

## **APPENDIX TO REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY & ENVIRONMENT**

### **MERCURY HOUSE STAFF RELOCATION TO MANSFIELD CIVIC CENTRE**

#### **Information and Advice**

The proposed terms as agreed with MDC are set out below:

Situation and description:	The right to use the area as shown hatched on the attached plan. Other areas will be available to use including ground floor meeting rooms in common with the lessor.
Lessor:	Mansfield District Council.
Lessee:	Nottinghamshire County Council
Length of Term:	20 years – lease to be contracted out of S24-28 of the Landlord and Tenant Act 1954
Break option:	NCC to have break options every 5 yrs, MDC at mid- term i.e. 10yr
Service charge:	The proposed service charge rate is max £161.22/Sq Mtr per annum <b>(subject to ongoing negotiation)</b> for 1 <sup>st</sup> April 2015 – 31 <sup>st</sup> March - Year 1. The Lessee shall pay this sum plus a proportionate increase or decrease each year linked to its pro-rata % of the total running costs for the building.

Therefore based on the areas A (889 Sq Mtrs) outlined red, B (716Sq Mtrs) outlined blue and C (610 Sq Mtrs) outlined green totalling 2215 Sq Mtrs. This would equate to £357,102 pa. The amount payable will be phased as the lessee takes occupation of the respective areas. Please treat these areas as indicative only at this stage as there may be slight variances to account for the lessors and lessees final requirements.

This service charge is including:- grounds maintenance, electricity, gas, business rates, water and sewerage, cleaning and refuse collection (including the hatched area), maintenance and repair of the building, insurance of the building, servicing of automatic doors, lifts, fire alarms, air conditioning units, intruder alarms, emergency lighting, fire extinguishers, fire alarms, within communal areas plus Facilities Management Team, Cleaning & Caretaker staff.

Maintenance charge:	The Lessee shall also pay a % of all other charges, assessments and expenses (if any) reasonably incurred or paid by the Landlord or on its behalf in connection with the operation or maintenance or proper and convenient management of the Building providing that this charge will not exceed £10,000 in the relevant year. For the avoidance of doubt this does not apply to costs associated with adapting the premises for the specific use/requirements of the Lessee. The maintenance charge payable shall only be charged against invoices received by the Lessor in the relevant year and will not form part of any sinking fund etc.
Equipment:	Not applicable. The Lessor shall be responsible for the provision, cleaning, maintenance and repair of all furniture and appliances.
Telecommunications:	The Lessee shall be responsible for the cost of installing any separate telephone and data lines and internet lines and thereafter will pay all charges relating to their use. Any installations shall require prior written consent of the Lessor such consent not to be unreasonably withheld or delayed and to be given within 3 weeks of submitting full detailed specifications and any other information.
Use:	<p><b>(Subject to ongoing negotiations)</b> The Lessee shall use the area hatched on the attached plan as an office during the hours which the building is open except Bank Holidays and other national holidays. But in any event the Lessee will be able to use the premises between the hours of 7.30am-7.00pm* Mon-Fri except Bank Holidays and weekends. In the event of an emergency for the Lessee the Lessor will arrange for the area hatched to be opened so that the Lessor can operate its emergency plan outside of the usual office hours. The operation for such arrangements will be subject to consultation with the caretaker and the Lessee shall meet any call out costs in connection with this. The toilets within the hatched area shall be used in common with other users of the building.</p> <p>*Any times agreed which are outside normal office hours for MDC will be subject to an additional service charge, yet to be calculated.</p> <p>The Lessee will not do or permit any act or thing, which may be or become a nuisance, inconvenience to the Lessor, its users or any neighbouring property. The Lessee shall be fully responsible for all users and visitors to the hatched area.</p>
Repairs and Maintenance:	The Lessee shall keep the interior of the premises in good repair and decoration and shall be responsible for any pipework, electrical cables exclusively serving the hatched area. The lessor shall be responsible for the provision and testing of fire extinguishers within the hatched area. The Tenant will only be responsible for the electrical cables on receipt of a valid electrical test certificate in relation to the hatched area. The Lessee will also be responsible for keeping the area in a clean and tidy condition and shall not cause any damage to the premises in any way. The Lessor shall be responsible for the maintenance and repair of the main structure and

fabric of the building. The Lessee shall be responsible for Portable Appliance testing within the hatched area on an annual basis. The Lessee shall not be obliged to keep the area hatched in any worse condition than evidenced in the Schedule of Condition (to be agreed and prepared by the Lessee).

- Decoration: In the 5<sup>th</sup> year and in the last 3 months of the term howsoever determined (but not as to require the tenant to carry out such redecoration more than once in any period of 12 months) to redecorate all previously painted surfaces in the premises in such colours approved by the landlord and redecoration works to be undertaken to the satisfaction of the landlord.
- Alterations: The Lessee shall not be permitted to undertake any structural alterations, works or additions to the hatched area. Any works required to the hatched area will be undertaken by District Council contractors, the Lessee shall reimburse the Lessor for the full costs of such works.
- Signage: The Lessee shall not display or permit to be displayed any posters, notices or advertisements of any kind without the prior written consent of the District Council, such consent not to be unreasonably withheld or delayed.
- Alienation: The Lessee shall not be permitted to assign or sub-let their rights conveyed in the Lease to any other party and shall not be permitted to hire the premises in any way.
- Fees: Each party to bear their costs in connection with the preparation of the lease
- Insurance: The Lessee shall procure their own contents insurance and any other insurance deemed reasonably necessary by Landlord through the use of the premises. The Lessor shall insure the main structure and fabric of the building.
- Statutes: The Lessee shall obtain any necessary planning permissions under The Town & Country Planning Acts and obtaining and complying with any necessary statutory or bye-law approvals affecting the proposed use.
- Health & Safety: The Lessee will comply with all relevant Health & Safety legislation together with that reasonably set out by the Lessor. The Lessee shall undertake a Fire Risk Assessment for the hatched areas and provide the Lessor with a copy of this and provide details to the District Council of the nominated fire wardens for the hatched area.
- Reinstatement: Following the determination of this Agreement, the Lessee shall, at its own expense, reinstate and make good the demised area to the reasonable satisfaction of the Lessor. The Lessee shall also remove all of their possessions as requested by the Lessor **(subject to on-going negotiations)**.

Parking:	The Lessee and its employees shall be permitted to park vehicles and store bicycles in the car park as shown on the attached site plan and such shall be on a first come first service basis and in common with all other users and visitors to the building. The Lessee shall co-operate with the Lessor over any car parking arrangements that may exist on site and provide details to the District Council for the purposes of the on-site car parking database. Visitors to the premises will be able to utilise the designated public parking area only.
Other:	The Lessee shall not be permitted to store anything outside of the premises as hatched on the attached plan.
Settlement of Disputes:	As per typical lease terms.

## **RECOMMENDATION/S**

- 1) That the information contained in this appendix is noted.

**Jas Hundal, Service Director  
Transport, Property & Environment**

**For any enquiries about this report please contact: Alison Warren on 0115 977 2094**