

## **PARTNERSHIP AGREEMENT HEADS OF TERMS**

### **Subject to Contract and Without Prejudice**

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.

**DATE:** 01.10.2024 - a

**DOCUMENT:** Partnership Agreement [for new lease]

**A Partnership Agreement to accompany the grant of a new short 4 Year Community Asset Transfer Lease for a Tenant to continue occupation.**

**PARTIES:**

**COUNCIL [L/LORD]** BATH AND NORTH EAST SOMERSET COUNCIL of The Guildhall, High Street, Bath BA1 5AW (the Council);

**CIC [TENANT]** FAIRFIELD HOUSE BATH CIC (CN. 11901221) whose registered office is at Fairfield House, 2 Kelston Road, Bath BA1 3QJ (Fairfield House Bath CIC)

**BACKGROUND & INTRODUCTION:** The document is a formal Agreement between Parties defining the main responsibilities of each Party for the management of the occupation of the Property for Community Benefits.

The Agreement is intended to complement and be consistent with the relevant policies of Bath and North East Somerset e.g. Equality and Diversity.

The Agreement will be reviewed every 1 year on the anniversary of the commencement of the Agreement. The first date being 08.10.2025.

**PROPERTY & DEMISED PREMISES:** Fairfield House  
2 Kelston Road  
Bath  
BA1 3QJ

27 Burleigh Gardens  
BA1 3RR

- 1 AGREED TERMS** The following definitions and rules of interpretation apply to the Agreement:
- 1.1 ANNUAL REPORT** The report in a format to be agreed between the Council and Fairfield House Bath CIC (both acting reasonably) evidencing that Fairfield House Bath CIC has complied with the delivery or is progressing with the delivery (as the case may be) of Community Benefits.
- 1.2 BUSINESS PLAN** An organisational plan setting out future objectives and strategies for achieving them. A business plan may include supporting documentation. The business plan will include details of any social, economic and environmental benefits delivered as a result of the short Community Asset Transfer and will be used to assess the value of the community benefits achieved. Business plans will need to be reviewed and submitted to the Council for approval.
- 1.3 COMMUNITY BENEFITS** Items included within any approved Business Plan and social benefits submitted to the Council as part of the Community Asset Transfer process approved by the Council and subsequent business plan documents submitted by Fairfield House Bath CIC and agreed by the Council. Any new community benefits identified in subsequent documents will be required to have an annual value equal to or greater than the annual reserved rent subject to the indexation provided within the lease at any relevant time during the lease term.
- 1.4 LEASE** The new lease [to commence upon the expiration of the existing Lease for a period to 29.09.2028, ca 4 years].
- 2. COMMENCEMENT & DURATION** The Agreement shall commence and take effect at the start of any new Lease and shall continue in force for the duration of the Lease.
- The Partnership and Agreement will terminate at the end of the Lease Term; there is no implied periodic extension of the Partnership Agreement.
- The Agreement may be reviewed at written request of either Party, no more than once in every 6 month period. Any variations or amendments shall be recorded in writing.
- 3 COMMUNITY BENEFITS & REPORTING** Fairfield House CIC shall provide the Annual Report to the Officer nominated within the Agreement within 30 days of request by the Council (such request not being made more than once in any 12 month period) and report on the delivery of the community benefits as defined above at 1.3.
- Fairfield House CIC shall attempt in good faith the satisfactory delivery of the report to the Council and deliver the community benefits as set out in the Business Plan and supporting documents. Both parties will work to resolve any disputes and provide a satisfactory conclusion within 3 months conclusion of the initial request.

- 4 TENANT OBLIGATIONS** In the delivery of the Community Benefits and managing the Property generally, Fairfield House Bath CIC shall at all times:
- A)** Have a clear vision for the use of the building or land.
  - B)** Demonstrate good governance, robust financial systems and up to date policies and procedures. Manage its affairs through proper governance structure, holding Annual General Meetings for members and open meeting for the public where appropriate.
  - C)** Demonstrate satisfactory levels of financial administration. Maintain accounting procedures. Documentary evidence will be kept for books of account. Project and produce the next financial year Annual Budget and if required by law independently audited accounts.
  - D)** Be a democratic organisation in the way it conducts its affairs and makes decisions.
  - E)** Undertake to ensure the CIC, management and activities and contribute to best practice
  - F)** Directly benefit as wide and diverse a range of local people as possible.
  - G)** In managing and operating Fairfield House, endeavour to ensure it is open to all groups and individuals.
  - H)** Demonstrate its commitment to Equal Opportunities in any literature or publicity issued, including the advertisement of posts and services/ facilities offered.
  - I)** In relation to matters of employment, operate within current legislation and work towards best practice in relation to paying staff the proper rate for the job with job descriptions, contracts of employment, itemised pay statements and appropriate insurances.
  - J)** Keep in force insurances covering Fairfield House Bath CIC's responsibilities for contents, public liability and employer's (where appropriate) and any activities for which the CIC has liability.
  - K)** Obtain and keep in force the appropriate licences for all activities at Fairfield House and in connection with the work of Fairfield House CIC.
  - L)** Refrain from publicising any material which in whole or part appears to be designed to affect public support for a political party.
  - M)** Contribute towards the Council's Corporate priorities.
  - N)** Provide an annual report including financial accounts to the Council.
  - O)** Produce a Business Plan identifying their ability to take on the long term management of the premises and community services/benefits, without any financial support from BANES, by generating a sustainable income from their services and self-sourcing of alternative third party funding arrangements

[grants, loans and donations etc] and from operation of the building.

- P) The Business Plan will demonstrate the ability to ultimately meet occupational costs including utilities and rates in full during the new lease term and in any event meet the running costs of the whole property ahead of any longer term CAT.
- Q) The CIC will be responsible for all occupancy costs, including utilities and rates, as outlined in the accompanying Lease. The Council will provide grants to mitigate the burden of migration of these costs, as described in **Appendix 1**, subject to legal limitations and reconciliation of Actuals and Final Annual Accounts.
- R) The CIC will make relevant enquiries to establish the correct Rateable Value of the Property.
- S) Continue to work with and attend the Partnership Board with the Council which will meet quarterly (or more often by mutual agreement) with the CIC providing information showing how the business case is developing and demonstrating active progress with regards to the production of a robust business plan by the end of the lease term.
- T) Produce and distribute an annual report on the business plan (as already included) with a quarterly update to the Partnership Board.
- U) By the end of the 4 year Lease, the tenant will aim to have put the building on a sustainable footing for the future.
- V) Work towards an independent sustainable future for the property whether by an agreement for a longer term CAT (subject to agreement) or FFH CIC having purchased the property by the end of the Lease Term.
- No right to either:
- a new lease,
  - a Community Asset Transfer,
  - Pre-emption or,
  - Option
- is expressed or implied by this clause and the provisions of clause 2 shall prevail at all times.
- W) Apply for any grants and support available from third parties such as the National Lottery Fund and similar bodies providing funds for the use, repair and management of property and to include details of applications and grants within the reports.
5. **LANDLORD OBLIGATIONS**
- The Council will:
- A) Support, wherever possible, the implementation of the spirit of His Imperial Majesty Haile Selassie's intentions when he made the gift of Fairfield House to the people of Bath. It is a shared priority between the Council and the CIC to see a sustainable future for Fairfield House in line with HIM's wishes that the house should benefit the communities of Bath, including the elders.
- Allocate an officer who will act as a link to the CIC and provide

advice, guidance and assistance on request, or redirect enquiries as required.

- B)** Monitor the activity of the organisation against the outputs and outcomes agreed.
- C)** Attend relevant meetings with the CIC as required.
- D)** Where necessary be an applicant for grant funding for works as agreed with the CIC, subject to no liability or financial costs to the Council.
- E)** The Council will provide support, as far as is possible/lawful, via grants to mitigate the burden of migration of all running costs to the CIC.

**6. TERMINATION**

The asset will be returned with vacant possession if the Tenants obligations in this Partnership Agreement are not met.

Immediately upon a material breach of the terms of this Partnership Agreement or if the Lease ceases to exist (for whatever reason).

In the event of a material breach of the terms of this Partnership Agreement, the Council may, at its sole discretion, look to resolve this matter by mutual agreement within a period of 6 months, following which the Council may terminate the Agreement with immediate effect and the Tenant shall return the asset with vacant possession.

Termination shall be without prejudice to any rights and remedies of either party accrued before such termination or expiry.

**7. MISC.**

A person who is not a party to the Agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

The Agreement will be governed by and construed in accordance with English Law.

**8. CONDITIONS**

Subject to:

- i) Cabinet/Senior Officer Approval; and
- ii) Lease.

**9. COSTS**

Subject to CIC applications for third-party grants/funding the CIC shall pay the landlord costs, otherwise, each party to bear their costs for the Agreement.

**Parties Advisors/Representatives**

- A COUNCIL [LANDLORDS] SOLICITOR:** Legal Services  
Bath & NE Somerset Council  
FAO: tba  
Tel:  
Email:
- B COUNCIL [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 CIC [TENANTS] SOLICITOR:** Stone King  
Upper Brough Court  
Bath  
BA1 1RG  
FAO: [REDACTED]  
Tel: [REDACTED]  
Email: [REDACTED]@stoneking.co.uk
- D CIC [TENANTS] SURVEYOR/Agent:** [REDACTED]  
Directors  
Fairfield House CIC  
Tel: [REDACTED]  
Email: [REDACTED]