



**GREENE KING**  
PUB PARTNERS

# GUIDE TO CHARGES



**ENTRY COSTS, ONGOING CHARGES,  
OCCASIONAL FEES AND HOW MUCH  
IT COSTS TO LEAVE YOUR PUB**

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# 1: INTRODUCTION

## 1.1: INTRODUCTION TO GREENE KING'S CHARGES

We're committed to ensuring that you are aware of all the costs we charge. To keep things simple, we have divided this document into sections: when you enter your pub, when you are operating your pub and when you leave.

### USING THIS DOCUMENT

Throughout these pages we have highlighted the difference between a Tenancy and Lease where relevant. We use the word Licensee to refer to both a Tenant and a Lessee. All costs are shown excluding VAT. VAT will be charged at the appropriate rate where applicable. Costs may change before a reprint of this document, we will ensure you are made aware of changes in writing.

#### TENANCY

Information for  
Tenancy Agreements.

#### LEASE

Information for  
Lease Agreements.

## 2: ENTRY COSTS

### 2.1: INTRODUCTION TO THE ENTRY COSTS YOU'LL NEED TO PAY

The entry costs will vary depending on the style and size of the pub and the type of Agreement you choose. The estimated entry costs are shown against the pub letting details on our website. Whilst not exhaustive, the list below shows the items that you will need to budget for:

- A deposit
- Agreement costs
- Stock plus fixtures and fittings you'll need to buy from the outgoing licensee
- Business advice and professional fees (Accountant, Solicitor, Surveyor, Stock-taker, Broker etc.)
- Moving costs
- Miscellaneous set-up costs, e.g. computer / internet access
- Working capital
- Marketing and printing costs
- Opening food stock
- Stamp Duty
- Annual Premises Licence fee
- PPL and PRS Licence fees
- Training
- Schedule of Condition

### 2.2: AGREEMENT COSTS

Agreement costs vary depending on the type of Agreement.

AGREEMENT TYPE	COST
Tenancy Agreement	£825
Lease Agreement	£995
Lease assignment / Assignment	£995
MRO Agreement	£995
One Year Agreement	£350
Tenancy At Will	£250
Licence to Occupy/Operator's Agreement (Scotland only)	£250
Deed of Variation	£395

In addition, where we incur Land Registry charges (or for Scottish properties, charges from the Books of Council & Session) to register an Agreement, we will pass these costs on to you.

### 2.3: PROPERTY COSTS

PROPERTY COSTS	COST
Schedule of Condition	£350
Schedule of Condition updates	£200

#### LEASE

You must arrange for your own full structural survey of the property to be carried out by a suitably qualified person. In addition, you should arrange for any associated supplemental specialist reports as recommended by your surveyor. These are anticipated to include an electrical survey, a video drainage survey and a mechanical/gas survey. Before completing the lease we will require evidence that you have undertaken this.

## 2.4: SECURITY DEPOSIT

A deposit is usually 25% of your annual rent and not less than £6,000. (One Year Agreements may vary).

## 2.5: VALUATION/BROKER'S FEES FOR INVENTORY

You must take professional advice when buying and selling Fixtures & Fittings. We recommend you use one of our licensed valuers and you will need to pay for a valuer's service for both yourself and Greene King.

## 2.6: TRAINING FUND

When you enter your pub, you must set up a Training Fund to cover your Compulsory and Induction Training. Costs are shown exclusive of VAT which will be charged where applicable. The minimum amount for Tenancy and Lease Agreements is **£800 + VAT**. Minimum for Local Hero Agreements is **£900 + VAT**. The Training Fund is non-refundable.

COURSE	COST
<b>Compulsory Training</b>	
APLH (Level 2 Award for Personal Licence Holders) or SCPLH (BII National Scottish Certificate for Personal Licence Holders)	£130 per person
APLH/SCPLH E-learning Module	£125 per person
Safe Start E-learning Module	£20 per person
PEAT (Pre-Entry Awareness Training) E-learning Module supplied by the BII	£75 per person – (paid directly to the BII)
Level 2 Award in Food Safety (if you are serving food) E-learning Module	£10 per person
<b>Induction Training</b>	
Cellar Management	£70 per person
Essential Finance	£100 per person
Retail Excellence	£125 per person
Go For Growth – Planning for Success (book for one person and a 2nd is FREE)	£200
<b>In-Pub Training – choose the level that's right for your business</b>	
Level 1:	£250: 1 day
Level 2:	£400: 3 days
Level 3:	£600: 3/4 days
Individually-priced courses	£200
<b>Development Training</b>	
Marketing Through Social Media	£125 per person
E-learning Modules	£10 per person

\*Please note that you may be charged for non-attendance on our courses.

## 2.7: PAYMENTS YOU'LL NEED TO MAKE IN ADVANCE

TENANCY	LEASE
<b>Rent</b> – Payable weekly in advance when you enter your pub.	<b>Rent</b> – Payable monthly in advance when you enter your pub. <b>Repairs Fund</b> – You will need to pay the first monthly amount in advance before you enter the pub (see above).

## 3: ONGOING COSTS

### 3.1: INTRODUCTION TO BANDED CHARGES

In addition to your rent, there are ongoing charges that you will need to pay to us. We're keen to make sure that we are open and straight forward about these. Our charges for your Maintenance and Service Agreement and Insurance are calculated on a banded basis, dictated by the size and trading style of your pub. Your Business Development Manager will confirm your banding details. This information will also be included in your Heads of Terms Offer Letter.

### 3.2: MAINTENANCE & SERVICE AGREEMENT

#### TENANCY

Your Maintenance & Service Agreement includes compliance, testing, repairs, servicing, and maintenance of major equipment. To see what's covered refer to your Maintenance & Service Agreement. This will normally be taken 4-weekly as part of your Direct Debit. (Lease Agreements do not pay this charge). Please note that the Maintenance & Service Agreement charges are subject to annual review. Some excesses may apply, please refer to the Maintenance & Service Agreement for details.

BAND	ANNUAL CHARGE
1	£1,795
2	£1,993
3	£2,193
4	£2,396
5	£2,659
Ex-Spirit Pub Company pubs	£1,591

**Please note:**

10% Excess applies for all boiler work undertaken by Greene King. We will also recharge the first £500 of any car park repair works. We will undertake any work requested by the you, but you will be recharged for anything that is your obligation under the Terms of your Agreement with us and is not included in your Maintenance & Service Agreement.

### 3.3: GREENE KING'S INSURANCE CHARGE

Greene King's Insurance Policy covers Property Damage to our buildings and/or our Fixtures & Fittings, also Loss of Greene King's Income (Business Interruption) including loss of rent, loss of bar/relage income, loss of machine income. For full details of Greene King's insurance and our price match policy, refer to our Guide to Insurance. Please note that insurance charges are subject to annual review. Your insurance charge will be provided as part of the pre-entry information we supply to you, and re-confirmed in your Heads of Terms letter.

#### ENGLAND

The insurance charge ranges from £720 - £10,880 per annum depending on size and style of your pub.

#### SCOTLAND

The insurance charge ranges from £570 - £9,380 per annum, depending on the size and style of your pub.

**Please note:**

The Licensee is responsible to pay £1,000 Excess for any insurance claim relating to the property.

### 3.4: AMUSEMENT MACHINES

Where a tied agreement for amusements machines is in place and a Category C and or D machine is on rental terms the supplier of the machine will pay a management fee to Greene King of up to £10.50 a week depending on supplier.

### 3.5: LICENSING CHARGE (ENGLAND)

Licensing costs are paid annually and recharged to you at cost when we receive an invoice from your Local Authority. Dates for this invoice may vary depending upon where your pub is situated and when the Local Authority charges us. Licensing costs are banded based on the Rateable Value of your pub. If you are unsure of your pub's Rateable Value, you can check this with your Business Development Manager. As legislation changes additional charges may apply.

RATEABLE VALUE	ANNUAL LICENSING CHARGE
£0 - £4,300	£70
£4,301 - £33,000	£180
£33,001 - £87,000	£295
£87,001 - £125,000	£320
£125,001 +	£350

**Please note:**

We may re-charge the cost of enforcement action eg. reviews, interview under caution and meetings with responsible authorities.

LATE NIGHT LEVY	ANNUAL LEVY CHARGE
<b>A:</b> Non-domestic rateable value up to £4,300	£299
<b>B:</b> Non-domestic rateable value up to £33,000	£768
<b>C:</b> Non-domestic rateable value up to £87,000	£1,259
<b>D:</b> Non-domestic rateable value up to £125,000 (a multiplier may apply which doubles the fee to £2,730)	£1,365
<b>E:</b> Non-domestic rateable value over £125,000 (a multiplier may apply which trebles the fee to £4,440)	£1,493

**Please note:**

Category D and E premises can have a multiplier applied to them if the premises are primarily or exclusively used for the sale of alcohol. As legislation changes additional or differing charges may apply. We will advise you of any changes in charges.

### 3.6: LICENSING CHARGE (SCOTLAND)

Licensing costs are paid annually and recharged to you. These costs are banded based on the table below. As legislation changes additional charges may apply.

BAND	ANNUAL LICENSING FEE
1	£180
2	£220
3	£280
4	£500
5	£700
6	£900

### 3.7: ONE-OFF CHARGES Occasional charges you may need to pay.

ITEM	COST
Deed of Variation	£395
Copy of Agreement	£150
Assisted Purchase administration fee	£150
<b>PROPERTY</b>	
Schedule of Condition re-inspection fee	£200
Licence to Alter	By application
<b>LICENSING</b>	
Designated Premises Supervisor / Manager (DPS/DPM)	£75 + Local Authority charge
Variations – minor	£350
Variations – major	£495 Note that additional charges will apply if application goes to a hearing
Premises Licence review	All associated costs will be recharged
Sewage Charge, if plant is on site (Tenancy Agreements only)	Cost varies depending on plant
<b>BREACHING PURCHASING OBLIGATIONS</b>	
Compensation (Liquidated Damages)	£200 per barrel
First breach, administration fee	£150
Subsequent breaches, including legal notice, fee	£350
Court Injunctions	All associated costs will be recharged
Tampering with flow monitoring equipment	All associated costs to re-instate equipment. And, maintenance call charges where access refused.
<b>NON-STANDARD DELIVERIES</b>	
Non-standard delivery	£40
Emergency Same Day Delivery	£100
Delivery Refusal	£65
Self-collection from depot (where available)	£15
<b>OTHER CHARGES</b>	
Beer Festival corkage charge	Min £45 per firkin
Authorised Guarantee Agreement Release Fee (Privity of Contract)	Charges will vary depending on the size and value of the business.
Bounced Direct Debit Payment	£50
Copy invoice charge	£5

### 3.8: CANCELLATION OF APPOINTMENTS

Where an appointment has been made to complete any work within the pub and access is denied, any abortive visit fees will be re-charged to you.

### 3.9: ITEMS YOU BUY FROM US

In addition to stock and other items you are obliged to buy from us under the terms of your Agreement, you may choose to buy other items from us. These could include:

- Marketing and promotional support (posters, leaflets, glassware etc).
- Branded items such as umbrellas and glasses etc.
- Training courses for yourself and/or your staff that are not covered by your Training Fund.
- Any repairs we make on your behalf.
- Food services.

## 4: EXIT COSTS

### 4.1: INTRODUCTION TO EXIT COSTS

When you leave your pub, there are costs that you will need to pay. These are different for Tenancy and Lease Agreements.

### 4.2: EXIT COSTS FOR TENANCY & ONE YEAR AGREEMENTS

TENANCY	
ITEM	CHARGE
Dilapidations surveyor costs	£495
Early surrender of Agreement – excluding 5 year Tenancy Agreement	Up to 1 year's rent and no less than 6 months' rent
Early surrender of Agreement Notice Fee – 5 year Tenancy Agreement only	3 months' head rent
Deed of Surrender	£150
Deed of Renunciation (Scotland only)	£150

In addition, where we incur Land Registry charges (or for Scottish properties, charges from the Books of Council & Session) to register a Deed of Surrender (or for Scottish properties, a Renunciation) we will pass these costs on to you.

### 4.3: EXIT COSTS FOR LEASE AGREEMENTS

LEASE	
ITEM	CHARGE
Dilapidations surveyor costs	£495
Assignment charge / Assignation	£895
Early surrender of Agreement	Up to 1 year's rent and no less than 6 months' rent
Deed of Surrender (upon request)	£550
Lease Agreement statutory certification review	£200

### 4.4: OTHER COSTS YOU MAY NEED TO PAY US WHEN YOU LEAVE

When you leave your pub, we will prepare a Schedule of Dilapidations, this details any repairs you need to make before you leave. If these are not completed when you leave your pub, we will deduct the cost for the repairs from your deposit. For more information about this, please see our information guide, section 9 Leaving Your Pub.

For Tenancy and Lease Agreements, you will be required to pay Greene King's costs for valuation and Broker's fees if we are buying the inventory from you.

We reserve the right to complete and charge for any statutory testing and remedial works that have not been completed when you leave.





# GREENE KING

PUB PARTNERS

## PUB PARTNERS PUBLINE

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Greene King Pub Partners is a trading division of  
Greene King Brewing and Retailing Ltd and of  
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Greene King group.

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