

# Melbourn Community Hub – *for the community, by the community*

Born out of a community need for a gathering place and home for the local library in 2013 the Melbourn Community Hub serves the community with a café, meeting place, parish office, meeting rooms as well as supporting initiatives such as Health at the Hub, lunch clubs and community wide events. Melbourn Parish Council owns the building which is leased to the Melbourn Community Hub Management Group to run on their behalf by delivering the services the community needs.

## The Lease

- 35 year term, ending in 2048, with an option to extend another 35 years.
- The building **MUST** be used as a community hub.
- The Community Hub operates under a long-term, low-rent lease.

The lease secures the future of the building being used to serve the community.

What this looks like may change over time, being shaped by the community, but the focus of activities and provision of the building will always be for the wider benefit of the community.

## Melbourn Community Hub

- Responsible for interior repairs, maintenance, decoration and cleanliness.
- Must manage the building for use as a Community Hub.
- Responsible for all the day to day running costs.



## Melbourn Parish Council

- As landlord they are responsible for the exterior, structure (including fixtures and fitting to operate as a community hub) and service conduits.
- Dedicated to supporting Melbourn Community Hub in delivering the services needed in the community.
- Holds a paid licence to occupy an office and make use of the meeting rooms.



## **Lease Report for Melbourn Parish Council**

### **Re: Melbourn Community Hub, 30 High Street, Melbourn**

#### **Overview**

- The lease is for a term of 35 years, from and including, 20 December 2013, with a Tenant-only rolling break on three months' written notice.
- Rent is a peppercorn (if demanded), with the Tenant responsible for all outgoings.
- Repairing obligations are split between the parties. The Tenant is responsible for the interior and the Landlord is responsible for the exterior, structure and conduits.
- The Landlord retains a licence to occupy the parish office and meeting room for a fixed annual licence fee.
- There is an option for the Tenant to take a further 35-year "New Lease" if exercised within the first 34 years.
- Disposals are restricted, but the Tenant may grant short "Hub Licences" without consent and share with group companies on notice.
- The Lease was granted within the Landlord & Tenant Act 1954. This means the Tenant has security of tenure and is entitled to a new lease, on similar terms, at the end of the lease term. The Landlord can only refuse a new lease on specific limited grounds such as the Landlord wishing to redevelop the Premises or occupy the Premises itself.

#### **Parties, property and term**

- Landlord: Melbourn Parish Council.
- Tenant: Melbourn Community Hub Management Group (company number 08320569)
- Premises: Melbourn Community Hub, 30 High Street, Melbourn as edged red on lease plan. Unfortunately, the copy lease you have provided does not include a plan.
- Term: 35 years from and including 20 December 2013 to 19 December 2048.

#### **Rent and outgoings**

- Basic rent: a peppercorn (if demanded).
- Other sums: any other amounts due under the lease are payable on demand.
- Outgoings (as defined at clause 1.1 of the Lease): Tenant pays all rates, utilities and other outgoings. If the Premises is not separately assessed for any Outgoings, a fair proportion is payable to the Landlord within 14 days of demand.

#### **Permitted use and management**

- Permitted use: as a community hub in accordance with the Position Paper annexed to the lease.
- Tenant must manage the Premises in line with the Position Paper's objectives.
- Prohibitions on use: no illegal, immoral, noisy, noxious, dangerous or offensive uses, not to reside or sleep at the Premises nor use for auctions or as a betting office and no use that jeopardises the Landlord's option to tax.
- Not to use any Conduits or plant at the Premises for any purpose other than for which they are designed and not to exceed the capacity for which they are designed.
- Not to overload any part of the Premises.

#### **Repairs and condition**

- The Tenant is to keep the Interior (as defined at clause 1.1 of the Lease) in good repair and decorative order and in a clean and tidy condition.

- The Tenant is to keep any machinery installed by it in the Premises in good condition.
- The Tenant is required to redecorate the Interior as often as reasonably necessary, including in the last three months of the term (unless redecoration has taken place in the preceding twelve months).
- The Tenant is required to clean the windows, internally and externally, as often as reasonably necessary.
- The Landlord is to keep the Exterior (as defined at clause 1.1 of the Lease) in good repair and decorative order.
- The Landlord is required to redecorate the Exterior as often as reasonably necessary and keep the Conduits in good repair and working order and keep any unbuilt parts properly surfaced and in good repair or where applicable, properly cultivated and maintained.
- If the Tenant is in breach of its repairing obligations, the Landlord can serve notice requiring remedy and step in at the Tenant's cost if the Tenant fails to comply with the Landlord's notice.
- At the end of the term the Tenant must hand back the Property with vacant possession, in the condition required by the Lease, reinstate alterations where required by the Landlord (making good any damage caused but such reinstatement) and deliver all keys, operating manuals and health and safety files for the Premises to the Landlord.

#### **Alterations, signs and hazardous materials**

- Structural alterations, additions or improvements to the Premises are not permitted without Landlord's consent (not to be unreasonably withheld or delayed). The Tenant is required to provide detailed plans and specifications of any proposed works.
- Internal non-structural alterations, additions or improvements to the Premises are permitted without Landlord's consent.
- The Tenant is not permitted to fix or display any permanent signage at the Premises without the Landlord's consent (not to be unreasonably withheld or delayed).
- Hazardous materials (as defined at clause 1.1 of the Lease) are prohibited without Landlord's consent (not to be unreasonably withheld or delayed). Tenant is to provide detailed compliance information and indemnifies the Landlord for any breach of Environmental Law (as defined at clause 1.1 of the Lease).

#### **Dealings, occupation and rights**

- The Tenant is not permitted to assign, underlet, charge or part with or share possession of the Premises except as expressly permitted below.
- The Tenant may share occupation with a Group Company subject to: giving prior written notice to the Landlord, the sharing arrangement not creating a relationship of landlord and tenant; and the sharing arrangement not affecting the Landlord's VAT option to tax.
- The Tenant may grant Hub Licences (as defined at clause 1.1 of the Lease) without Landlord's consent.
- Within 28 days of any permitted dealing, the Tenant must notify the Landlord of that dealing and provide copies of the relevant documentation (eg licence).
- The Tenant must observe any covenants affecting the title to the Premises and preserve any existing easements (e.g., not obstruct windows).
- The Landlord has reserved rights of entry onto the Premises for the purposes of, inspection, carrying out works, complying with its obligations under the Lease and to erect marketing boards.

#### **Insurance and damage**

- The Landlord's insurance obligations are set out in full at Schedule 2 of the Lease.

- The Landlord is required to insure the Premises and all fixtures, fittings and contents (whether belonging to either party) against damage by the Insured Risks (as defined at clause 1.1 of the Lease) at full reinstatement cost.
- The Landlord is also required to insure against third-party and public liability and liability under the Defective Premises Act.
- If the Premises are damaged or destroyed by any of the Insured Risks (as defined at clause 1.1 of the Lease) the Landlord must use reasonable endeavours to reinstate the Premises and apply any insurance monies received in reinstating the Premises. The Premises do not need to be reinstated to the same state, appearance and layout but must be of substantially the same nature, quality and net internal area.
- If any insurance monies are irrecoverable due to an act of the Tenant, the Tenant is required to pay the Landlord the irrecoverable amount.
- Either party may end the lease if the whole or substantially the whole of the Premises is not fit for occupation within three years of the date of the damage or destruction.

#### **Landlord's licence to occupy (Parish Office and Meeting Room)**

- The Landlord has a contractual licence to occupy the Parish Office and Meeting Room for normal and reasonable purposes relating to its function as Parish Council.
- A licence fee of £9,580 per year (or such other amount as agreed between the parties) is payable in advance on 1 January.
- The Landlord must keep the Parish Office and Meeting Room clean, tidy and clear of rubbish.
- The Landlord is granted rights of access over such parts of the Premises as reasonably required to access those rooms.
- The licence ends with the lease or earlier by agreement.

#### **Break, forfeiture and renewal**

- The Tenant can terminate the Lease at any time throughout the lease term subject to providing the Landlord with at least three months' prior written notice.
- For the break notice to be effective, the Tenant must give vacant possession and pay all properly demanded sums up to the Break Date. The Landlord may, in its absolute discretion, waive these conditions.
- Subject to the Landlord giving not less than three months' written notice of its intention to forfeit the Lease, the Landlord may re-enter the Premises if any money payable by the Tenant remains unpaid for more than fourteen days after the due date, if the Tenant breaches any of its obligations within the Lease, on insolvency of the Tenant or if the Lease is disclaimed.
- The Lease incorporates an Option to Renew. During the first 34 years of the lease term, the Tenant may exercise an option for a New Lease by serving written notice on the Landlord. The New Lease will be granted for a term of 35 years on substantially the same terms as the current lease (but with no further option to renew). The Tenant is required to pay the Landlord's reasonable legal costs in connection with the grant of the New Lease.

#### **Statutory and compliance matters**

- The Tenant must not surrender or vary the Premises Licence without Landlord's consent. The Premises Licence is not defined but relates to licensable activities under the Licensing Act 2003.
- The Tenant must provide the Landlord with copies of any EPC it obtains for the Premises.
- The Tenant must maintain adequate fire protection apparatus at the Premises to the reasonable satisfaction of the Landlord and its insurers.
- The Tenant shall take reasonable steps to prevent Waste (as defined at clause 1.1 of the Lease) from escaping from the Premises and to ensure it is kept in suitable containers and removed regularly.

- The Tenant is to secure the Premises when not in use.
- The Tenant indemnifies the Landlord against any losses, claims or demands in respect of any breach of Environmental Law (as defined at clause 1.1 of the Lease).

### **Landlord and Tenant obligations**

#### **Landlord obligations**

- To observe and perform the covenants in Schedule 4 and Schedule 2.
- To permit the Tenant quiet enjoyment (subject to Tenant's compliance with its own lease obligations).
- To repair and decorate the Exterior, keep conduits in good repair and maintain unbuilt areas.
- To insure the Premises in accordance with Schedule 2.
- To use reasonable endeavours to reinstate if the Premises are destroyed or damaged by an Insured Risk.
- Not to dispose of the freehold without first consulting with the Tenant.

#### **Tenant obligations**

- The Tenant is required to comply with the obligations set out at Schedule 3 of the Lease.
- To pay a peppercorn rent (if demanded), all Outgoings, any input VAT and to indemnify the Landlord against VAT consequences.
- To keep the Interior in good repair, condition and decorative order.
- On termination of the Lease to yield up the Premises in accordance with the terms of the Lease.
- To use the Premises only for the Permitted Use and to manage the Premises in accordance with the Position Paper.
- To obtain Landlord's consent for structural or external alterations and permanent external signs.
- To notify the Landlord of any shared occupation with a Group Company or the granting of a Hub Licence within 28 days and provide copies of the relevant documents.
- To comply with all legal obligations relating to the Premises.
- To comply with the requirements of the Landlord's insurers.
- Not to do anything to vitiate the insurance of the Premises.
- To pay any increased insurance premium arising from the Tenant's actions.
- To Permit the Landlord entry on reasonable notice for the purposes specified in the lease.
- To pay the Landlord's proper costs incurred in connection with any Tenant breach of the lease terms, any application for consent required under the lease, the preparation and service of any notice under section 146 or 147 of the Law of Property Act 19265, the preparation and service of any schedule of dilapidations.