

## HEADS OF TERMS – subject to contract & without prejudice [4 pages]

Date: 17.01.2025 – a

1. **Where a party is unrepresented, they are recommended to obtain the appropriate independent legal and professional advice/representation.**
2. **No binding agreement/contract or obligation is intended to be or is created by these heads of terms and any subsequent variation/amendment.**
3. **These heads of terms and any subsequent variation or amendment are confidential to the parties and their professional advisers or representatives.**

### Transaction – New Lease

*For discussion purposes and for negotiation of terms for*

1. *Grant of a new lease*
  - *in order for a Tenant to occupy/continue occupation.*

### Parties/Property Details/Representatives

#### Subject to Contract

1      **LANDLORD:**                      Bath & North East Somerset Council  
The Guildhall, High Street, Bath BA1 5AW

2a     **TENANT:**                              Fairfield House Bath CIC  
[CN: 11901221]  
Fairfield House  
2 Kelston Road  
BATH  
BA1 3QJ

2b     **GUARANTOR:**                      N/a

3      **PROPERTY &  
DEMISED PREMISES:**              the premises situated at

Fairfield House  
2 Kelston Road  
Bath  
BA1 3QJ

&

27 Burleigh Gardens  
BA1 3RR

The demise area to be identified on an attached plan.

*The demise area to be identified on a plan attached to lease.  
[indicative plan attached].*

4      **ADDITIONAL RIGHTS**              Such additional rights as may be granted by the Landlord for the use and enjoyment of the premises and the reservation of any necessary rights for the Landlord for itself and any retained land. [including access to the premises via Partis Way]

The Landlord may from time to time make regulations for the

use, enjoyment, and occupation of the Property which the Tenant will be required to observe.

<b>5</b>	<b>TENURE:</b>	Leasehold
<b>6</b>	<b>1954 ACT</b>	The lease is to be <b>outside</b> the security of tenure provisions of the Landlord & Tenant Act 1954 [as amended].
<b>7</b>	<b>LEASE TERM:</b>	A term of years to expire on 28.09.2028 [ca 4 years].
<b>8a</b>	<b>BREAK OPTION TENANT:</b>	As per existing lease. Written notice after six months from commencement date on one months notice.
<b>8b</b>	<b>BREAK OPTION LANDLORD:</b>	Not applicable.
<b>8b</b>	<b>BREAK FEE:</b>	N/a
<b>9a</b>	<b>INITIAL RENT:</b>	An annual rent of <b>£93,600</b> pax.  [The annual rent will be abated to £1,200 to be paid by the tenant and personal to Fairfield House CIC and subject to observance of the lease terms and partnership agreement] <ul style="list-style-type: none"><li>• payable quarterly in advance on usual quarter days.</li><li>• the rent is exclusive of VAT and other outgoings.</li><li>• The rent will be paid by direct debit or other method acceptable to the landlord for payment.</li></ul>
<b>9b</b>	<b>RENT COMMENCEMENT:</b>	08.10.2024 or date of lease whichever is the earlier.
<b>9c</b>	<b>RENT DEPOSIT:</b>	N/a
<b>10</b>	<b>RENT REVIEW:</b>	n/a
<b>11</b>	<b>REPAIRING OBLIGATIONS</b>	<ol style="list-style-type: none"><li>The Tenant will be responsible for keeping the interior of the property in repair and maintaining the demised property where the landlord has no responsibility.</li><li>The landlord will have no repairing obligations other than<ul style="list-style-type: none"><li>• Keeping wind &amp; watertight</li><li>• any common parts or services with other council land/property.</li></ul></li><li>The tenant will ensure the property is compliant with any statutes, regulations and laws relating to the use and condition of the Property.</li></ol>
<b>12</b>	<b>ALIENATION:</b>	<ol style="list-style-type: none"><li>As per existing lease.</li><li>The tenant is not permitted to assign or underlet the whole of the demised premises.</li><li>The tenant is not permitted to assign, underlet or share any part of the demised premises.</li><li>The Tenant will be permitted to share or licence occupation or hire out rooms to community groups providing no relationship of landlord &amp; tenant is created.</li></ol>

		v. The Tenant will provide the landlord from time to time and no often than once every three months provide upon written request a schedule or list of occupiers and controlling person/manager.
<b>13</b>	<b>ALTERATIONS:</b>	<ul style="list-style-type: none"> <li>i. Generally as per the existing lease.</li> <li>ii. The tenant will not carry out any structural, external or any other alterations whatsoever.</li> <li>iii. The tenant will not carry out any internal and non-structural alterations without the Landlords prior written consent NTBUW.</li> </ul>
<b>14</b>	<b>USER:</b>	<ul style="list-style-type: none"> <li>i. Fairfield House – as per existing lease - a community office/benefit, ancillary offices and catering.</li> <li>ii. 27 Burleigh Gardens – short term residential on appropriate agreement, therapy – not to be used as a main or principal private residence.</li> </ul>
<b>15</b>	<b>SIGNAGE:</b>	Subject to the landlord's prior written approval the Tenant may place a sign with its business name in the main entrance. Where a sign is not approved the landlord may remove without any notice or compensation.
<b>16</b>	<b>LANDLORDS SERVICES:</b>	None.
<b>17</b>	<b>BUILDING INSURANCE:</b>	<ul style="list-style-type: none"> <li>i. The landlord will insure the building [property owners insurance].</li> <li>ii. The Tenant is to be responsible for insuring its own activities and equipment.</li> <li>iii. The Tenant is to reimburse landlord's premium paid.</li> <li>iv. The tenant will pay a contribution of £2,000 per annum towards the costs/premium of insurance.</li> </ul>
<b>18</b>	<b>UTILITIES:</b>	<ul style="list-style-type: none"> <li>i. The tenant is to observe any requirements of the utility suppliers for the Property.</li> <li>ii. The tenant to pay direct to the suppliers any utility services provided or to reimburse or indemnify the landlord for any utility costs paid in respect of the Property.</li> </ul>
<b>19</b>	<b>PLANNING:</b>	<ul style="list-style-type: none"> <li>i. As per existing lease;</li> <li>ii. The tenant to satisfy itself regarding any planning issues.</li> <li>iii. The tenant is not to apply for planning permission without landlords consent.</li> </ul>
<b>20</b>	<b>RATABLE VALUE:</b>	The tenant is to make own enquiries, however, it appears the property is incorrectly assessed for domestic use rather than non-domestic or commercial use [offices].
<b>21</b>	<b>BUSINESS RATES/COUNCIL TAX:</b>	The Tenant is to pay any business rates/taxes and Council Taxes payable in respect of the premises or to indemnify a proportionate part of the Rates/taxes for the whole property as determined by the landlord where the landlord pays.
<b>22</b>	<b>VAT:</b>	The Property has not been elected for VAT.
<b>23</b>	<b>STAMP DUTY:</b>	Payable by tenant [if any].
<b>24</b>	<b>EPC</b>	<p>The EPC Rating is:</p> <ul style="list-style-type: none"> <li>• Fairfield House : -E-, [XP-08.12.2029]</li> <li>• 27 Burleigh Gdns: -E- [XP-25.03.2030]</li> </ul>

- i. The parties will share any environmental performance data they hold on an annual basis.
- ii. The tenant will not carry out any works to the property, plant and equipment or services within or serving the property which may adversely affect the environmental performance of the property and/or EPC values.
- iii. The tenant must not commission an EPC without the prior consent of the landlord and that an approved assessor chosen by the landlord will be appointed at the expense of the tenant.
- iv. The tenant is to bear the cost of an EPC when fitting out or altering or yielding up the property.
- v. In the event of a breach of the above the tenant will return the property to the landlord with the same EPC rating.

**25 OTHER TERMS**

- i. In accordance with the landlord's standard lease for this Property type and in accordance with the existing lease.
- ii. Partnership Agreement dealing with matters such as;
  - Business plan
  - Finance and funding applications and arrangements with funding organisations for
    - taking on complete responsibility for the Property [which would include the accessway]
    - Payment of the landlords professional costs for a longer lease.
    - Other matters, whether property or business plan related.
  - Grant or other Council assistance with the transfer of utilities, NNDR/Council Tax and other outgoings over to the Tenant/occupier and grant or other assistance with defraying the occupation costs/expenses in any transition short term period.
- iii. Community Asset Transfer requirements.

*Subject to*

**26 CONDITIONS:**

- i. Subject to Contract/Lease.
- ii. Subject to Cabinet/Senior Officer approval
- iii. Early completion of the lease and as soon as possible.
- iv. Renewed and updated Partnership Agreement

**27 LEGAL AND PROFESSIONAL COSTS:**

Each party bear their own costs in the granting of the new lease.

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**Parties Advisors/Representatives**

- A LANDLORDS SOLICITOR:** Legal Services  
Bath & NE Somerset Council  
  
FAO: tba  
Tel:  
Email:
- B LANDLORDS SURVEYOR:** Gwynne Davies  
Interim Senior Estates Surveyor  
Estates/Property Services  
Bath & North East Somerset Council  
  
Contact: Gwynne Davies [Ref: J040 & J041]  
Tel: [REDACTED]  
Email: gwynne\_davies1@BATHNES.GOV.UK
- C TENANTS SOLICITOR:** Stone King  
Upper Brough Court  
Bath  
BA1 1RG  
  
FAO: [REDACTED]  
Tel: [REDACTED]  
Email: [REDACTED]@stoneking.co.uk
- D TENANTS SURVEYOR/Agent:** [REDACTED]  
Directors  
Fairfield House CIC  
  
Tel: [REDACTED]  
Email: [REDACTED]

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