



## Typical Heads of Terms: ECC Community Asset Transfer

<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>	Essex County Council will consider granting leases of <u>up to</u> 999 years albeit that the expectation is most leases would be significantly shorter than this.  Lease to be contracted outside of the provisions of the Landlord and Tenant Act 1954
<b>Break Clause</b>	It is anticipated that the lease would include 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.  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 a 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>	Non-structural alterations are permitted.  Structural alterations are permitted with the prior written consent of the Landlord, such consent not to be unreasonably withheld or delayed
<b>Alienation</b>	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>Assignment of the lease is permitted to other charitable organisations/third sector companies where the new group meets all of the criteria in the policy (i.e. it must be the same financial standing as the original group). Assignment is subject to written consent of the Landlord, 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, associated with their use and occupation of the premises.</p> <p>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, the tenant will 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 the Demised Premises at all times</li> <li>• That the arrangements are of a temporary nature</li> <li>• That the Tenant uses any proceeds of such arrangements for furthering 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 recoverable from the Tenant</p>



<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)
<b>VAT</b>	To be charged where appropriate

DRAFT