



## Subject to Contract Heads of Terms

- Property : **Insert Address**
- Landlord : The Mayor and Burgesses of the London Borough of Camden
- Tenant : **Insert Name**
- Term of Lease : 3 - 20 years from **XXXX (agreed date) or from completion of lease**
- Rent Reserved : The commencing Rent will be **£XXXX** per annum exclusive. The Rent is to be paid quarterly in advance by direct debit.
- Rent Payable : The Rent payable may be discounted from the market rent (Rent Reserved under the lease) subject to the Tenant meeting the social outcomes expected by the Landlord (as set out in the Social Value Discount Framework) and the Service Level Agreement (SLA) signed and appended to the lease
- Rent Review : The rent will be reviewed to market rent at the end of every fifth (5th) year in an upwards and downwards direction. Any additional rent due will only be recovered for 6 months' prior to the date of the Rent Review Notice regardless of the due date of Rent Review.
- Landlord & Tenant Act : The lease to be excluded from the renewal provisions of the Landlord & Tenant Act 1954, Part II sections 24 – 28 (inclusive)
- Break Option (Tenant) : The lease to include an option for the Tenant to determine the lease by giving at least 6 months prior written notice at any time or 3 months prior written notice in the event of serious financial difficulty.
- Break Option (Landlord) : The lease to include options for the Landlord to determine the lease in the following circumstances:  
a) Intention to redevelop 36 months' notice  
b) Provision of suitable alternative accommodation 12 months' notice

c) Landlord's repairing liability exceeds the higher of £30,000 (increasing annually by RPI) or the annual rent before any discount (12 months' notice) OR where the structural integrity of the property is affected or other significant H&S risk (up to 6 months' notice)

d) Where a service commissioned from the Tenant by the council or other formal commissioning body ceases, 6 months' notice

e) Where the Tenant has not made appropriate changes as advised by the council in order to provide the social value outcomes required 12 months' notice

f) Where the Tenant's status 1) as a registered charity, CIC, CIO, etc or 2) by an official body e.g. CQC, Ofsted, is removed, 6 months' notice including safeguarding failings

In the case of circumstances at a) or c) the council will use all reasonable endeavours to re-provide suitable alternative accommodation within its own property portfolio to allow the provision of supported services to continue

Permitted Use : The Permitted Use will be [as specifically agreed with the tenant and limited to the proposed use]

This use will not be able to change without the Council's prior written consent.

Permitted Opening Hours : To be varied if specifics of the building and proposed use warrant

Planning : The Tenant should make their own enquiries as to the current lawful use of the premises and to establish that their own (intended) use complies

Insurance : The Landlord will provide building insurance and recover a premium from the Tenant. The Tenant should take separate insurance cover for stock, equipment, lighting and fittings, plate glass (for risks not covered by the Landlord's insurance) and for any other potential risks arising from any other activity at the premises. Please note that there is a current excess of £250.00 on all claims against the Landlord's building insurance.

Public Liability : Tenant to obtain and hold public liability cover to the value of at least £5 million

Repairs (Tenant) : The Tenant is to be responsible for all internal repairs, decorations, maintenance and compliance, including all

windows and doors both internal and external. The Tenant will also be responsible for all fixtures and fittings in the premises and all electrical, gas, water and sanitary services and installations and to ensure compliance with all current regulations and legislation. Also to be responsible for regular routine maintenance of all plant, equipment, installations and provide records of to the Landlord on request.

For the avoidance of doubt, ingoing / current Tenants take on the subject premises in the condition existing at the time of completion of the lease.

Repairs (Landlord) : The Landlord will be responsible for all external and structural repairs and maintenance the costs of which will not be recoverable from the Tenant.

In respect of high cost plant & machinery (net capital replacement cost (excluding labour) in excess of £5,000 adjusted annually by RPI) the Landlord will be responsible for replacement so long as the Tenant can show regular periodic maintenance records for the item.

Service Charge : The Tenant will, in addition to the annual rental, be required to pay the Landlord a proper proportion (to be settled by the Landlord) of the cost of repairing/maintaining, lighting and cleaning any part of the demise or any communal areas of the building/estate and of the cost of services used in common but not the exterior or structure of the Property.

A cap will be applied to the Service Charge payable of £7 psf, adjusted annually in line with RPI.

If the Tenant fails to carry out works or testing to ensure the property is compliant with Statutory Regulations and the Landlord is required to take action to ensure compliance the cost of such works or testing will be recoverable from the Tenant and will be charged in addition to the service charge capping provision.

Mains Services : The Tenant will be responsible for ensuring that the gas, electrical, water installations comply with all the appropriate regulations throughout the period of the lease. You will be responsible for providing the Council with all relevant test certificates in this respect. Please note that you should make all appropriate checks in respect of the condition of the ingoing services, as the Council does not indemnify you against any failure to confirm that these services are adequate for the use proposed.

- Alterations : No alterations will be permitted save for non-structural internal alterations with the Landlord's prior written consent.
- Trade Refuse Collection : The Tenant is responsible for making arrangements for the disposal of refuse which must be kept indoors until collection day. You should contact the Helpline Street Environment Services on 0207 974 6914/5.
- Alienation : No sub-letting will be permitted as of right. At the Landlord's absolute discretion subletting may be considered on the following basis:
- Part of the premises are physically suitable for a sub-let
  - No more than 25% of the total floor area
  - Excluded from the protection of the LL & T Act & terms agreed by the Landlord
  - A written request with reasons
  - Use to be ancillary / complementary to the main Property use or different purposes for the benefit of Camden residents.
  - If a rent discount is given on the main rent, then the discount is to be passed on pro-rata to sub-tenant less any appropriate management costs
- Hiring of space for less than a day at a time is permitted such that no exclusive possession given. Income to be reinvested into Tenant's primary services.
- Sharing of space may be permitted with the Landlord's prior approval on the following basis
- Less than 50% of the total floor area
  - For uses ancillary or complementary to the main Property Use or different purposes for the benefit of Camden residents.
  - The Landlord may require that a formal Licence be put in place. Document to be approved by the Landlord prior.
- Business Rates / Council Tax : You should verify for yourself with the Council's tax and business rates department (0207 974 6460) the figures payable figures for the subject premises.
- VAT and Stamp Duty Land Tax : If any VAT or stamp Duty Land Tax (SDLT) liabilities arise , these will be the responsibility of the tenant to pay. SDLT

calculations can be undertaken here:  
[www.tax.services.gov.uk](http://www.tax.services.gov.uk)

Credit Checks, References and Due Diligence : The Council reserves the right to undertake appropriate due diligence on the Tenant company, its Directors, Trustees and or persons with significant control for any purpose along with taking up references as may be reasonably required. Or they may require the Tenant to provide credit reports at the tenants expense. The Tenant shall co-operate fully with requests for information and associated documentation, failure to do so may delay or prevent the letting process.

Professional Advice : You are strongly advised to take your own independent legal advice.

RICS Code for Leasing Business Premises : The Royal Institution of Chartered Surveyors (RICS) has issued a Code of Practice for Leasing Business Premises which you may wish to refer to. This can be found at [https://www.rics.org/globalassets/code-for-leasing\\_ps-version\\_feb-2020.pdf](https://www.rics.org/globalassets/code-for-leasing_ps-version_feb-2020.pdf)

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