



**Lambert
Smith
Hampton**

www.lsh.co.uk

Heads of Terms Proposal

Between

Essex County Council

and

XXX

Prepared by
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Lambert Smith Hampton
Greenwood House, New London Road,
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Tel: 01245 215 521

Date:

Ref: SG100317

**Strictly Private & Confidential
Subject to Contract**

- Section 1:** The Parties
- Section 2:** Transaction Details
- Section 3:** Other Matters
- Section 4:** Conditions
- Section 5:** Advisors
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- Section 7:** Demised Premises Plan



SECTION 1 – THE PARTIES

Landlord: Essex County Council
of
County Hall,
Chelmsford,
Essex
CM1 1LX

Tenant:

Co Registration No: ()



SECTION 2 – TRANSACTION DETAILS

Property:	The site edged red on the attached plan L1117 (C) with pedestrian access shown shaded in brown.										
Demised Premises:	The premises comprises of a purpose built nursery building and external areas as shown outlined in red on the annexed plan with access. (L1117 (C)). For information the demised area is 2,142 sqft NIA										
Transaction:	A New Lease of the Demised Premises for a term of 25 years.										
	The Lease will be excluded from the Security of Tenure and Compensation provisions of the Landlord & Tenant Act 1954 Part II.										
Rent:	Stepped rent: <table><tbody><tr><td>Year 1</td><td>£7,650</td></tr><tr><td>Year 2</td><td>£10,700</td></tr><tr><td>Year 3</td><td>£15,300</td></tr><tr><td>Year 4</td><td>£18,350</td></tr><tr><td>Year 5</td><td>£21,400</td></tr></tbody></table>	Year 1	£7,650	Year 2	£10,700	Year 3	£15,300	Year 4	£18,350	Year 5	£21,400
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Year 2	£10,700										
Year 3	£15,300										
Year 4	£18,350										
Year 5	£21,400										
	The rent is to be paid quarterly in advance on the usual quarter days.										
Rent Review(s):	There will be an Upward Only Rent Review upon each fifth anniversary of the term to either open market rental value or RPI which ever is greater (taking into account offering of Funded Early Education Entitlement Places as per the user clause).										
	On the same dates as the Rent Review, the Landlord may choose to review the Service Charge.										
Rent Deposit:	To be confirmed – Possible 3 months rent deposit										
Bank Guarantee:	To be confirmed										
Lease Commencement Date:	As soon as possible.										
Rent Commencement Date or Incentives:	The initial rent reserved under the lease will commence on the date of occupation. The liability for all other payments due under the terms of the Lease will be from the Lease Commencement Date										



Break:

Mutual Break Clause every 5 years which is subject to not less than six months written notice.

In addition to the above, in the event that the Tenant has been unable to secure an OFSTED registration that is "good" or "outstanding" (or equivalent) within 30 months of the date of this Lease, or if during the term of this Lease the Tenant's OFSTED registration falls below a "good" (or equivalent) rating the Tenant must immediately notify the Landlord and provide the Landlord with a copy of the OFSTED report (in the event that there has been an OFSRED registration). If any OFSTED requirements to improve such rating to a "good" (or equivalent) or above are not dealt with within a reasonable period of time (such time to be determined at the absolute discretion of the Landlord) to the satisfaction of the Landlord then the Landlord can determine this Lease on giving no less than one month's prior written notice to the Tenant.

Repair:

The **Tenant** will be responsible for:-

Keeping the interior for the Demised Premises in good and substantial repair, condition and decorative order at all times to the reasonable satisfaction of the Landlord (including windows, window frames, doors and door frames).

The **Landlord** will be responsible for the maintenance of any conducting service media that serves the building. The Tenant will be responsible for all service media that exclusively serves the demised premises.

Keeping the external areas of the demised premises in good repair and condition to include but not exclusive to fences, play equipment, sheds and storage & shading canopies. At all times to the reasonable satisfaction of the Landlord.

To repair and maintain all security systems including keys, alarms, locks, electronic key and access pads, the cost of which may be taken from the service charge.

Not to allow to pass into the Pipes any noxious or deleterious effluent or other substance which will or may cause an obstruction in or injure or damage the Pipes and in the event of any such obstruction, injury or damage, to make good any such damage to the satisfaction of the Landlord structural damage to drains and drainage pipes to be reported to the Landlord.



Insurance:

The Landlord to effect buildings insurance and Landlord can self insure with a notional premium to be recovered from the Tenant. There will be a minimum of a £500 excess on each and every claim

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).

To arrange contents insurance (including items provided by the Landlord and alarm systems and phone lines)

To insure any plate glass against breakages/damage and to reinstate as soon as possible

To insure against any damage to the security and alarm systems

Rates and Outgoings:

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

In addition to the above, an annual contribution will be applicable depending on site specific arrangements such as maintenance of shared access roads, grounds maintenance and for utilities including electric, gas, water/sewerage with standing charges.



Statutory Testing

The Tenant will be responsible for complying with all statutory obligations (including those for Planning and Health & Safety) for 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 (including but not limited to) the :-

Annual Fire Alarm test – to be carried out by an Agent of the Landlord.

Annual gas boiler safety check – to be carried out by an Agent of the Landlord.

~~Annual Water tank test – there is no water tank.~~

Six monthly Emergency Lighting Tests - to be carried out by an Agent of the Landlord.

Annual (or as required) Fire Risk Assessment and reviews and to undertake any recommendations.

Five yearly electrical systems and lightning protection testing – to be carried out by an Agent of the Landlord.

~~To undertake an Asbestos Management Survey and produce and Asbestos Management Plan to effectively manage site specific risk – Post 2000 construction: no risk of asbestos~~

~~Inspection of all lifting equipment in accordance with current regulations – There is no lifting equipment.~~

~~Inspection of edge protection in accordance with current regulations – There is no fixed edge protection system.~~

~~Annual test and inspection of lightning protection – There is no lightning protection on the building.~~

Inspection of all pressure systems in accordance with current regulations – to be carried out by an Agent of the Landlord.

Weekly fire alarm callpoint/sounder testing.

Fire Fighting equipment inspections.

Repair and replacement of fire alarm, fire detection, fire prevention of fire fighting equipment.

~~Maintenance of evacuation chairs in accordance with current legislative guidelines.~~

Monthly emergency lighting tests



Statutory Testing Cont'd:

Tenant responsibilities Cont'd

Testing of Water at the premises in accordance with the ACOP L8. Frequency will be defined within the site specific Risk Assessment

~~To undertake any actions as defined within the Asbestos Management Plan~~

Annual gas appliance inspections- to be carried out by an Agent of the Landlord.

All 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

To comply with actions as defined in the Asbestos Management Plan

Keep electrical equipment in good repair and report all faults in a timely manner.

Alterations:

There will be a complete prohibition on Structural alterations or additions.

Non-Structural alterations or additions will be subject to Landlords Consent not to be unreasonably withheld.

Upon each application for alteration the Tenant will provide the Landlord with drawings and specifications for approval.

Aerials – not to erect any pole, mast or wire (whether in connection with radio, television and/or mobile phone) without the Landlords prior written consent.



Alterations Cont'd..

Signs – not to affix/exhibit on the outside of the premises any placard, sign, notice, fascia, board or advertisement without the Landlord's prior written consent and subject to the Tenant obtaining and complying with Planning requirements and consents and confirmation that the works do not invalidate warranties.

Landlord's Regulations:

The Tenant will comply with any Regulations which may at any time be imposed by the Landlord, or its acting surveyors and/or solicitors, regarding the Demised Premises, common areas and retained areas.

Alienation:

Not to assign. (FEEE Contract)

Not to underlet or charge whole or any part of the Demised Premises

Not to part with possession of whole or any part of the Demised Premises

Not to permit another to occupy whole or any part of the Demised Premises.

User:

The Tenant shall use the Demised Premises for the purpose of a Full Day Care facility for children to include offer of the Funded Early Education Entitlement for eligible 0 to 4 year olds in accordance with Class E(f) of the Town and Country Planning (Use Classes) Order 1987 as at 1st September 2020 or as amended by any subsequent legislation and the provision of ancillary services consisting of breakfast club, after school club and holiday club if required.

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 Landlord and their contractors on reasonable notice permission to enter the Demised Premises to undertake checks for compliance of statutory testing obligations.

Access to Tenant

There is only pedestrian access to site shown shaded in brown

Retained Land

The remainder of the premises known as the All About Centre.

Car Parking:

There is no private car parking available on the site of the All About Centre.

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

Other:

The Tenant to clear ice and snow from access ways on the site in common with other occupiers of the building in adverse weather.



SECTION 3 – OTHER MATTERS

Rights: Free passage of water soil and electricity to and from the Demised Premises if such services pass through any land retained by the Landlord.

Right of support from adjoining parts of the Demised Premises to the demised premises.

Rights Reserved: ECC reserves the right to connect into, use and lay new service media for the benefit of any Retained Land together with all ancillary rights of access, inspection, support and if necessary maintenance and repair.

Other: There will be a requirement for the provider to submit an application to Early Years at Essex County Council prior to confirmation of the lease offer and for the Tenant to confirm agreement with these terms.

Legal Costs: Each party to be responsible for their own legal costs and other professional costs incurred in the transaction.

VAT: Rent, insurance and service charges may be subject to VAT at the prevailing rate.

Timetable: For the avoidance of doubt no access can be granted without completion of the Lease.



SECTION 4 - CONDITIONS

Landlord's Conditions: i) Subject to Contract.
ii) Subject to Landlord's 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 Property. Lambert Smith Hampton does not warrant the accuracy and/or correctness of the attached plan and it is recommended that the Tenant inspect the title deeds in order to obtain an accurate and correct plan of the Property.



SECTION 5 – ADVISORS

Landlord's Solicitor: Essex Legal Services
Seax House
Victoria Road South
Chelmsford
Essex, CM1 1QH

FAO:
Tel:
Email:

Landlord's Agent: Lambert Smith Hampton
Greenwood House
91-99 New London Road
Chelmsford
Essex, CM2 0PP

FAO: Julia Martin
Tel: 01245 215521
Email: jmmartin@lsh.co.uk

Tenant's Solicitor:
FAO:
Tel:
Email:



SECTION 6 - CIRCULATION

Copies to:

Landlord
Tenant
Landlord's Solicitor
Landlord's Agent
Tenant's Solicitor



SECTION 7 – DEMISED PREMISES PLAN

