

John Simpson
Northampton Arts Collective
Market Hall
Bradshaw Street
Northampton
NN1 2HL

Our Ref: BAS/cap/60284/01
Your Ref:
Please Contact: Mr Shine
Ext/Direct Line (01604) 838761
Date: 22 April 2009
E-mail: bshine@northampton.gov.uk

SUBJECT TO CONTRACT & FORMAL
CABINET APPROVAL

Dear John,

Re: Lease of Market Hall, Bradshaw Street Northampton

As you are aware, following various discussions with senior officers, the Borough Council is prepared to proceed with a new lease to the Northampton Arts Collective (NAC) of the above. I have been asked to set out the principal terms for the new agreement:

1. The Term will for 10 years to commence from the 1 April 2009 and the premises will be those comprised in the previous (expired) lease.
2. The Rent will be one peppercorn per annum, if demanded.
3. The Lease will be contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954 Part II – as was the previous lease.
4. Repair and maintenance obligations. NAC will be responsible under the agreement for all the internal and external repairs and decorations of the property. However, the Borough Council will enter into a side letter on the date of the grant of the lease. The Council will bind itself to directly arrange and pay for necessary repairs and planned maintenance required to the property up to a maximum cost of £10,000 p.a. (exclusive of VAT) during the first three years of the lease. In the event of any further expenditure being required above this limit within these first three years, whether for repairs or for any other works (including any necessary to comply with any statutory obligations), this would have to be solely funded and arranged by the NAC. However, any balance left from each of the first three years budgetary allowance of £10,000 p.a. would be carried forward to the next financial year. So for example, if the Council spent £7,000 in the first year there would be a 'float' of £13,000 available up to the end of the second year. Similarly, if at the end of the three year period less than £30,000 had been required to be spent on the property by the Council, then any balance from it could be carried forward to support required expenditure in the fourth or subsequent years.

The Council would arrange to do works, either because they were identified as necessary as part of a planned maintenance programme of the Council (taking proper account of what NAC reasonably consider should be part of that planned maintenance regime) and/or because they are necessary as responsive repairs to remedy defects (identified by NAC or the Council). The budget is not intended to fund non-essential changes or alterations to the property and will be under the control of the Borough Council's Asset Manager. No monies will be transferred directly to the NAC.

5. The NAC will be responsible for paying all utility bills, business rates or taxes that may become due in respect of the property.
6. Break Clause. The NAC may serve notice to determine the lease at any time giving the Council 12 months prior written notice. The Borough Council may determine the Lease at the fifth and seventh anniversaries of the Lease on giving not less than 12 months notice.
7. The lease will be personal to the NAC and may not be assigned to any third party.
8. All other terms will be as considered appropriate by the Solicitor to the Council. Given that this lease will be of longer duration than the previous agreement and will be at nil rental, a formal approval by the Cabinet of the Council will be required to the grant of the lease.

I look forward to receiving your confirmation that the NAC would wish to proceed on this basis.

Yours sincerely

B Shine FRICS
Senior Estates Officer