

# **Mayfield Community & Health Centre**

## **MEMORANDUM OF AGREEMENT**

Between

Mayfield and Five Ashes Parish Council

and

Wealden District Council

Facility – Provision of a new build Community and Health Centre at Court Meadow, Mayfield

Freeholder (**landlord**) – Mayfield and Five Ashes Parish Council of The Old Manor House, High Street, Mayfield, East Sussex, TN20 6AL (**PC**)

Leaseholder and Development Manager (**tenant**) – Wealden District Council of Council Offices, Vicarage Lane, Hailsham, BN27 2AX (**WDC**)

Mayfield and Five Ashes Parish Council is the registered proprietor of the freehold property known as Court Meadow, Tunbridge Wells Road, Mayfield, TN20 6PJ and intends to enter into a Ground Lease and a Development Agreement for a new community and health centre with Wealden District Council.

It is intended that Wealden District Council will undertake the development and, on completion, will be granted a 99-year lease of the health centre part of the development (the **Premises**) all in accordance with the following heads of terms.

It is intended that Wealden District Council will grant a 25-year sub-lease of the Health Centre to Woodhill Surgery, Station Road, Mayfield, TN20 6BW (**GPs**) on terms that are yet to be agreed and which do not form part of this Memorandum of Agreement.

These Heads of Terms are not intended to create any legally binding obligations. They are subject to contract, completion of formally executed legal documentation and approval of the full council of Mayfield Parish Council and the Wealden District Council cabinet.

This Memorandum of Understanding is confidential to the parties and their professional advisors.

The proposed Lease and the Development Agreement may contain further terms as each of the parties may require, including additional terms on matters that are covered in this document.

## **AGREED TERMS**

### **LEASE**

Lease Agreement – PC and WDC will enter into an agreement for the lease of the Health Centre on the following terms:

- a) Ground Lease granted by PC to WDC for the Health Centre for a 99 year term. The security of tenure provisions of Part II of the Landlord and Tenant Act 1954 will not apply and there will be no break clause except under condition (e) below

- b) Ground Rent

The amount of ground rent will be payable as follows:

- i) from year 1 to year 25 at £1,000 pa.
- ii) from year 26 to year 99 the ground rent payable will be 25% of the rent receivable by WDC from the tenant on income from the health centre.

In addition to the ground rent, the tenant must also pay any VAT, rates, service charges, insurance premiums and all other outgoings applicable to the Premises.

- c) Sub-letting of the health centre will be permitted to a GP practice at the commencement of the lease term. From year 26 onwards it is expected that the premises will continue to be occupied as a GP practice. If for whatever reason, the

premises cannot be used for this purpose then it shall only be re-let to other healthcare professionals (e.g. physiotherapists, chiropractors etc.) or for other purposes that are of a direct community, health or wellbeing nature in favour of the residents and community of the Parish.

- d) Assignment of lease will only be permitted to a public sector body or other community orientated organisation that is not operating on a purely commercial profit driven basis.
- e) In the event that the premises cannot be operated (for whatever reason) as a GP and/or healthcare or other community facility, WDC would be permitted to terminate the lease at any time after year 25, but with no financial re-instatement from the PC.
- f) Internal non-structural alterations will be permitted. Internal structural alterations will be permitted with landlords consent not to be unreasonably withheld.
- g) Any External alterations will only be permitted with PC consent

#### **DEVELOPMENT AGREEMENT**

PC and WDC will enter into an agreement for the design and construction of the entire building together with external areas.

- (a) The Development will consist of a community centre of c. 700m2 and health centre of c. 350m2, (the exact size will be confirmed upon completion of the Health Care schedule of accommodation and following the architect completing their initial design) together with all external works, landscaping, car parking and access.
- b) WDC will undertake to lead and manage the development of a combined Community and Health building
- c) WDC will work with the PC to further the project including:
  - i) Preparing an architect's & other consultant's briefs in line with standard scope of services for the relevant consultant appointment
  - ii) Agree the form of construction contract to be adopted (e.g., traditional or design and build)
  - iii) Procure and appoint a design team and contractor consistent with the form of construction agreed
  - iv) Develop design and cost appraisals to facilitate submission of a planning application
  - v) Assist (along with the appointed professional team) with a parish public consultation with a view to determining the final design (Internal and external)
  - vi) Tender a construction contract with a reputable and suitable contractor, on receipt of planning permission or earlier if agreed between the parties, enter into a construction contract ensuring relevant warranties are put in place for the protection of PC
- d) Sharing of Costs : Total costs (including build costs, professional fees and external costs) have been agreed for share between the parties, subject to financial appraisals and relevant council approvals on the following basis:

- PC	50 %
- WDC	50 %
- e) Each party will be responsible for the cost of fixtures and fittings where required within their operable area of the building
- f) A target total budgetary figure of £3.25M has been identified for the total project construction but excluding internal fit out and fixtures.

- g) Project Sponsor Board
  - i) A Sponsor board will be set up comprising representatives as indicated below (each party has the ability to substitute these representatives as they require):
    - PC
      - Chair of council (Cllr Gill Weavers)
      - Chair of Finance & General Purposes Committee (Cllr Chris Lilly)
    - WDC
      - Leader of the Council (Cllr Bob Standley)
      - Ward Councillor (Cllr Brian Redman)
  - ii) Chairmanship of the Sponsor Board will rotate between the two parties.
  - iii) The Sponsor Board will be responsible for overseeing the project including:
    - Approval of approach (i.e., traditional or design and build)
    - Approval of all expenditure including the construction budget
    - Approval of building design
    - Agree the construction budget
    - Submission of planning approval
    - Entering into construction contract
    - Approval of content to be included within PC public consultation
  - iv) The PC will work with WDC on all tasks including to agree contract appointments and attend all design and progress meetings.
- h) Construction Contract –
  - i) WDC will enter into the agreed form of construction contract, with the selected contractor with payments being made for the construction work on production of agreed interim certificates of payment, certified by WDC's agent.
  - ii) PC will reimburse their proportion of each interim payment within 30 working days of the invoice date.
  - iii) WDC will use reasonable endeavours to ensure that the community centre section of the build is zero rated for VAT purposes by providing appropriate certification to the contractor(s) such that invoices sent to the PC by WDC will not include any VAT element.
  - i) WDC will ensure that the PC receives collateral warranties from the main contractor and consultants within the professional team responsible for the design elements of the building.
  - j) Timescales - The project is scheduled to commence in January 2021 with a target date for occupation in Q1 2023

#### OTHER MATTERS

This Agreement will be conditional on :

- a) WDC entering into a contractual position with the local CCG and doctors for a 25 year viable lease agreement of the Health Facility in line with the current project space requirements.
- b) Mutually agreed lease and development agreements
- c) A financially viable development design that is within the approved budget
- d) Planning approval
- e) Tender submissions from reputable contractors that are within approved budget
- f) Approval by the PC full council & WDC cabinet via the Sponsor Board
- g) Any unforeseen legal challenge which may arise

Signatures of the parties

For Mayfield & Five Ashes Parish Council

.....

Cllr Gill Weavers (Chairman)

Dated .....

For Wealden District Council

.....

Trevor Scott (CEO)

Dated .....