with the HMRC for VAT and PAYE purposes (if you are not already registered).

You may also be required by law to register the business with the local Environmental Health Authority.

### PRS, PPL AND TV

1. If you intend to broadcast copyright music, either live or recorded you must obtain a PRS and PPL license by calling Performing Rights Society on 020 7580 5544 and Phonographic Performance Ltd on 0207 7534 1020. Tenants can also access the relevant websites to progress this.  
[www.prsformusic.com](http://www.prsformusic.com)  
[www.ppluk.com](http://www.ppluk.com)
2. One TV licence is required for each pub (which covers up to 15 units) **plus** you need a separate licence for any domestic televisions in the tenant's accommodation.
3. You must ensure that you have the appropriate contracts and documentation from SKY before utilizing their services.

### YOUR FUTURE EMPLOYEES

When you take on a site you usually take on the employees from the outgoing tenant/employer, abiding by their existing terms and conditions of employment. It is your responsibility to ensure that all of the legislation regarding this is complied with. We can help you complete any due diligence that is needed – **free of charge** – and it's essential that you complete certain tasks **BEFORE** the agreement starts.



## GUIDE TO HYDES : THE FINER DETAILS

### HYDES TENANCY AGREEMENT

We will set out the principles of our agreement at the conclusion of our negotiations and will provide you with a full sample of the tenancy agreement before you are asked to sign any commitment. Below is a summary of the main terms contained within our standard agreement. Hydes' Tenancy agreements are subject to the provisions of the Landlord and Tenant Act 1954. The purpose of this act is to provide businesses with security of tenure.

<b>Term for Tenancies</b>	We offer a 1 year rolling tenancy with a rent review in year 3.
<b>Notice Period</b>	After being at the site for 6 months, tenants must give at least 6 months notice to bring the tenancy to an end.
<b>Tie</b>	There is a drinks tie for draught beer, lager, cider, stout and flavoured alcoholic beverages. This means that you agree to buy these products from Hydes Brewery Ltd and NOWHERE ELSE. There are potential penalties for tenants who breach this tie. <i>In Hydes agreements you are also free of tie on wines, spirits and minerals.</i>
<b>Repairs &amp; Maintenance</b>	In general terms the landlord is responsible for the exterior and structure. The tenant is responsible for the interior plus some other routine maintenance/minor repairs. There is more information on this at section 5.
<b>Assignment &amp; Sub-letting</b>	This is not permitted on Hydes tenancies. For example this means that you can't rent off the accommodation to a 3rd party or sell the tenancy.

### COOLING OFF PERIOD

We know that tenants and their pub have to be a great match. We do our best to ensure that we achieve this. However, despite all of our endeavours you may decide that the site isn't for you. On the other hand it might be evident to us that you are not suited to the site.

Therefore, provided you have completed between 3 and 6 months at the pub either party can end the tenancy with one month's notice in writing, without any penalty being incurred.

### EARLY SURRENDER

On certain occasions we may agree to release a tenant without their serving full notice. In this situation we would reserve the right to charge for some or all loss of profit, based on the rent that would have been paid within the notice period.





## GUIDE TO HYDES : THE FINER DETAILS

### TERMS OF BUSINESS

There are several clauses within our agreement which both parties must adhere to. The main ones are listed below:

### PRICING

For prospective tenants, a copy of our current trade price list will be made available as part of the application process, before we ask you to complete a business plan. Discounts available to tenants will be highlighted on that list.

Price Lists are also available on request.

### PAYMENT TERMS

Hydes' is happy to provide 2 week's credit as our standard terms, payable by direct debit.

*For example:*

<i>Monday 1st February</i>	<i>Place Order</i>
<i>Wednesday 3rd February</i>	<i>Products are delivered to you</i>
<i>Wednesday 17th February</i>	<i>You pay for goods by direct debit from your account</i>

Dependant on your level of Ingoings (see below) and your financial status, these terms may vary.

An example of alternative terms would be **"Cash with Order"** . In that case our telesales team will confirm the value of your order, rent and any other monies due when you place your order. To receive your order you would need to pay the full value, in cash, by 2 p.m. on the day before your delivery. Cash payments are acceptable either at the Brewery, to an officer of the Company (up to £2500) or made directly into Hydes Bank account.

### INGOINGS

The estimated ingoings (the money you need to have available before signing an agreement with us) for a Hydes tenancy would be as follows:

- Initial Deposit  
**£4000 to £6000** to be paid prior to the day of you taking on the pub. Deposits are held by the Company and are refundable to you on expiry of the tenancy, less any monies owing to Hydes.
- Stock & Glassware.  
This may range from £2,000 to £8,000 dependant on the site but full details of the expected cost will be made available to you prior to any Final Interview.
- Fixtures & Fittings:  
The Fixtures and Fittings and the Company Inventory are the property of Hydes Brewery. The rent includes for a fully furnished trading area.



## GUIDE TO HYDES : THE FINER DETAILS

### RENT

Rent is payable every week, in line with the Tenancy Agreement.

Hydes Brewery Ltd abides by the guidelines for rent assessment established by The Royal Institution of Chartered Surveyors (RICS). We will provide you with a Rent Assessment Statement initially and for any rent reviews. This Statement will enable you to take proper professional advice on the terms, conditions and effect of the tenancy being offered.

### INITIAL RENT ASSESSMENT

Fair Maintainable Trade (FMT) establishes the business potential of the pub assuming it is run by a reasonably efficient operator. The company will advertise the rent for the property (or will disclose on application) which comprises an agreed percentage of the potential net profit known as “divisible balance”.

Hydes will be transparent in explaining to you how the rent has been calculated and to assist you we will provide a *shadow* profit and loss account (P&L). This will contain estimated trade/costs likely to be associated with the business. An example of a full shadow P and L is overleaf.

Such information will include an estimate of the projected income from beer, wine, spirits, minerals, food (depending on the premises), machine income, repairs & maintenance and the costs of staff wages, utilities, rates & insurance and any other costs and expenses, although such costs may not be broken down further.

***Any information we supply is given on the understanding that this cannot represent any guarantee of trade.***

### INFLUENCES ON RENT

During your tenancy there may be significant changes to the trading situation of your pub which are wholly out of your control. These may be either beneficial or detrimental. Hydes approach to such circumstances is as follows:

### BENEFICIAL CHANGES

You will enjoy the benefit of enhanced trade without a change to your rental. This would be reviewed at the next agreed rental review.

### DETRIMENTAL CHANGES

If a significant decline in trade is identified we will undertake to hold discussions with the tenant and any appropriate qualified advisors, to agree the best course of action. The tenant must raise this with their Operations Manager in the first instance who will confirm receipt in writing. Examples of assistance to be **considered** would be:

- The tenant achieving cost savings and other efficiencies
- Review of the site
- Review of rental and/or beer prices for a set period

*In order to assist us we will ask the tenant to provide as much information about their business as possible.*

## GUIDE TO HYDES : THE FINER DETAILS



### RENT REVIEWS

1. Between formal reviews, the rent will be adjusted each year by RPI calculated as at the anniversary of the agreement. Hydes uses headline inflation as listed by the National Statistics Office.
2. All rents are capable of upwards and downwards reviews.
3. Rents are reviewed every 3 years as standard although there may be other triggers which prompt a review, such as capital investment.
4. **At least 6 months** before any formal review, we will issue details of the proposed rent, including a Rent Assessment Statement
5. **At least 3 months** before any formal review your Operations manager will meet with you to discuss the proposal.
6. Any “goodwill” that can be attributed to a tenant achieving a greater level of business than a reasonable efficient operator will be disregarded.
7. Any rateable value used in rent assessments will be ACTUALS where available otherwise they will be based on the Fair Maintainable Trade level.
8. Any capital improvements funded by the tenant with the consent of Hydes will also be disregarded within a rent review.

### RENTAL DISPUTES

Hydes is a member of the Pub Independent Rent Review Scheme (PIRRS) and in the event that any rental dispute cannot be resolved through the company’s internal procedures, tenants may elect for a low cost referral through the PIRRS scheme. [www.pirrscheme.com](http://www.pirrscheme.com). Where the passing rent is over £25,000 this cost will be borne 50/50 by the Company and Tenant.

## GUIDE TO HYDES : THE FINER DETAILS

### AMUSEMENT MACHINES, POOL & OTHER GAMING MACHINES

Hydes employs the services of a consultant to provide additional support to maximise the income of all gaming facilities within the business. We select nominated suppliers based on the quality of machine supply, standard of service, security of money and presentation of equipment. Hydes Operations Managers review machine performance each month.

Hydes retains the right to install all leisure machines. Whilst other machines are permissible with our permission they must be supplied by one of our nominated suppliers. The number and siting of the machines will be noted on the Premises Licence for the pub.

#### INCOME

Machine profit is shared at an agreed percentage between the tenant and Hydes. It is calculated from the machine income less machines gaming duty, less an administration fee, less suppliers' rent and legislative costs.

The administration fee is a payment to reflect the support that Hydes provides from the head office to manage machine income for tenants and Hydes. Examples of this support include collection data monitoring, machine support and knowledge / monitoring of income, legislative support and operator compliance to service levels. The administration fee is removed before the machine profit is shared.

Machine Gaming Duty, including any returns and payments, is the responsibility of the tenant. The tenants' share of machine profit is not included with in any rent assessment.

#### MACHINE SELECTION

Machines should be changed only to maximise the tenant's income. Machines will not normally remain on site for more than 13 weeks. The supplier will monitor performance and should change the machine when the take starts to fall. A tenant

should, however, also monitor the income and contact the supplier if it is felt a change is required.

#### SECURITY

Sadly, break-ins and thefts may be machine related. For this reason security should be a high priority in areas where gaming machines are located. Tenants may wish to insure the float held within the machines.

Fraudulent use of machines is also something that tenants should be aware of. For example, the most common approach is for a customer to claim that a machine has failed to pay out. A gaming engineer from the suppliers will be able to determine how much a player has really won.

#### CASH COLLECTION

The takings from all machines are collected on agreed dates. Machines are fully metered and verified for cash security.



## GUIDE TO HYDES : THE FINER DETAILS

### FLOW MONITORING EQUIPMENT

Flowmeters are common in many tenancies. They monitor the flow of beer and other products - enabling a comparison to be made between what has been sold over the bar and what has been purchased from the brewery. This information can be used by both Hydes and the tenant and is always made available on request. For example tenants can analyse beer throughput with greater ease and accuracy using the reports available.

From time to time we will inspect the cellar and also ensure that the tie is being adhered to.

#### **INSTALLATION AND MAINTENANCE**

Hydes reserves the right to install flowmeters at any site. There is no charge to the tenant for this. Where flowmeters are installed, Hydes will require access to maintain and service the equipment and the tenant must ensure that it is cleaned as required. The tenant is always invited to be present during any calibration of the equipment.

#### **FLOWMETER REPORTS**

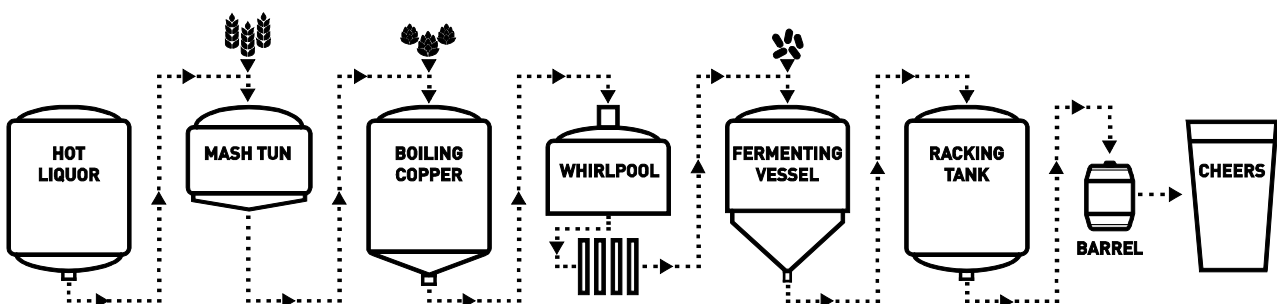
These may indicate that a tenant is in breach of the tie. In this case our first step is to conduct a full investigation into the report to ensure that it is correct. The investigation would include a full recalibration of the equipment, a cellar inspection and also verification of orders.

Secondary evidence may also be called upon such as stock reports, surveillance, supplier reports, test purchasing, container tracking data.

If the evidence confirms a breach of the tie, Hydes will discuss a sanction with the tenant which could include any or all of the following:

- Warning letters which may include a notice to claim losses
- Legal action
- Financial penalties of up to £150 per composite barrel
- Forfeiture of the tenancy

Tenants are also liable for any costs incurred to repair flow monitoring equipment that has been tampered with and these may be added to the trading account.



## GUIDE TO HYDES : THE FINER DETAILS

### THE PUB

#### THE PREMISES

A plan of the pub premises and a certified copy of the full **Premises Licence**, including any conditions will be provided to all applicants who progress to 1<sup>st</sup> Interview.

We will also advise you if we are aware of any enforcement action taken during the previous two years as well as any known developments in the vicinity.

#### PREMISES LICENCE

A premises licence is legally required for all pubs and authorises a premises to be used for one or more licensable activity – as listed on the licence itself. It also shows the permitted trading hours for the business and any conditions that have been imposed. *For example, there may be restrictions on outside drinking after a certain time at your tenancy.*

Hydes holds all of the Company's Premises Licences in its own name and recharges the cost of the annual renewal to the tenant. The charge is based on the rateable value of the property, the details of charges can be obtained from the local authority. The details of the Premises Licence are discussed with prospective candidates to ensure that they are fully conversant with its terms.

If the licence is subject to a review -for example by the police – the cost of the review may be recharged to the tenant dependant on the reason for the review.

#### VARIATIONS

Tenants may wish to change something within the licence to assist in developing their business. To do this Hydes would have to formally apply to the Licensing Officer for a variation. Your Operations Manager would guide you as to the likelihood of

such a request being granted and should Hydes incur any costs for making the application, we would recharge these to the tenant.

#### CAPITAL INVESTMENT

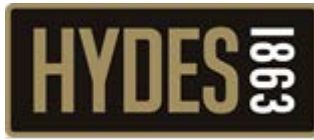
The tenant and Hydes may wish to make alterations to the premises during the tenancy to enhance the business and its potential.

Before any contractual commitments are made (between suppliers or builders for example), we will confirm the following with the tenant in writing:

- Who will be responsible for what
- What work is involved and the impact on the pub. For example, will the tenant have to close or partially close the site and for how long
- Who will pay for what and when
- What, if any, effect this improvement would have on the rent

It is essential that the tenant agrees to these terms in full and in writing, prior to Hydes making any contractual commitments with 3rd parties.





## GUIDE TO HYDES : THE FINER DETAILS

### REPAIR LIABILITY

Hydes tenants have responsibility for routine maintenance and minor works as listed below. We are always on hand to offer advice as regards contractors and suppliers should any tenant require it.

- Replacement of broken glass including leaded lights
- Renewal of sash cords to windows
- Washing of all external and internal doors (weekly)
- Repair of broken locks, door handles and window fittings
- Plumbing repairs including re-washing of taps and valves, adjustment to cisterns. The repair of burst pipes and clearing of drains to main Local Authority sewer.
- Replacement of fuses.
- Washing down of lower front of building walls (weekly).
- Replacement of all broken light bulbs, cleaning of signs and external light fittings.
- Clearing of blocked gullies, guttering etc.
- Maintenance of garden and car park areas etc.
- Eradication of vermin, bugs etc.
- Servicing of extractor fans from bar and kitchen area.
- Provision of repairs to floor material in bars and servery areas.
- Regular cleaning and servicing of sumps and sump pumps in cellars.

See Appendix 1 for a comprehensive list of responsibilities for Hydes and its tenants.

### DECORATION

Hydes takes responsibility for exterior decoration **in full**. Requirements for this are reviewed each year.

The tenant must decorate the inside of the premises in every 3rd year of the term **and** in the last 3 months of the tenancy (unless it has been done in the last year and is still reasonable). We want our

pubs to be in good condition and should tenants not be able to comply with this requirement, Hydes will undertake the work at the tenant's expense.

The tenant must also treat the cellar/beer storage room walls with anti-fungicidal paint at least once a year during the tenancy.

### DILAPIDATIONS

There will come a day when you want to leave the pub. Hopefully it will be because you have been successful and want to move to a bigger challenge or that you are retiring. It is important that your successor takes on the pub premises in an appropriate condition, enabling them to get off to a flying start. When you take on a pub tenancy with Hydes we will agree the condition of the site and provide you with a schedule confirming what work if any is needed.

Whatever the reason for leaving there are obligations that tenants must adhere to as regards the premises. The following lists the steps that will be taken:

1. Hydes will arrange for a surveyor to visit the pub. They will put together a schedule of its condition. Hydes provides this service **FREE OF CHARGE**. *If a tenant is unhappy with this schedule they must follow our Dispute Procedure.*
2. This schedule is presented to the tenant at least 2 months prior to their leaving the pub (unless of course the departure is at short notice). The schedule is always prepared relative to the original schedule prepared when the tenant took on the pub, so as not to penalise the tenant for poor condition of the premises prior to their tenancy.
3. An agreement is made with the surveyor as to whether the tenant will do any required work (to an agreed standard) or whether Hydes will do the work and recharge the tenant either before they leave or on the day of departure.
4. On the day of leaving, the cost to progress any work still outstanding will be charged to the tenant.



## GUIDE TO HYDES : THE FINER DETAILS

### FREE RATES REVIEW

Hydes will instruct an external independent Company to conduct and progress a rates review with you which may save you a significant cost for your business. It's done on a no-win no fee basis with any charge for the tenant funded by the savings.

### HEALTH AND SAFETY

1. Hydes is responsible for maintenance, testing , certification and repair of equipment legally deemed to be the responsibility of the landlord (e.g. electrics, emergency lighting installations, fire alarms, heating systems, gas appliances and wall fans). The tenant is responsible for all other areas (e.g. fire extinguishers, intruder alarms, CCTV, pest control, emergency lighting bulbs and kitchen extract maintenance).
2. Tenants are not permitted to undertake **ANY** gas or electrical installations or alterations at site. Any requirements must be raised with Hydes and if agreed one of our nominated contractors will carry out the work.

### SERVICE CHARGE

Hydes has a contract with external suppliers to maintain cellar cooling equipment at a cost of approximately £140 p.a. and fans at a cost of approximately £90 p.a. In addition for those houses with kitchen extraction equipment we will undertake an annual clean at a cost of approximately £450 p.a. unless you have evidence of having undertaken this through your own contractor.

Tenants are invoiced bi-annually for the above. However any repairs to either the cellar cooling or fans will be carried out by the Company.







## GUIDE TO HYDES : WHY CHOOSE US?

### MATERIAL CHANGES/EXCEPTIONAL CIRCUMSTANCES

If you believe your business has been adversely affected by a material change in circumstances which are beyond your control, you must contact your Operations Manager in writing. They will arrange for a full financial review of your business and meet with you, within 35 calendar days, to discuss the issues at hand.

### DISPUTE RESOLUTION ( NON RENT RELATED)

In the event of any dispute or if you are not satisfied by the **service** you receive you should contact your Operations Manager to seek resolution of any problems. You will receive a formal acknowledgement of your complaint and a meeting will be arranged within 14 days to discuss it further and seek a solution.

If a satisfactory conclusion is not reached then it will be escalated to a Director of the Company, who will formally conclude the complaint within 35 working days of receipt, unless another timeframe is mutually agreed.

If you believe that Hydes Brewery Ltd has not adhered to the Code of Practice in its dealings with you and, having failed to obtain resolution having followed the company dispute procedure (set out above ), you may contact the Pub Independent Conciliation & Arbitration Service (PICAS) As with PIRRS both parties enter PICAS agreeing to be bound by the decision of the PICAS Panel.





## GUIDE TO HYDES : WHY CHOOSE US?

### WHY CHOOSE HYDES

Once you become one of our valued tenants you can expect to receive the following as a minimum:

#### YOUR OPERATIONS MANAGER

All of our tenants will be given the opportunity for regular meetings with their Operations Manager who have a wide experience of the trade and who all hold or are studying for the BII Diploma. As well as visiting you, they are available to coordinate any requirements you have of our support teams. It is their objective to assist you in maximizing your business through constructive forward planning and implementation of your vision for your tenancy.

Area	Standard
Regularity of Operations Manager Visit	At least once a month. At least one of the visits will be to review your business and discuss plans for the future. Other visits may be to provide additional support such as marketing.
Telesales Call	A call will be made to you at an agreed time 2 days prior to your normal delivery day. Your order will be read back to you at the end of the call for confirmation.
Technical Services	Emergency Call Outs (unable to dispense product) – within 3 hours – including bank holidays and weekends. Non-emergency – within 2 working days Agreed installation – within 10 working days
Deliveries	To be made 2 days after order placement and within an am or pm time window. Our telesales and distribution team is dedicated to ensuring you receive your order accurately and on time. This team is available should there be any issues regarding a delivery.
Beer Return Credits	Appropriate Credits are made within 10 working days of being reported
Invoicing	Your invoice should be received within 3 days of delivery
Statements (for rent and product sales)	Within 5 days of month end
Direct Debits	A minimum of 4 working days notice of every DD charge to your account.



## GUIDE TO HYDES : WHY CHOOSE US?

### **BUSINESS SUPPORT**

We have one of the lowest ratios of Operations Managers (OM) to pubs in the country with each OM supporting no more than 20 tenancies.

To get you started and as part of our support package, we offer one year's free membership of the BII (British Institute of Innkeeping) who we work closely with on a regular basis to improve the support available to all operators.

In addition Hydes has some superb managed houses and therefore has many support departments available to tenants that other pub operators do not offer.

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### FREE STOCKTAKING

When you take on a site with Hydes we will pay for the cost of an external independent auditor to conduct 2 full stocktakes with you within your first three months with us. By sharing this information we can also provide advice on stock management and assist you with any teething problems associated with stock control. We also recommend that you employ the services of a stocktaker for your business.

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### PREFERENTIAL SUPPLIER RATES

Hydes operates around 60 pubs. As a result the Company is able to negotiate discounts from its suppliers that, in turn, can be passed on to you. Whilst the Company does of course seek only to source discounts from reputable suppliers used by managers and other tenants, it does not accept liability for any dissatisfaction. However we welcome tenants' feedback so that we can review the discount listings regularly.

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### BEER MARQUE

The key to consistently high quality draught products is cellar management. Beer Marque is an industry recognised award for beer quality. Many Hydes pubs have achieved this accolade and customers are now becoming increasingly aware of the award.

We are committed to supporting all tenants in achieving this accreditation and will fund the cost of any necessary training or equipment in your first year.

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### MARKETING SUPPORT

Hydes is committed to providing all tenants with a comprehensive package of promotional support throughout the year. These activities focus upon promoting and strengthening both the equity of the Hydes brand and the pub's competitive position within its local market.

### ***PLANNED PROMOTIONAL CALENDAR***

Hydes offer a series of brand-focused promotions on selected own brand and factored cask, keg and bottled products, which aim to have the following benefits for the tenant



## GUIDE TO HYDES : WHY CHOOSE US?

- Structured to build volume of the promoted product
- Increase traffic in-outlet and extend length of stay
- Increase turnover and profit
- Reward existing loyal customers and seek to 'recruit' new customers to your pub.

### ***HYDES BRANDS SUPPORT***

Hydes offers a useful support package for all own brand products (both cask and keg). Typically the support package for each brand will include branded Point of Sale (POS) material such as glassware, bar runners, posters and tent cards. Also for our core brands at least one consumer-focused promotion will be available each year.

### ***TAILORED HOUSE MARKETING SUPPORT***

We understand that every pub is different and therefore you may need marketing support to suit your individual requirements. This can be done in a number of ways:

- Your Operations Manager will always be happy to discuss ideas to increase sales within your pub. Remember, they get to see many different pubs and will often have seen tenants trying a variety of things to maximise sales.
- Alternatively you can contact a member of the marketing department who will be happy to support you in any way possible.
- This could include offering support for long term traffic building initiatives (such as local advertising or PR initiatives) or shorter term bespoke activities such as mini-beer festivals or charity days. Marketing will be happy to help with both planning and promoting these types of activity.

### ***POINT OF SALE (POS)***

Hydes has a range of attractive and functional POS material available to tenants including Drip Mats, Bar Runners, Drip Trays, Posters and Bar Towels.

Requests for POS material should be made via Telesales when placing your weekly product order. The items will be sent to you with your subsequent dray delivery.

Hydes branded glasses along with a range of factored brands' POS (Guinness, Stella Artois, etc) will also be made available at selected times.

Please note that all point of sale is subject to availability.



## GUIDE TO HYDES : WHY CHOOSE US?

### TRAINING

We are a **BII accredited training centre** and have received the highest gradings from the BII for the quality of our training; so it makes sense to secure your training through us!

Our scheduled courses are **free** to all employees and Hydes tenants (numbers permitting). Examples of courses (other than the pre entry training) are:

#### **Award in Beer and Cellar Quality**

This nationally accredited BII award is designed to help candidates ensure that their beer is consistently served in an optimum condition – which aims to increase sales and decrease wastage. It's a fun packed day at the Brewery enabling you to hone your beer skills and guarantee a perfect pint to your customer every time.

Takes 1 day.

Includes practical assessments and a 45 minute multiple choice examination.

#### **Conflict Resolution & Personal Safety**

This award has been designed in conjunction with conflict management specialists. Incidents of workplace violence can range from the relatively minor problems of people causing nuisance in a premises through unacceptable levels of swearing, to serious incidents involving physical abuse and damage to property.

Takes 1 day

Includes a short multiple-choice examination

#### **BESPOKE TRAINING**

Hydes can provide a training-needs consultation, helping you to plan your team's development. We can also give you guidance on how to gain any available government funding to supplement Hydes subsidized and free training courses.

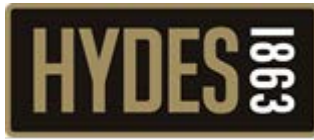
And if that's not enough we also design and deliver training courses which tackle your specific goals—and we would run these at your site too!

#### **ACCESS TO ONLINE TRAINING**

We partner with the Country's leading provider of elearning in our Industry, CPL, to provide you with access to online training for you and your staff. We pay half of the costs for this, with the cost to you being £125 a year.

### HEALTH AND SAFETY/FOOD SAFETY

As with any business there are a number of laws affecting licensed premises and the manner in which they are operated. There are some mandatory training requirements associated with Health and Safety which, if not in place, can result in tenants receiving financial and other penalties from various official bodies. We can provide guidance on all of these for you but ultimately the responsibility lies with the tenant.



## GUIDE TO HYDES : WHY CHOOSE US?

It is the responsibility of the tenant to ensure staff are trained to carry out safe working practices and that they are not put at risk of injury whilst working on the premises. Tenants must particularly ensure that they have fire risk assessments in place.

There is also a duty on the tenant to ensure the general public is not put at risk whilst visiting the premises. This incorporates Health and Safety, fire prevention and food safety (drinks and food).

The tenant is responsible for staff training in Health and Safety, pest prevention, preventing fires (e.g. good housekeeping), checking that any fire protection equipment installed such as extinguishers, alarms and emergency lighting are in working order and fire drills practised. In addition, you must ensure that fittings such as furniture, carpets, cooking equipment, cleaning equipment and chemicals do not present a safety risk to the staff or the public.

When running a food operation the tenant is responsible for complying with legislation governing food production.

The tenant must report any hazards or failings with respect to fixed services such as electrical and gas supply, water, drainage and extraction system or fire protection equipment to the Company.

Advice and information on Health and Safety and Food Safety can be provided by our in-house advisor on request.

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### PEOPLE

Below are outlined a number of employment laws that may affect you. Due to the ever-changing nature of these laws we would advise you to seek further advice on any individual issues that you may have.

- Equal Opportunities - You need to be aware of current anti-discrimination legislation and how to avoid breaking the law when advertising for jobs and interviewing people. The penalties for illegal discrimination can be severe.
- Disciplinary Procedures - You must operate within the guidelines set down by ACAS (Arbitration, Conciliatory Advice Service) to promote good relations with your staff and protect yourself from tribunal claims.
- Employee Rights - These concern your obligations including contracts of employment, maternity, paternity and parental leave.
- Young People - There are special laws designed to protect under 18's and ensure that they work in a safe environment suited to their capabilities.
- Working Time - These laws state
  - the maximum hours that staff can work
  - the minimum number of paid holidays that everyone is entitled to in a year
  - the breaks and rest periods that everyone is entitled to
- National Minimum Wage. You **MUST** pay your staff at least the appropriate rates. We are here to advise you if you need us.



## APPENDIX

### SCHEDULE OF RESPONSIBILITIES FOR REPAIRS

ITEM	ACTION	HYDES	TENANT
Airbricks	Replacement of Keeping clear	✓	✓
Air conditioning	Maintenance and repairs to Replacement or major repairs where life expired	✓	✓
Asphalt roofs	General repairs to	✓	
Audio systems			✓
Awnings and jumbrellas	Repair and replacement of fabric		✓
Back fittings	Formica and other repairs Decoration Replacement of life expired	✓ ✓	✓
Ball valves	Repairs Replacement	✓	✓
Beer ducts	Repairs to covers	✓	
Blocks	Concrete – for walls Wood – for floor/all repairs	✓ ✓	
Bollards	Around car parks	✓	
Boilers	Servicing/maintenance Replacement where life expired	✓ ✓	
Bottled cooling shelves & cabinets	Maintenance to Replacement where life expired		✓ ✓
Bulbs			✓
Burglar Alarms			✓
Car Parks	Major repair to Relining of and tidying and clearing weeds	✓	✓
Casement or sash windows	External repairs to Renew sash cords	✓	✓
Ceilings	Insulation of All repair to	✓	✓
Cellar	Cooling plant repairs to Decoration Flaps (external) repairs to Flaps (internal) repairs to Floors – repairs to Pitching blocks replacement Skids	✓ ✓ ✓ ✓ ✓ ✓	✓
Central heating	Pumps – repairs (including rewinds) Replacement where life expired	✓ ✓	
Cesspits and septic tanks	Regular emptying Repairs and renewals including media to		✓ ✓
Chimney	Pots replacement	✓	

## APPENDIX

ITEM	ACTION	HYDES	TENANT
	Pots replacement with proprietary brands to cure problems	✓	
	Sweep flues Stacks and liners	✓	✓
Circuit breaker		✓	
Cisterns	Cold water, replacement of Cold water, lagging of WC minor repairs to WC replacement when life expired WC ball valves, repairs to External tile hanging, repairs to External timber, repairs to	✓  ✓  ✓ ✓ ✓	 ✓ ✓  ✓
Concrete	High Alumina cement beams (External) – paving slabs, repairs Replacement and leveling Floor screeds – all repairs to	✓ ✓ ✓ ✓	
Condensation	Remedial work for (excluding chimneys when sealed)		✓
Convectors	Open fires, gas, electric – all repairs to		✓
Coping stones		✓	
Counters	Formica and other repairs to Decoration of	✓	✓
Coves	Repairs to <i>Note: replacement where life expired (see ceilings)</i>		✓
Cracks	In brickwork Minor, in plaster	✓	✓
Cylinders	Hot water, repairs to Hot water, replacement when life expired Hot water, lagging to	 ✓	✓ ✓
Cupboards and shelving	(Removable) repairs to (Fixed) repairs to		✓ ✓
Damp	Rising, remedial works	✓	
Damp courses	Repairs to	✓	
Decking	To roofs, repairs to	✓	
Decoration	Internal External	 ✓	✓
Doors	(External) repairs to (External) minor repairs to internal faces (Internal) repairs to Closers, repairs and renewals Ironmongery for, repairs and replacements Draught proofing Re-hanging	✓	✓ ✓ ✓ ✓ ✓ ✓
Double glazing	Repairs to and replacement of		✓
Downpipes	Repairs to Unblocking of		✓ ✓
Drains	Blockages to		✓



## APPENDIX

ITEM	ACTION	HYDES	TENANT
	Broken, repairs to Replacement of grease traps and gullies Jetting Manholes, repairs to	✓ ✓  ✓	✓
Draught proofing			✓
Dry rot	Repairs for	✓	
Drylining	For damp exclusion Against condensation For thermal insulation	✓	✓ ✓
Duck boards			✓
Electric under floor heating	All repairs to Wiring to night storage heaters	✓	✓
Electric heating appliances	All repairs to Wiring to night storage heating	✓	✓
Electric	Bulbs, fuses, testers, flexes, plug tops, switches etc. Wiring, switchboard, ring mains Emergency light fittings batteries Heat and smoke detectors	✓	✓ ✓ ✓
Fans	Extractor/intake repairs to and replacement when life expired		✓
Fascias	(External) repairs and replacement	✓	
Felt	For flat roofs, repairs and replacement	✓	
Fences, boundary	Minor repairs to Replacement when life expired	✓	✓
Fire Escapes	Fixed stairways, repairs to Folding ladders, repairs to	✓	✓
Fire Alarms	All repairs to		✓
Fire fighting equipment	All repairs to		✓
Fireplaces	Repairs to firebacks Repairs to hearths, mantles etc		✓ ✓
Fixed seating	Repairs and replacement		✓
Floodlighting	Replacement lamps and fittings Replacement wiring	✓	✓
Floor coverings	All repairs where loose laid or adhered (including cork tiles, thermoplastic tiles etc)		✓
Floors	Concrete screed, all repairs to Floor boarding, all repairs to Note: any replacement when life expired to be funded by company	✓ ✓	✓
Flues	Sweeping		✓
Foot rails	Repairs and replacements		✓
Foundations	Movement in and repairs to	✓	
Frost	Damage by/to pipes Protection against		✓ ✓
Furniture	All repairs to		✓
Furring of pipes		✓	

## APPENDIX

ITEM	ACTION	HYDES	TENANT
Gas	Piping, minor repairs to Replacement where life expired	✓	✓
Gardens			✓
Gates	(see fences)	✓	
Glass	All glass and mirror replacement		✓
Gutters	Unblocking Repairs to Decoration of	✓	✓ ✓
Hand rails	Repairs and replacement	✓	
Hardboard for flooring	Overlay to receive tenant's floor covering		✓
Hat and coat hooks			✓
Immersion heaters	Repairs and replacement		✓
Ironmongery for doors and windows	All repairs and replacements		✓
Joists	To roof, floors and ceilings (other than decorative raised floors)	✓	
Lagging	Of pipes		✓
Lifts and hoists	All minor repairs to Servicing/maintenance to Major repairs and replacement where life expired	✓	✓ ✓
Locks and latches	All repairs and replacements		✓
Manholes	(See drains)	✓	
Neon signs	All repairs and replacements		✓
Overbars	(As for counters and back fittings)	✓	
Painting	(See decoration)		
Parapets	All repairs	✓	
Parquet floors	All repairs to	✓	
Partitions	Blockwork and stud, all repairs to (other than plaster) Demountable and screens, all repairs to	✓ ✓	
Paving slabs	Trade garden/patio when owned by tenant		✓
Plaster	All repairs to	✓	
Plugs and chains			✓
Pointing		✓	
Pumps	Cellar, repairs to Cellar replacement where life expired Sewage, all repairs	✓ ✓	✓
Quarry tiles	All repairs to	✓	
Radiators	Repairing leaks etc Replacement where life expired	✓	✓
Rising mains	All minor repairs to Replacement where life expired	✓	✓
Roofing Roofing (flat)	All repairs to (Note: where damaged by dogs, traffic or slates, share responsibility)	✓	
Roof lights	Repairs to		✓

## APPENDIX

ITEM	ACTION	HYDES	TENANT
Roller shutters	(See counters, overbars)	✓	
Rubbish	Clearing away		✓
Sanitary fittings, sinks and basins	All minor repairs Replacement where life expired	✓	✓
Secondary lighting	(See electric)		✓
Screeds	(See floors)	✓	
Signs	All repairs and decoration Washing down Replacement tubes, bulbs, starters etc including internally illuminated signs	✓	✓ ✓
	Neon – all repairs	✓	
Skirtings	All repairs		✓
Slates	Replacement/repair (see roofing)	✓	
Sprinkler systems	All minor repairs Replacement where life expired	✓	✓
Sound insulation	All repairs		✓
Staircases	In situ, concrete or timber – all repairs All major repairs/replacements	✓ ✓	
Stages	All repairs		✓
Sumps	Cleaning out Replacement	✓	✓
Thermal insulation	All repairs to		✓
Thermostats	All repairs to and replacements		✓
Tiles	Roof (see roof)	✓	
	Tile hanging (see cladding)	✓	
Thrawls (stillions and gantries)	Minor repairs to Replacement where life expired Portable stillgates, all repairs to	✓	✓ ✓
Timber infestation	By woodworm or beetle	✓	
Toilet roll holder	Repairs and replacement		✓
Venetian blinds	All repairs		✓
Venetian grills	As part of extract system or air conditioning, all repairs to		✓
Walls	External, all repairs to Internal (see partitions), Cladding (see cladding)	✓	
Washups	(See sanitary fittings)		
WC's	(See sanitary fittings)		
Waterproofer	Application of silicone solution to walls	✓	
Wet rot	(See dry rot)		
Windows	Frames (external) – all repairs to	✓	
	Sills (external) – all repairs to	✓	
	Boards (external) – all repairs to		✓
	Casement or sash (see casements) Re-glazing		✓



## APPENDIX

ITEM	ACTION	HYDES	TENANT
	Metal, re-grinding and galvanizing or replacement	✓	
Woodworm	(See timber infestation)		
Yards	Concrete and bricks, all repairs to	✓	