

Approval - Granting of new lease for Rooms 4 & 8 (GF Offices), Arnot Hill House to Rural Community Action Nottingham (RCAN)

The below terms have been agreed for a new lease to be granted to the above tenant:

Premises	Ground Floor office space on the ground floor of Arnot Hill House (rooms 4 & 8). Red edged plan to follow.
Landlord	Gedling Borough Council
Landlord's Solicitors	Gedling Legal - Gedling Borough Council
The Council	Gedling Borough Council
The Building	Arnot Hill House, Arnot Hill Park, Arnold, NG5 6LU
Tenant	Rural Community Action Nottinghamshire (RCAN) - Company Number 02118349
Tenant's Solicitors	TBC
Term	5 years from commencement date.
All-inclusive rent	£6,875 per annum to be paid quarterly in advance. <u>To include (for 5 days per week only):</u> 2 Parking Permits Exterior repair and maintenance to Landlord's standard Internal repair, maintenance and decoration to Landlord's standard (excluding any damage caused by the Tenant) Cleaning of Premises, once per week day excluding bank holidays, to Landlord's standard Window Cleaning to Landlord's standard Refuse Collection to Landlord's standard Planned maintenance to Landlord's standard Building insurance (not contents or public liability or any other insurance needed by the Tenant for the running of its business) Gas Electricity Provision of hot and cold running water to the Premises

	Alarm system as already exists <u>To exclude:</u> Telephone and data (internet) bills are EXCLUDED from the all-inclusive rent Tenant's contents and any other applicable insurance Repair of damage to the premises caused by the Tenant or its visitors.
Rent Review	Rent to be reviewed at the end of the third year of the Lease. Upwards only review taking account of Landlord service costs for the preceding year and prevailing Market Rent.
Business Rates	The Tenant will pay its own Business Rates (Registered Charity).
Hours of Use	8am to 6pm Monday to Friday (inclusive) excluding Bank Holidays
Dilapidations	Landlord holds on file a Schedule of Condition completed at the point Tenant first occupied. At expiry, the Tenant will be required to deliver up the premises in no worse a condition than that evidenced by the condition survey, fair wear and tear being excepted.
Redecoration	The Tenant will be permitted to carry out non-structural refurbishment at the Premises subject to Landlord's consent and any other necessary consents including Listed Building Consent and Planning Permission. The Tenant will reinstate the Premises at the termination of the Lease if so required by the Landlord.
Use	The Premises will only be used in line with existing planning use as office premises.
Parking Permit	2 car parking permits will be included (spaces are subject to availability) to be used within the grounds of Arnot Hill Park in ZONE H only. No parking spaces are guaranteed. Parking is strictly on a first come first served basis. Visitors may use the Bowling Green Public Car Park at Arnot Hill Park subject to availability.
Building Rules and Use of Council facilities	The Tenant will obey the Arnot Hill House building rules including those relating to smoking and fire evacuation procedures. The Tenant will with the permission and agreement of The Landlord have the right to erect a name plate onto the existing

	signage at the Premises (external). Agreement not to be unreasonably withheld.
Subletting	The Tenant will not be permitted to sublet or assign.
Legal Costs	Each to bear own.
No Security of Tenure	The lease to be contracted out of the 1954 Landlord & Tenant Act, the Tenant will have no automatic right to renew the lease at the end of the term.
Conditions	These Heads of Terms are subject to contract and formal approval. Subject also to any clauses or lease obligations to be inserted to the final agreement as deemed necessary by the Landlord's Legal representatives

Background:

Rural Community Action Nottinghamshire (RCAN) has held space in Arnot Hill House since their initial lease with GBC was completed in March 2020. That lease expired in 2021 and RCAN have been holding over as tenants ever since.

Discussions have been ongoing with RCAN to propose a new lease agreement to formalise and reestablish long-term basis for occupation. The outline terms to the new lease are as outlined above. RCAN have been good tenants for the duration of their occupation with rent payments and lease obligations having consistently been met. Were RCAN to vacate there is not a guarantee that a new tenant would be found quickly and there is a strong risk any new tenant would not be as secure a letting.

Annual rent proposed is £6,875 p.a. and is inclusive of any bills, management and compliance/repair costs. The estimated costs to the Council in providing these services to the room is £3,250 p.a. This leaves a net rent of £3,625 p.a. which equates to £10.21 psf net. This is an acceptable rent given the prevailing market rate of office accommodation of this standard in Arnold is around £8 psf, upwards of £10 psf (which is the figure achieved) would be considered at the upper-end of the scale.

Request for Approval:

For the above reasons, it is recommended that approval for a new lease be granted, and Legal work required to draft the agreement commence.