

## **Grand Pavilion, Llandrindod Wells**

### **Draft Heads of Terms**

- Landlord:** Powys County Council
- Landlord's Solicitor:** Head of Legal Services, County Hall, Llandrindod Wells
- Tenant:** **Grand Pavilion Events Ltd**
- Tenant's Solicitor:** **To be advised**
- Tenure:** 30 year lease.
- Extent of Property:** The Property includes all structural parts of the Pavilion and comprises all of the area shown edged in red on the attached plan.
- Boundary Responsibility:** Legal to advise from deeds.
- User Restriction:** The current use of the property falls into Use Class D2 – Assembly and Leisure. Change of use planning permission will be required for any use which does not fall within this category. The Tenant will also need to seek the permission of the Landlord as owner for any change of use – whether in receipt of planning permission or not.
- Rent:** **£50 per annum.**
- Rent Reviews:** The rent will be reviewed every five years, and the reviewed rent will reflect changes in the Consumer Prices Index as produced by the Office of National Statistics using information published in the January immediately preceding the rent review date.
- Submission of Accounts:** For the first three year of the Term, the Tenant will provide half-yearly accounts to the Council, and at each anniversary of the Lease (or as soon as practicably possible thereafter) provide full audited accounts to demonstrate the viability and sustainability of the business venture. For the remainder of the Lease, the Tenant will provide audited accounts on an annual basis.
- Repairs:** The Tenant will be responsible for all repairs to the Property during the Lease period, and will keep the Property in repair throughout the term.
- Break Clause:** The Tenant will have the ability to determine the lease at each rent review, on giving the Landlord not less than 12 months' notice in writing, subject

to appropriate assurances and indemnities being provided by the Tenant in respect of any Grant funding received in relation to the use and / or upkeep of the Building.

In addition, during the first three years of the Term, both Landlord and Tenant will have the right to terminate the Lease on six months' notice, in the case of the Landlord only to be given where, in the Landlord's reasonable opinion, it is evident from the Tenant's half-yearly accounts that the venture is making unsustainable losses.

**Insurance:**

The Tenant will insure the Property at an appropriate level to at least cover the full reinstatement of the Property, and will provide a copy of the Insurance certificate to the Landlord on each anniversary of the renewal date.

The Tenant will also ensure that it carries adequate Employer's Liability Insurance, Public Liability Insurance, and Contents Insurance, and will provide copies of the relevant certificates to the Landlord at each anniversary of the renewal date.

**Legislative requirements:**

The Landlord will ensure that the Property fully complies with all relevant statutory and other legislation at the point of handover, at which time the Tenant will become responsible for ensuring that the Property continues to comply with such legislation during the term of the Lease, whether that legislation is already in force or enacted in the future, including the periodical testing of its own Portable Electrical Appliances. For the avoidance of doubt, this will include such items as Fixed Electrical Testing, annual boiler servicing, Legionella Testing, Fire Alarm and Extinguisher servicing and so on. The Landlord will require evidence that testing is kept up to date, and all required remedial works undertaken promptly.

**Assignment and Subletting:**

The Tenant will not assign the Property. Subletting may be permitted, subject to the formal approval of the Landlord being granted, which shall not be unreasonably withheld.

**Reservations:**

The Landlord reserves the right to enter the Property at any time on the giving of five working days' notice for the purpose of ensuring that the Tenant is complying with the terms of its lease. Where it is evident the Tenant is not complying with its obligations, the Landlord reserves the further right to undertake whatever works remain necessary 28 days after first serving a Notice to

Remedy on the Tenant, and to charge the Tenant the full costs associated with those works. The Landlord also reserves the right to enter the demised premises at any time in the event of emergency.

The Landlord also reserves the right for the adjacent Church to be granted free use of the Car Park for Sunday Services, weddings and funerals.

**Security of Tenure:**

The Lease will be excluded from the provisions of ss 23 – 28 of the Landlord & Tenant Act 1954 Part II.

**End of Lease:**

The Tenant will be required to surrender the freehold of the Property to the Landlord subject to all terms of the Lease having been complied with at that time.

D G Micah MRICS  
Commercial Property Manager  
January 2016