



## **Heads of Terms**

Between

**Discovery Educational Trust**

and

**[insert name of Provider]**

**Strictly Private & Confidential  
Subject to Contract**

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## SECTION 1 – THE PARTIES

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**Landlord:**

Discovery Educational Trust  
of  
St. Martin's House, St. Martin's School, Hanging Hill Lane,  
Hutton, Brentwood, Essex, CM13 2HG

Company Registration Number: 07638800

**Tenant:**

[insert name of provider]  
of  
[insert address of provider]

Company Registration Number: [insert number]

**SECTION 2 – TRANSACTION DETAILS**

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**Demised Premises:** The premises comprise the internal parts of the property shown [outlined in red] on the attached plan as well as any external outdoor areas which fall within the area [outlined in red] on the attached plan.

**Transaction:** A new Lease of the Demised Premises for a term of 25 years from the Lease Commencement Date, subject to the break options (see below).

The Lease will be excluded from the Security of Tenure and Compensation provisions of the Landlord & Tenant Act 1954 Part II.

The Lease will be an underlease granted out of a 125 year Lease of Hogarth Primary School made between (1) Essex County Council and (2) Discovery Educational Trust dated 31 August 2023 and so will contain appropriate provisions relating to that.

**Rent:** £20,000 per annum exclusive of VAT, subject to review (see below).

The rent includes the Tenant's contribution to the costs of maintenance of common items (for example maintenance of shared roof of the building), further details to be provided in the draft Lease.

The rent is to be paid monthly in advance.

**Rent Review(s):** There will be an upward only Rent Review upon each of the fifth, tenth, fifteenth, and twentieth anniversary of the Lease Commencement Date to either open market rental value or the rent increased by RPI whichever is greater

**Bank Guarantee:** None

**Lease Commencement Date:** The Lease Commencement Date will be the date upon which the Lease completes.

**Rent Commencement Date:** The liability for the payment of rent and all other payments due under the terms of the Lease will be from the Lease Commencement Date.

**Break:**

Mutual break right every five years, which is subject to not less than six months written notice and, in the event of the Tenant exercising break right, the Tenant must have paid all rents and provide vacant possession of the Demised Premises at the break date.

Landlord break right exercisable as follows:

1. in the event that the Tenant's annual funding contract with Essex County Council for the provision of FEEE places from the Demised Premises is terminated; and/or
2. if the Tenant's OFSTED rating falls to "Inadequate"; or
3. if the Tenant's OFSTED rating falls to "Requires Improvement" and is not, at least "Good" at the next inspection.

The Tenant will be responsible for:-

**Repair:**

- keeping the Demised Premises in good repair, condition and decorative order provided that the Tenant shall not be required to put the Demised Premises in any better state of repair and condition than as evidenced by a Schedule of Condition.
- keeping the external areas of the Demised Premises in good repair, condition and decorative order provided that the Tenant shall not be required to put the Demised Premises (including but not exclusive to, fences, play equipment, sheds, storage, surfaces of playing areas and shading canopies) in any better state of repair and condition than as evidenced by a Schedule of Condition.
- the Landlord will produce a Schedule of Condition which will be appended to the Lease.
- not allowing to be passed into any service media any noxious or deleterious effluent or other substance, which will, or may, cause an obstruction in or injure or damage the service media and in the event of any such obstruction, injury or damage, to make good any such damage to the reasonable satisfaction of the Landlord. Damage to the service media to be reported to the Landlord.

**Insurance:**

The Tenant to effect or cause to be effected throughout the term a Public Liability Insurance of no less than Ten Million Pounds (£10,000,000) in relation to any one claim or series of claims arising.

The Tenant to effect or cause to be effected throughout the term Employer's Liability Insurance of no less than Ten Million Pounds (£10,000,000) in relation to any one claim or series of claims arising;

The Tenant to effect or cause to be effected throughout the term Professional Indemnity Insurance with an indemnity limit of One Million Pounds (£1,000,000);

The Tenant to arrange contents insurance (including items provided by the Landlord and alarm systems and phone lines).

The Landlord is required to effect buildings insurance for the Hogarth Primary School pursuant to the 125 year Lease of the School site from Essex County Council.

**Rates and Outgoings:**

The Tenant will be responsible for the payment of all rates, taxes, assessment, impositions, duties, charges, outgoings and utilities including electric, gas, phone/broadband/internet lines/equipment including the standing charges in respect of the Demised Premises.

Where charges exist, they will either be billed at the actual meter rate for the Demised Premises or at a rate of 6% of the total school costs based on estimated usage by the Demised Premises.

**Statutory Compliance**

The Tenant will be responsible for complying with all statutory obligations (including those for Planning and Health & Safety) for the Demised Premises and their use of the Demised Premises.

The Tenant will provide the Landlord with evidence of compliance when requested. Any non-compliance can be rectified by the Landlord and recharged to the Tenant.

For clarity, the Tenant is responsible for (if applicable, including, but not limited to) the :-

Annual fire alarm test;  
Annual water tank test;  
Six monthly emergency lighting tests;  
Annual (or as required) Fire Risk Assessment (FRA) and reviews and to undertake any recommendations;  
Five yearly electrical systems and lightning protection testing;  
Annual asbestos management survey and production of an asbestos management plan to effectively manage site-specific risk;  
Inspection of all lifting equipment in accordance with current regulations;  
Inspection of edge protection in accordance with current regulations;  
Annual test and inspection of lightening protection;  
Weekly fire alarm call point/sounder testing;  
Firefighting equipment inspections;  
Repair and replacement of fire alarm, fire detection, fire prevention and firefighting equipment;  
Maintenance of evacuation chairs in accordance with current legislative guidelines;  
Monthly emergency lighting tests;  
Testing of water at the premises in accordance with the ACOP L8. Frequency will be defined within the site-specific Risk Assessment;  
Completion of any actions as defined within the asbestos management plan;  
Works having a material impact on electrical installation;  
Portable appliance testing in accordance with current regulations and guidance;  
Monthly testing of panic alarms;  
Monthly testing of disabled toilet alarms;  
Monthly provision of meter readings;  
Fire Drills (see FRA for guidance and frequency);  
Compliance with any recommendations or requirements defined within FRA;  
Provision of sufficient Fire Marshalls in accordance with legislative guidelines;  
Maintenance of electrical equipment in good repair and the reporting of all faults in a timely manner.

- Alterations:** Structural and/or external alterations are prohibited.
- Internal non-structural alterations permitted with Landlord's consent.
- Upon each application for alteration, the Tenant will provide the Landlord with drawings and specifications for approval.
- Alienation:** Not to assign, underlet, share occupation or part with possession or charge any part or whole of the Demised Premises.
- User:** The Tenant shall use the Demised Premises for the purpose of a fully inclusive full day care provision for children from two years;
- Flexible provision of FEEE2 places for eligible two-year olds;
  - Flexible provision for two-year olds of eligible working parents/carers;
  - Flexible provision of FEEE places for three and four-year olds (universal offer);
  - Flexible provision of EFE places (30 hours) for three- and four-year olds of eligible working parents/carers; and
  - if requested by the Landlord, wrap-around childcare (breakfast club, after-school club and all-year holiday provision) for school-aged children
- Access:** To permit the Landlord and all authorised personnel at reasonable times (except in an emergency), and on reasonable notice, to survey, inspect or repair the Demised Premises.
- To permit the Head Landlord (Essex County Council) to use the Demised Premises on reasonable prior notice as a voting station.



**Other:**

The Landlord is under no obligation to provide the Tenant with alternative accommodation at the termination of this Lease.

## SECTION 3 – OTHER MATTERS

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<b>Rights:</b>	<p>Right to pass and repass to and from the Demised Premises on foot along the agreed route, shown brown on the attached plan.</p> <p>Free passage of water, soil and electricity to and from the Demised Premises from the Landlord's property.</p> <p>Vehicle access to the Demised Premises will be permitted out of school hours by agreement with the Landlord. A designated vehicle route will be identified by the Landlord.</p> <p>The Tenant will have access to two designated parking spaces within the Landlord's car park.</p> <p>Right to erect a sign on the Landlord's property, facing Riseway, appropriate to the permitted use, subject to complying with the requirements of the 125 year Lease.</p>
<b>Other:</b>	<p>The Tenant to clear ice and snow from access ways within the Demised Premises in adverse weather.</p> <p>Refuse is to be disposed of by the Tenant in the waste bins provided by the Landlord in the areas designated by the Landlord from time to time.</p> <p>The Tenant will ensure that all staff working at the Demised Premises have Enhanced DBS Certificates (to include Children's Barred List detail) in line with statutory regulations, the detail of which will be provided to the Landlord on the Lease Commencement Date and thereafter as soon as staffing changes are made.</p>
<b>Professional Costs:</b>	<p>Each party will bear their own costs.</p>
<b>VAT:</b>	<p>Rent not be subject to VAT.</p>
<b>Timetable:</b>	<p>Lease to be completed as soon as possible in readiness for the Tenant to be in occupation of the Demised Premises for the commencement of the academic year 2024/25.</p>

## SECTION 4 - CONDITONS

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- Landlord's Conditions:**
- i) Subject to Contract.
  - ii) Subject to Landlord's Approval.
  - iii) Subject to Essex County Council Approval as Superior Landlord
  - iv) Subject to DfE/ESFA Approval.

- Tenant's Conditions:**
- i) Subject to Contract.
  - ii) Subject to Tenant's Approval.

**Confidentiality:** The Parties agree that the terms of this transaction shall remain confidential between the Parties and any press release shall be agreed prior to circulation.

- Notes:**
- i) This Memorandum of Letting is not intended to be legally binding.
  - ii) The plan attached to this Memorandum of Letting has been attached for illustrative purposes only and has not been based on the plans contained in the title deeds to the Demised Premises.

## SECTION 5 – ADVISERS

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**Landlord's Solicitor:**

VWV  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

FAO: Robin Rajanah, Partner  
Tel: 07880 315872  
Email: rrajanah@vww.co.uk

**Tenant's Solicitor:**

TBC

FAO:  
Tel:  
Email:

## SECTION 6 - CIRCULATION

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**Copies to:** Landlord  
Tenant  
Landlord's Solicitor  
Tenant's Solicitor

**SECTION 7 – DEMISED PREMISES PLAN**

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