

# Surveys, contracts and legal matters.

Supporting you on your business journey.

If you've decided to set-up a business and you need premises to operate from, this is one of two short guides that will help you make the right property decisions.

Once you've found a property you think is suitable, getting expert advice can be essential. You'll want a surveyor to check the condition of the premises and be sure they are fit for business. You may want legal advice on the lease or on buying the property. Both surveyors and solicitors can negotiate on your behalf.

There are also various rules and regulations relating to your business premises that you may need to comply with.

This guide covers:

- The survey.
- Checking a lease.
- Additional costs.
- Health and safety.
- Access for people with disabilities.
- Insurance.
- Useful contacts.



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# The survey.

For your own peace of mind and the safety of others, you'll need to arrange a thorough survey of the structural state of the building and any work needed. Contact the Royal Institution of Chartered Surveyors for a list of surveyors in your area. You should also check:

- If the property has planning permission.
- What the property grading is and will it be possible to agree a change of use if you needed to. (Talk to the local town-planning officer about renovations).
- If the building has any history of subsidence or damp.
- If there is a history of flooding in the area.
- If the premises comply with health and safety and planning regulations?

You'll be at least partly responsible for making sure the premises are fit for business. If you're renting the property your landlord may share this responsibility.

# Checking a lease.

A solicitor can guide you through the small print of a leasehold contract. Important details to look for include:

- The length of the lease and who owns it?
- The terms of any break clause, which enables either party to terminate a tenancy before the end of the lease?
- Who is responsible for repairs and renewals?
- How often is the rent reviewed and can you negotiate a rent 'cap'?
- What will the service charges be?
- Do you have to give a personal guarantee?
- Can you reassign the lease if your business needs change?
- Are there any restrictive or unfair terms?

A solicitor or surveyor will also be able to suggest suitable break clauses or the right to sub-let.

## Additional costs.

Check for additional costs such as:

- Security.
- Cleaning.
- Maintenance.
- Local council business rates.
- Insurance.

These may all be part of a service charge. Increases in service charges can have a significant impact on your business finances. If the property is leasehold, the existing tenant could be a good source of information about service charges and whether the services the charge covers are provided efficiently by the landlord.

Find out if significant expenditure is required in the near future.

A solicitor or surveyor may be able to negotiate a cap on your service charge liability.

## Complying with the law.

### Health and safety.

The survey, as well as highlighting any costly structural problems, will assess whether the premises comply with health and safety and planning regulations.

Failure to meet health and safety regulations could result in hefty fines or your business being shut down. Regulations cover both the state of the premises and working conditions – specifically things like machinery safety, noise and fire procedures – as well as any specific rules that apply to your industry.

Your trade association or industry lobby group may well be able to offer advice, and the Health and Safety Executive [[www.hse.gov.uk](http://www.hse.gov.uk)] provides guidelines on specific working practices. For a comprehensive list of trade associations, go to [[www.taforum.org](http://www.taforum.org)].

Depending on the nature of your business, you may also want to consider taking advice on health and safety matters from a solicitor or your local fire safety officer.

If you have employees in an office or shop, you will need to register with your local council – normally the Environmental Health department. If you have a factory, you must register with the Health and Safety Executive.

### Access for people with disabilities.

You may also need advice on access for anyone with a disability who needs to come into your premises, including employees and customers. You can find out more about accessibility from the Equality and Human Rights Commission [[www.equalityhumanrights.com](http://www.equalityhumanrights.com)].

In fact, you can find advice and guidance on all aspects of human rights applicable to businesses – like the minimum wage and hours of work – as well as the rights of disabled people, on the Equality and Human Rights Commission's website.

## Insurance.

You are required to take out a number of different policies to safeguard your business. These include:

- Employer's Liability Compulsory insurance – to provide protection against your liability to your employees for injury or disease resulting from their employment.
- Public Liability insurance – to protect against claims from members of the public for injury sustained on your premises or as a result of your or an employee's activities.
- Insurance for the premises and equipment – if you lease your premises your landlord will normally be responsible for insuring the building, and your lease may include suspension of rent if something happens that prevents you from using the property.

## Useful contacts.

- Royal Institution of Chartered Surveyors (RICS) – [www.rics.org/](http://www.rics.org/) – a leading source of land, property, construction and related environmental knowledge.
- Lawyers for Your Business – [www.lfyb.lawsociety.org.uk](http://www.lfyb.lawsociety.org.uk) – a network of 1200 solicitor firms in England and Wales offering specialist advice to small and medium-sized businesses.
- My Business Rates – [www.mybusinessrates.gov.uk](http://www.mybusinessrates.gov.uk) – an online government information resource for business ratepayers.
- The 2007 Code for Leasing Business Premises – [www.leasingbusinesspremises.co.uk](http://www.leasingbusinesspremises.co.uk) – includes model terms designed to provide the basis for a fair lease.
- Business Link – [www.businesslink.gov.uk](http://www.businesslink.gov.uk) – a government site offering practical advice for businesses.
- British Chambers of Commerce – [www.chamberonline.co.uk](http://www.chamberonline.co.uk) – every chamber sits at the centre of its business community, providing services, information and guidance to its members.

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