



## Typical Heads of Terms: ECC Community Asset Transfer (Leasehold)

<b>Landlord</b>	Essex County Council
<b>Landlord's Agent</b>	
<b>Landlord's Solicitors</b>	
<b>Tenant</b>	
<b>Tenant's Solicitors</b>	
<b>Property</b>	The Demised Premises comprise.....as identified edged red on the attached plan
<b>Term</b>	(a) Leases <u>of up to 999 years</u> albeit that the expectation is most leases would be significantly shorter than this.(b) Lease to be contracted outside of the provisions of the Landlord and Tenant Act 1954
<b>Break Clause</b>	(a) periodic break clauses (potentially after 3 years and every five years thereafter). Each party could break the lease on provision of 6 months written notice.  (b) For the avoidance of doubt, ECC could seek to action the break clause if: <ul style="list-style-type: none"> <li>1) The organisation ceased to exist</li> <li>2) The organisation had its charitable status revoked</li> <li>3) The building was in an condition whereby the local building control had deemed it unsafe and our surveyors were not satisfied that appropriate corrective actions in place</li> </ul>
<b>Premium</b>	No premium will be payable upon grant of the lease
<b>Rent</b>	£1.00 (one pound) per annum, if demanded, for the duration of the term
<b>Use of property</b>	
<b>Repairs, Decoration and Maintenance</b>	The tenant will be required to keep the whole of the Demised Premises in good repair, decoration and maintenance at all times.
<b>Alterations</b>	(a) Non-structural alterations are permitted.  (b) All structural alterations are permitted with the prior written consent of the Landlord for which there will be a fee, such consent not to be unreasonably withheld or delayed
<b>Alienation</b>	(a) Subletting will only be allowed with the Landlord's prior written consent provided that the



	<p>undertenant will not have a right to renew its underlease when it ends and that no interest extends past the end date of the lease.</p> <p>(b) Assignment of the lease is permitted to other charitable organisations/third sector companies only with the prior written consent of the Landlord [for which there will be a fee], such consent not to be unreasonably withheld or delayed</p>
<b>Insurance</b>	<p>Tenant to be responsible for insuring the demised Premises for its full reinstatement value for the duration of the lease.</p> <p>A copy of the valid insurance certificate to be made available to the Landlord upon request.</p>
<b>Rates and utilities</b>	<p>Tenant to pay for all utilities, Rates, and any costs and expenses incurred or associated with their use and occupation of the premises.</p> <p>Note: If the Property is used wholly or mainly for charitable purposes, or the tenant occupying it is established for charitable purposes only, or is occupied by people administering a trust established for charitable purposes only, under current business rate rules the tenant should automatically be entitled to an 80% reduction on its business rates bill. The tenant will need to apply to the local authority to receive it. The local authority also has discretion to further reduce the rates.</p>
<b>Temporary lettings</b>	<p>The grant of licences, tenancy at wills, local hiring arrangement and private hiring arrangements will be permitted subject to the following conditions:</p> <ul style="list-style-type: none"> <li>• That the Demised Premises is not used for any illicit, immoral or political purposes</li> <li>• That the arrangements are not in contravention with any terms of the lease</li> <li>• That the Tenant retains ultimate control of and responsibility for the Demised Premises at all times</li> <li>• That the arrangements are of a temporary nature and no tenancies are created</li> <li>• That the Tenant uses any proceeds of such arrangements for furthering the objectives of the organisation</li> <li>• That the arrangements are consistent with the objectives of the organisation.</li> </ul>
<b>Compliance with Statute</b>	<p>The Tenant to be responsible for compliance with Statute</p>
<b>Funding</b>	<p>The Landlord will not provide any funding or dowry as part of this transaction</p>
<b>EPC</b>	<p>The Landlord will provide an Energy Performance Certificate (EPC) the costs of which are to be</p>



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	paid by the Tenant, whether the lease is concluded or not.
<b>Costs</b>	Tenant to pay the reasonable surveyors and legal fee for both parties  (ECC fees to be covered are not expected to be in excess of £1,500 excluding VAT but this figure is reviewable annually)
<b>VAT</b>	To be charged where appropriate