



Compton's Yard Charitable Trust.

Rental and Leasing Policy.

1. Background.

Compton's Yard Charitable Trust exists to provide facilities and amenities for social welfare, particularly a centre for the benefit of the inhabitants of Llanidloes and the neighbourhood without distinction of sex, sexual orientation, race or political, religious or other opinions and to provide education, particularly in the arts and with special regard to the history, crafts and culture of the area of benefit.

The Trust achieves its objectives by using its rental income to maintain its land and building and by supporting volunteers to deliver projects and activities.

2. Trustees' Obligations.

Trustees must always act in the best interests of the Trust. This includes ensuring that leasing transactions are properly managed in the Trust's interests and that the trustees obtain the best price reasonable in the circumstances.

Given this, the trustees need to ensure that as far as possible its rental income is maintained, maximised and not eroded by inflation.

The law sets out clear requirements regarding the issuing of leases. Leases and agreement are carried out in line with Charity Commission Guidance below. The maximum period of any lease issued by the Trust is 7 years.

<https://www.gov.uk/guidance/charity-land-and-property#how-to-sell-or-lease-charity-property>

3. Advertising and the Application Process.

To ensure equality of opportunity adverts promoting vacant office space or the shop will be circulated as widely as possible and in as many different places as possible. This is likely to include placing posters in prominent locations around the town and notifying members and existing tenants that space is available. Where appropriate it may also include placing an advert in the local press and on the Powys Action for Voluntary Organisations electronic noticeboard. <http://www.pavo.org.uk/home.html>

Applications for office space and the shop must be made in writing using the Trust's application form. This must include information about the nature of the proposed activity and make a link with the Trust's charitable objectives. Applicants are

required to provide proof of identity. Applications will be considered at the monthly Board meeting following the date they are received. Applicants that meet the Trust's objectives will usually be invited for interview by a sub-committee of at least 3 trustees who will then make a recommendation to the Board. In some limited circumstances the Board may waive the need for 3 trustees to be involved in the interview. This might be because some trustees have declared an interest making it difficult to find 3 to interview or because it is difficult to find enough trustees who can meet promptly to convene an interview panel. If the Board waives the need for an interview with 3 trustees the reasons must be recorded at the next available meeting.

Existing tenants are allowed to apply for additional tenancies. All applications will be considered on merit. The sub-committee will make a recommendation to the Board of Trustees who will make a final decision. Applicants will be notified in writing of the outcome of their application.

Advertising and applications for the café space are subject to a separate process as this is handled as part of the commercial sale of the café business. Proof of identity and a bank reference will be required.

4. Legal Costs of Preparing Shop and Café Leases.

The incoming tenant is required to pay the fees associated with preparing the commercial lease. Both parties will be made aware of the costs before work on the Lease commences. For clarity the key proposed terms relating to the contract will be set out in a Head of Terms document. The Trust will not require a rent deposit.

5. Duration of Leases.

Where possible, all leases will run on a cycle ending 31 March regardless of the start date.

5.1 Leases on rooms/office space. Agreements are issued for 12 months or for a part year ending on 31 March subject to a successful application process (see section 3). For example; a tenant taking a space from 1 June will be issued with a 10 month lease until 31 March. This agreement is renewable. The renewal process is set out in section 7.

5.2 Leasing shop space. A 3 year tenancy will be offered subject to the successful completion of the application process (see section 3). This is renewable. The renewal process is set out in section 7.

5.3 Leasing café space; a 7 year tenancy will be offered subject to the successful purchase of the café business including provision of proof of identity. This is renewable. The renewal process is set out in section 7.

6. Terms and Conditions of Agreements.

The terms and conditions of a tenancy are set out in the agreement or lease and any covering letter. Tenants will be offered access to Comptons Yard Charitable Trust's Wireless Internet (WIFI) free of charge. Use of it is at the tenants own risk.

Rent is payable on 1st of each month by standing order. The cost of electricity is apportioned and billed to the tenant/s separately on a quarterly basis in line with the frequency the Trust receives them from the utility provider. Separate arrangements apply for Gas and Water in respect of the Café.

6.1 Fire Safety.

Tenants **must** comply with the Trust's fire precautions. Failure to do so is a serious breach of the agreement/contract. Trustees will take legal advice in cases of persistent non-compliance.

6.2 Insurances.

Tenants shall be advised of the need for them to obtain appropriate insurance coverage regarding the possibility of claims being made against them in respect of professional damages or contents losses arising from any of their activities while in Compton House.

Where professional and/or contents insurance is required it is the responsibility of the tenant to obtain the insurance cover they need.

6.3 Council Tax and Business Rates.

The payment of any Council or Business Rates is the responsibility of the tenant.

6.4 Rooms/Office space. Tenants will be offered a Compton's Yard Charitable Trust tenancy agreement. This will usually be for 12 month months (see section 5) and is renewable as set out in section 7.

6.5 Shop space. The tenant(s) will be offered a three year business lease for the shop part of the Compton's Yard building. Terminations of the lease in advance of the expiry date require 3 months' notice in writing. This requirement applies to both parties.

6.6 Café space. The tenant(s) will be offered a 7 year business lease for the café part of the Compton's Yard building. The Trustees require at least 3 months' notice in writing of an intention to assign or sub-let the lease. Termination of the lease in advance of the end date requires 6 months' notice in writing; this requirement applies to both parties.

6.7 Joint Tenants. Where one member of a joint tenancy wishes to terminate their tenancy they must notify the Trust in writing; notice periods may apply. The Trust will offer the tenancy either on the same or re-negotiated terms to the remaining tenant/s. If the remaining tenant/s does not wish to continue with the tenancy the Trust will seek a new tenant by advertising the space where appropriate.

7. Renewal Process.

7.1 Rooms/offices.

Where an agreement expires at the end of March renewal letters will be issued in January. For agreements ending at any other time renewal letters will be issued 2 months ahead of the expiry date. Any changes in terms and conditions, including rent increases, will be set out in the renewal letter. The Trust requests an acknowledgement of the letter and an indication of whether the renewal will be taken up. Where a tenant indicates they do not wish to continue the agreement the Trust will seek another tenant by advertising the space in the normal way.

7.2 Shop.

Unless notice to surrender the lease is given negotiations about a renewal may be initiated by the tenant or the Trust 3 months ahead of the expiry date. All terms and conditions including the rent will be reviewed when a lease expires or is surrendered. The rent level in any new lease will be calculated using the approach outlined in section 8 below.

7.3 Café.

Unless notice to surrender the lease is given negotiations about a renewal may be initiated by the tenant or the Trust 12 months ahead of the expiry date. All terms and conditions including the rent will be reviewed when a lease expires or is surrendered. The rent level in a new lease will be calculated using the approach outlined in section 8 below.

8. Expired and Surrendered Agreements and Leases.

All terms and conditions including rent will be completely reviewed when a tenancy agreement or business lease expires or is surrendered. Rent levels for new leases will be calculated using the approach set out in section 9 below.

9. Rent Levels and Calculation of Increases.

The trustees are obliged to ensure that, as far as possible, its rental income is maintained, maximised and not eroded by inflation. In addition the trustees wish to balance this by providing tenants with as much financial certainty as possible about the amount of rent they can expect to pay.

In support of its charitable objectives and to encourage take up and provide support to small/start-up businesses and sole traders operating in a low wage economy rents are currently set at 25% below the market rate.

9.1 Five-yearly Valuation.

To ensure the building is properly insured and the base figure upon which rent increases are calculated is up-to-date the Trust will commission and pay for a formal and independent valuation of the building every 5 years. A valuation is next due in 2022.

The result of the valuation will be taken into account when reviewing and setting rents (see section 7) and when calculating annual cost of living rent increases (see 9.2).

9.2 Annual Cost of Living Increases.

With effect from 1 April 2016 the Trust will increase rents annually in line with the cost of living. New rents will be calculated each January by comparing Government RPI cost-of-living figures for that month with the previous January. New rents will take effect from the following April.

10. Request for sub-tenancies and/or a change of use.

The introduction of a sub-tenant and/or a change of use in how the space is used are subject to approval by the Trust. Requests must be made in advance and in writing.

Any sub-tenancy will end when the main tenant surrenders or fails to renew their agreement/lease. Sub tenants are free to make an application for any available space in line with the normal application process (see section 3). No inheritance rights will be conferred on sub-tenants.

11. Tenant Engagement.

The Trust has long history of working in a co-operative partnership with its tenants and, as a landlord, aims to have a fair and ethical tenant relationship rather than a strictly commercial one.

Tenants are asked to raise any concerns or requests as promptly as they can so that Trustees can address them quickly and effectively. Any queries, concerns or requests relating to a tenancy can be raised by email to tenancy@comptonsyard.org.uk. This includes all requests to make any changes to the structure or to the appearance of a unit all of which need prior approval from the Trustees.

- Emails will receive a reply or an acknowledgement within 7 days.
- If a Board discussion or decision is needed this will be addressed at the next Board meeting. Meetings are held on the second Wednesday of each month; the dates for 2017 and the agenda setting deadline are set out below.
- A notification of the outcome will be sent within 7 days of the meeting.

Comptons Yard Charitable Trust is a volunteer led organisation which means that Trustees, inevitably, have limited availability. Trustees will deal with urgent matters as soon as possible. Tenants raising matters in a timely way will enable Trustees to provide an effective response.

Where a tenant has a complaint or grievance that cannot be resolved informally through the liaison officer they may formally complain to the secretary in writing. The secretary will aim to investigate the complaint as quickly as possible and notify the tenant in writing of the outcome.

12. Trust Membership.

All tenants are eligible to be Members of Compton's Yard Charitable Trust. Membership cost £1.00. Application forms can be obtained from the tenant liaison officer or by emailing the Trust office secretary@comptonsyard.org.uk.