

Memorial Pavilion lease notes

As the Parish Council is a Trustee of the Pavilion they must be satisfied that it is in the interest of the beneficiaries of the Charity that the Café/shop is run from the Pavilion. It would not be satisfactory if this use prevented the pavilion being used for the purpose of recreation or restricted the use of the recreation ground generally.

The benefit to the community at large may be apparent, but the matter has to be looked at from the point of view of the objects of the Charity.

If the project is to proceed, in order to obtain funding, it would be normal for the Trustee to grant a formal lease of the area to be occupied. The length of the lease will depend upon the sources of funding. Normally there would be a minimum term of 5 years. The Tenant may want a break clause.

Bear in mind that on the coming to an end of the lease the building will revert to the Parish Council and therefore you do not want any alterations which would prevent an alternative use for the property.

There would be a rent payable, and the Tenant would be responsible for interior repairs and decoration. You may wish them to contribute towards the cost of insurance of the Building and any repairs relating to the Building as against the premises occupied. The Trustee should impose these obligations, rather than say that they will not impose as they support the object of the enterprise. It is better to impose them, and if there are difficulties waive the requirements on a one-off basis, than not impose them in the first place.

As regards rent, this should not automatically be nominal. The Trustee is under an obligation to get the best rent possible. Again, it is better to impose a rent, and the shop obtain external grants to pay the rent, than to automatically assume that it should be nominal. In some cases, there is a fixed rent of a few hundred pounds with a further payment as a percentage of turnover. Bear in mind that the Trustee, unlike the Parish Council as local authority, cannot subsidise a non-charitable activity, or one which is outside the objects of the Charity.

The solicitor will require:

- Confirmation of length of lease;
- Plan of the property to be included in the lease;
- Is the freehold title registered if so can you supply the Title Number. If it is not registered I will require a copy of the Conveyance to the Council;
- If it is part of a building is the Tenant to contribute towards cost of maintaining the Building (They would automatically pay a proportion of insurance);
- Name of the Tenant;
- Is the Tenant (or the Landlord)) to have the right to bring the lease to an end on notice;
- What is the rent to be, is there to be a rent review ? If so, on what basis (e.g. Market rental or Inflation); and
- Exact use of the premises.

As regards costs, it depends upon how difficult the tenant is regarding the terms in the draft lease. If there is a large amount of discussion and amendment the costs will increase.

He suggested an initial budget of £750 plus VAT. If more work is involved than anticipated, he will discuss the same with us.