

BRICK PARTNERSHIP BROKERS PILOT

PROJECT REPORT

APRIL 2015



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Our thanks to the participants in the four brokering pilots, the participants in other projects from whom we drew lessons and the participants in the BRICK and Locality workshops who informed our conclusions. Where we are wrong it is entirely our fault!

1. EXECUTIVE SUMMARY

The [BRICK programme](#) is run by [The Prince's Regeneration Trust \(PRT\)](#) with funding from [Heritage Lottery Fund \(HLF\)](#) and a number of sponsors. As a project within the BRICK programme, the Partnership Brokers Pilot (April 2014-March 2015) has been led by [Locality](#) and co-ordinated by [Jericho Road Solutions](#), with legal support provided by [Beswicks](#).

This report outlines the work of the BRICK brokers to support the development and management of community-private sector partnerships within four pilot projects. It describes the brokers and the projects, and then draws out general findings, lessons for community-private sector partnerships and for future brokers, and some recommendations for HLF.

Supporting partnerships to undertake heritage projects is not new and must be seen in the context of existing advice and support services. It is difficult to separate the partnership brokering from the wider needs and challenges facing the project. There is sometimes a further distinction between the 'incumbent' private interest and 'incoming' private partners. Most cases involve a 'three-legged stool' in which the local authority is a crucial player and should forge a partnership with the community before bringing in a private partner.

The typology developed by Jess Steele prior to the pilot proved a useful framework throughout:

- Dating – finding the developer or community partner and getting to know them
- Mating – forming and consummating a relationship, usually legally documented
- Translating – breaking through the language barrier and the different frames of reference of the two 'sides'
- Relating – helping the relationship get back on track when things go wrong.

Attitude matters. Both sides start with less-than-positive perspectives of each other based on experience and prejudice. Yet community-private sector partnerships can bring great benefits to both. It is not easy for partners to find each other and there need to be more cross-sectoral networking opportunities.

There are lots of different kinds of deals, ranging from joint ventures with shared risk to sale & leaseback arrangements that divide up rights and responsibilities for property. A Memorandum of Understanding can be a useful approach but the key to success is in the alignment of objectives so the value is in the drafting discussions rather than the document itself.

Brokers are confronted with a complex web of cross-sectoral interaction and will need to spend time understanding the local political context as well as the

partners. Brokers must bring relevant respected expertise to the table in order to build credibility, but the skills deployed in the brokerage are all around interpersonal diplomacy. The broker advocates for the project rather than any of the stakeholders.

Given the importance and fragility of partnerships between private and community interests to achieve solutions for historic buildings, there is a potentially significant 'market' within and beyond the field of Heritage Enterprise projects for brokering or mediating services that focus specifically on developing and managing this relationship. This support could be encouraged by HLF in a commitment to fund brokering where it is requested within a grant application. In high-risk partnership projects HLF could include a requirement and funding for brokers as a contingency. HLF could procure brokers either directly or through a third party, making sure to include support for brokers themselves as part of the service. It would be preferable to intervene at an earlier stage – a relationship health check at project inquiry or start-up grant application stage could identify where brokerage could be beneficial.

Many community-led projects involving a private owner, developer or operator would benefit from a brokering role. As these partnerships become more common it will be important to continue to gather and share the emerging lessons.

A register of potential private sector partners would be useful, as would guidance specifically for community-private partnerships.

2. INTRODUCTION

The [BRICK programme](#) is run by [PRT](#) with funding from [HLF's Catalyst Umbrella](#) scheme and a number of sponsors. As a project within the BRICK programme, the Partnership Brokers Pilot (April 2014-March 2015) has been led by [Locality](#) and co-ordinated by [Jericho Road Solutions](#), with legal support provided by [Beswicks](#).

The Brokers Pilot emerged in response to the early development of the [HLF's Heritage Enterprise](#) scheme which was launched in 2014. We started from the proposition that 'partnership' between private and community sectors is challenging and that an engaged 'honest broker' could facilitate the relationship where both parties had interests in a particular project.

We proposed that this could occur in one of four stages:

- Dating – finding the developer or community partner and getting to know them
- Mating – forming and 'consummating' a relationship, usually legally documented
- Translating – breaking through the language barrier and the different frames of reference of the two 'sides'
- Relating – helping the relationship get back on track when things go wrong.

The aim of the pilot was to test whether the introduction of a broker role to support community-private sector partnerships could reduce project funding risks.

The pilot included brokering between private and community partners for four projects, along with legal support where required. Each pilot was allocated a total of 10 days and we trialled different approaches – starting with the idea of splitting the role into 'lead' and 'sounding board' brokers. This worked well in some instances; in others different brokers became involved at different stages in order to provide the right kind of brokerage. In addition to the four pilots, we also gathered lessons from other community-private sector partnership projects.

The projects were selected through a process of long-listing from all our contacts after which the coordinator investigated further to see which appeared to have the most useful lessons.

Throughout 2014-15 the brokers participated in a number of BRICK training events for community groups with heritage regeneration projects, bringing further insights and promotion of the recommendations emerging from the pilot.

3. THE BROKERS

The pilot project was led by Locality (Hugh Rolo) and coordinated by Jericho Road Solutions (Jess Steele) with support from PRT (Ros Kerlake) and igloo Regeneration (Chris Brown). Each of these individuals piloted the brokering role on a project between summer 2014 and March 2015.

The four brokers are all serial entrepreneurs in the field of built assets, bringing a wealth of skills and knowledge, including a strong focus on heritage expertise.

Chris Brown is Chief Executive of igloo regeneration. igloo is a developer, funder and partner, a responsible real estate innovation business that works with communities, local authorities and investors who want to make better places. Chris is a surveyor by training and developer by trade. He has a long and varied history of regeneration management and leadership from within the private sector. He has particular expertise in complex regeneration projects, including partnership vehicles and regeneration finance, having formed, financed and run a number of successful regeneration vehicles and projects

Ros Kerlake was appointed Chief Executive of PRT in 2006. As first Chief Executive of PRT, which brought all the Prince's heritage activities into one organisation, she has overseen its transformation into the UK's foremost heritage-led regeneration charity. Prior to joining PRT she held a number of senior posts in the property world and in industry, including Property Director at Railtrack, CEO of Regenco (Sandwell Urban Regeneration Company), Director of Business Services at Gulf Oil and a similar role worldwide at Booker Group Plc. She chairs the Regeneration Leaders Network, has been a Non-Executive Director of a variety of public and private organisations, and currently sits on the Craft Industry Board, the Heritage Alliance Board and the Board of Quintain Estates & Development Plc.

Hugh Rolo is Director of Business Development at Locality. Hugh is privileged to sit at the heart of a network of over 500 community enterprises all at various stages of asset acquisition, refurbishment or management. Based in Bradford since he left the City at the end of the 1980s he has taken an active role in finding new uses for old mills, as a founder Director of Carlisle Business Centre and Manningham Mills. Hugh is a Founder and Director of the Key Fund and the Social Investment Business as well as a Managing Partner in the DCLG/DECC backed Community Shares Unit: as an active social investor through these funds he has gained experience on "both sides of the fence" – a useful skill to bring to the role of broker.

Jess Steele is Founding Director of Jericho Road Solutions. Jess provides neighbourhood coaching to community groups working on ambitious projects, usually involving challenging buildings. Jess is a highly-experienced project developer and fundraiser with a track record and deep knowledge around

building community support. She played a leading role in the rescue of Hastings Pier and is a board member of White Rock Neighbourhood Ventures, the 3-way joint venture that is redeveloping Rock House in Hastings.

Beswick's Legal achieves top tier rankings in the Legal 500 guide, with particular expertise in commercial and property fields. They understand and appreciate the issues involved in formulating and leading a successful community-based heritage project. Beswicks Legal has been involved with a number of local groups in Staffordshire and recognised the importance of the BRICK Brokers Pilot focus on innovation, collaboration and partnership.

4. THE PILOT PROJECTS

4.1 Bognor Pier, Bognor Regis – Broker: Jess Steele

Bognor Pier is currently owned by Bognor Pier Leisure Ltd, a private family company. The owner is worried about the future and knows that he will not be able to raise private finance for the restoration work that will be required. Bognor Pier Trust and the Friends of Bognor Pier want to ensure the pier is saved for the future.

The broker facilitated their coming together, the development of a shared vision and the involvement of other partners (Bognor Regis Town Council, West Sussex County Council). We provided (through Beswick's) a draft legal agreement for the sale and lease-back, and support for an HLF start-up application that would bring in funds for further survey work.

By July 2014 mediation work led to the owner offering an unused building on the pier for the trust to use as a base to build community support and develop a HES bid. Progressing this involved: agreeing that the trust would pay for skips; the owner would clear out the building; the trust found a couple of local builders willing to do repairs at cost of materials; the deal would last for at least a year. Even an apparently simple piece of partnership work like this is actually quite complex, time-consuming, and raises larger issues about trust and capacity.

In January 2015 the broker spent two days with the partners in a series of meetings: a visioning exercise involving the partners and some other stakeholders; a trust Directors' meeting; a private meeting between the partners to focus on the legal and financial practicalities; a funding advice session with the trust; and a meeting with the local newspaper. The sense of partnership grew stronger and it was agreed that a Memorandum of Understanding would be useful way to approach the thorny question of the rent level. This was drafted by Beswicks and a further session held in March. The owner's accountant advised against signing because it would be 'time-consuming

and expensive' but further mediation has achieved the information exchange required to take the next steps towards a Heritage Enterprise application. The Trust has now instructed valuers to provide a starting point for negotiations about the future rent levels.

4.2 Bradford Odeon, Bradford – Broker: Chris Brown

Bradford Odeon is the largest UK cinema ever built outside London. Completed in 1930 it became Bradford's most loved iconic building through its location in the centre of the city and its use for cinema, bingo and concerts including the Beatles (twice). The building closed in 2000 and was slated for demolition and redevelopment.

The building was bought by Regional Development Agency, Yorkshire Forward, for redevelopment and a campaign to save the building started in 2003. The appointed developer, Langtree Artisan, failed to deliver the project during the recession and their agreement was terminated in 2012. In 2013 ownership passed to Bradford Council who commenced a competition to select a partner prepared and able to retain and reuse the building.

When the brokering began two organisations were bidding to Bradford MBC to take the project forward: Bradford One, a community benefit society formed to rescue, restore and redevelop the much-loved site, and a private company limited by guarantee called Bradford Live, led by local businessman Lee Craven. Bradford MBC decided in August 2014 to take forward the latter bid.

Broker time was spent advising on the scheme, meeting each group separately, liaising with the local authority, attempting to repair the divisiveness of the bidding process and consolidate community support for the project. Bradford Live decided to take up the offer of a broker, particularly focused on the funding package.

Towards the end of the brokering pilot a meeting was held in January 2015 between Lee Craven, Chris Brown (as broker), Hugh Rolo (as a social finance specialist and long-time Bradford resident/activist) and Jess Steele (as pilot coordinator and specialist in fundraising and community engagement) to seek to provide post-pilot support to the project. This was followed by a site visit to the Odeon in March.

The independent focus of the pilot activity on behalf of the project in this instance turned out not to be to broker a relationship between community and private sector but instead to explain the importance of strong community support for the project that had been substantially damaged by the divisive council-run competitive process and to encourage mechanisms to achieve this to support the prospects for grant funding, without which the selected proposal was unviable.

4.3 Temple Works, Leeds – Broker: Hugh Rolo

Once the 'largest room in the world', this vast Grade I listed building has reopened as a cultural venue. While structural repairs are underway to the 2-acre main space, the owners are allowing the rest of the site to be under artist occupation involving local and regional artists in "testing the site's spatial qualities and choreography". CITU, a private developer, has been working with the current users for some time under a non-disclosure agreement but by September there had been a breakdown in the relationship and the coordinator of the meanwhile use, Susan Williamson, asked for brokerage support.

With an invitation from the community side (but not the owners, developer or local authority), the broker was pitched into a complex situation for a major project with a long history, at a time when under the surface major decisions were taking place. It transpired that CITU and Leeds City Council were in the final stages of agreeing a strategy to transfer two substantial adjacent sites as enabling assets. Both parties were bound by 'in commercial confidence' agreements and it was not until the shape of the overall deal was in the public domain, following a key cabinet approval, that brokerage could begin in earnest.

Both partners are represented by highly-sophisticated individuals with detailed knowledge of the specific site and its broader possibilities within Leeds. There was a wealth of detail for the broker to understand. Both parties were fairly bruised by their initial engagement and wary of 'outside intervention'. Susan had been holding the licence to operate in a personal capacity and as 'de facto occupier' and was uncertain about her relative power in the redevelopment equation. The broker offered legal support to create broader Articles of Association for a dormant CIC, which could offer a more suitable community licence holder for the inevitably long period of transition. Beswicks have now completed this work and the new Rules are being finalised.

CITU lodged their HLF major grant application at the end of November and the site visit in mid-February offered an opportunity for cooperation. The broker facilitated the first face-to-face meeting in more than a year and coached both sides as to feasible outcomes. After some delicate negotiation it was agreed who would do what. The visit was deemed to have been a success. "Both parties are now in slightly prickly but friendly contact – copying me in on emails."

The broker's focus has been to aim for heads of terms of an agreement for the transition period – up to three years before any main development would take place - using the Temple Works Transitions CIC to continue to occupy the buildings under licence and provide maintenance, security and meanwhile activity, while CITU focuses on long term development. Sadly the HLF application was not successful but "sweetness and light seem to have broken out

between CITU and Susan”, so the transitional use will continue while the developer reconsiders the long term options.

4.4 Craneworks, Bath – Broker: Ros Kerlake

Craneworks aims to transform the derelict Stothert & Pitt factory buildings on the Lower Bristol Road in South Quays, Bath into a world-class Centre for Invention – an inspirational place to learn, make and work – as part of a larger redevelopment project by BMT and developer Deeley Freed Estates Ltd (DFES).

PRT was contacted by Craneworks CIC in summer 2014 and Biljana Savic, PRT’s Programme Director, visited the project mid October 2014. There had been an ambition to develop part of the old Craneworks site in Bath as a community Centre for Innovation for some time, but an agreement for the disposal of the entire site was entered into by Bath & North East Somerset Council (BANES), the current owners, and the community group were left to negotiate directly with the acquirers, BMT, whose main interest was to undertake a new office development on the site.

In October 2014 it was agreed that the project would become part of the Brokers Pilot and it was initially given advice by Chris Brown, before being transferred to Ros Kerlake.

BMT/DFES were suspicious of Craneworks, having had a difficult first meeting prior to the involvement of the Brokers Pilot, and were concerned that a community group might slow down the process and prove unreliable. As a result they had insisted on a competitive tender process in relation to future use of the listed buildings. They also sought unduly restrictive confidentiality terms. The community group were pressured into making a very swift application for HLF funding to establish credibility as a bidder.

BMT had no interest in developing the existing buildings which are to be retained so there was a genuine common interest in finding a mutually acceptable way forward. After an initial difficult relationship DFES seemed more supportive. The Craneworks trustees have a good range of skills and have committed huge amounts of time to the project.

The broker’s role has been to advise at key moments, including a visit by Ros at which she was able to clarify HLF advice about requirements and secure additional time for submission of information. However, BMT/DFES then delayed selecting a partner for the historic buildings causing potential embarrassment for Craneworks. It became apparent that there were ongoing disputes between BANES and BMT/DFES and that Craneworks would struggle to make progress until these issues were resolved.

5. LESSONS FROM ELSEWHERE

As well as lessons from the pilots, this report also draws on experiences in a number of other projects including the Ancoats Dispensary, Somerleyton Road Brixton, Leathermarket CBS, Bermondsey Square, Rock House Hastings and Manningham Mills Bradford.

5.1 Ancoats Dispensary, Manchester

The Grade II listed Ardwick and Ancoats Dispensary, built between 1872 and 1874, is the last remaining building of the historic Ancoats Hospital. Closed in 1989, despite a two-year occupation by local residents, it was left derelict with an uncertain future as the Urban Splash-led redevelopment of New Islington continued around it. In May 2011 local resident Linda Carver heard the word 'demolition' at a consultation on the proposals and quickly began to raise awareness locally. In July 2012 a grassroots organisation emerged and established a vigil outside the Dispensary which continues to this day.

Chris Brown and Jess Steele became involved in summer 2013. Jess supported Save Ancoats Dispensary to convert to Ancoats Dispensary Trust (ADT). Within a matter of months a joint venture vehicle – Ancoats Dispensary Ltd (ADL) – was developed with ADT holding 51% shares and igloo Regeneration holding 49%. A successful Heritage Enterprise bid was submitted in Dec 2013 and funding from the Investment & Contract Readiness Fund secured in Jan 2014.

Lessons:

Lack of capacity and experience within the community group causes frustration for the private partner. The community has been treated badly by powerful private (and public) sector players in the past and is suspicious of motivations.

Although ADT delegates three of its members to act as Directors on the board of ADL, it has proved difficult for the other ADT Directors to let go of decision-making about the development phase and concentrate on the long-term future. The importance of a paid, full-time senior lead.

5.2 Rock House, Hastings

Rock House is a 9-storey, 1969 office block adjacent to the old Hastings Observer building. It was purchased in July 2014 by White Rock Neighbourhood Ventures Ltd, a joint venture between Meanwhile Space CIC, White Rock Trust and Jericho Road Solutions. The building is currently being converted into 2 floors of residential and 6 floors of creative commercial and community space, all with capped rents to preserve affordability.

Lessons:

It helped at the start that there was a single person directly involved in all three of the partner organisations (Jess Steele is the Treasurer of the White Rock

Trust, a Non-Exec Director of Meanwhile Space and the driving force behind Jericho Road), that their visions were broadly aligned and that they were willing to be open and honest about their motivations. Each partner has a lot to gain from the project's success. However, it became more difficult once serious negotiations began in relation to grant support from Power to Change to WRT, meaning that Jess Steele had to resign from the White Rock Trust to avoid conflict of interest.

The Shareholders' Agreement has been a crucial document for developing mutual understanding as well as for governing practical aspects of the partnership. The process of developing this document forces the partners to consider and discuss all aspects from immediate roles to future profit shares to eventual exit scenarios.

The context is continually evolving and the partners are now exploring collaboration with the new private owners of the adjacent Observer Building which has opened up further challenges and opportunities.

6. GENERAL FINDINGS

It is important to recognise that:

1. the work of supporting partnerships to undertake heritage projects is not new and should be seen in a context of existing advice and support services (including from PRT, Locality and Jericho Road)
2. it is difficult to extricate the specifics of the partnership brokering from the wider needs and challenges of the project (governance, capability, funding, viability, etc)
3. while it is interesting to focus on the commercial deal (ie the community - private sector partnership) most projects involve a 'three-legged stool' in which the local authority is a crucial player. In addition, there is often, though not always, a distinction between the 'incumbent' private interest and 'incoming' private partners.

Temple Works offers an example of multiple partners and agendas: the current owner (Barclay Brothers represented by SJS), the new developer (CITU), the meanwhile users (facilitated by Susan Williamson), and the local authority (Leeds CC).

Sometimes the distinction between 'private' and 'community' is even more complex. In Sowerby Bridge the 'community group' were the small businesses operating in the Wharf, who were threatened with eviction by British Waterways (a public authority behaving like a large commercial landowner). Eventually there was a community-led scheme where the small businesses restored their

own buildings, with support from PRT who helped to 'balance up the negotiating clout'.

There is a 'long tail' on all these stories. Pre-recession Bradford Odeon had a private developer with an option to purchase, but there was a period of limbo after 2007, exacerbated for local people by the Westfield 'hole in the ground', which increased pressure on the council to do something. It has taken a further eight years to get to the position where Bradford Live is putting together a scheme.

Heritage buildings are a focal point for community emotion which is often targeted at the local authority. People understand councils' financial pressures in a general sense but they don't know where else to turn – councils are still seen as 'custodians'. In many cases, with hindsight, councils could usefully have acted differently, especially by 'taking the local community temperature' about buildings earlier and more systematically. We find a pattern whereby councils wait until community campaigns can no longer be ignored and then institute an exclusionary or competitive process. There are significant costs and risks to this approach, both for the community and for local politicians. Instead the council should work with the community to tackle these major liability-assets, bringing local groups onto their side of the table to participate in the selection process. Council officers face a further challenge – how far dare they go in discussion before they have secured political cover? This will always create a tendency towards covert development processes which generate further suspicion, as well as delays and disruptions (waiting for cabinet meetings, elections).

Public sector land owners should forge a partnership with the community before bringing in a private partner. Under no circumstances should there be a competition between community groups (as with Bradford Odeon) or a developer competition with a requirement for a community partner (St Clements, GLA) or a developer competition with a weak obligation to then find a community partner (Branch Road, GLA).

These processes are different in each case. In Bath the developer was supposed to be selecting their preferred partner but they appeared to be using this as a negotiating chip in their deal with the council as current site owner. Ownership of land is critical to the power relationship. Where communities are able to buy their way in, as in Hastings, everything changes and becomes more equalised.

These attitudes will only change through more positive contact between developers and community groups.

7.1.2 What's the benefit of community-private sector partnerships?

Such partnerships can bring expertise, and access to different resources, perspectives, contacts, and knowledge. Sometimes a community-private sector partnership is the only way that a particular project can proceed at all, for example where there is an incumbent private owner as with Bognor Pier. At other times, as with Ancoats Dispensary, it adds a crucial level of credibility that gets the project over the first hurdle with funders.

For the community it is often the case that nothing will happen with the building unless they engage effectively with the owner/developer.

For the developer it is clear that grant funding can only be accessed with and through a genuine community partnership. It is not acceptable for private interests to create privately controlled not-for-profit companies as a funding conduit. While there is room for flexibility in legal and membership structures, there should always be some kind of 'open door' for interested local people to get involved (though sadly this is not always true even of building preservation trusts). Given the central focus on relationships, the answer is not structural but behavioural.

Additionally, many heritage buildings have some challengingly large spaces – the owner may appreciate someone else to look after these while 'baking in' the long-term customer base. This is true of Temple Works and community partnership could certainly achieve this for the Bradford Odeon, where the restaurant/ballroom building could operate on a less overtly commercial model, reconnecting to and channelling the passion that local people have shown for the building over many years.

7.1.3 How to make friends from the other side

"Developers and community people don't go to the same parties. They don't rub shoulders or happen across each other except in confrontational planning committee meetings."

There is only rarely an opportunity to find and choose a partner through a formal process of selection. 'Shotgun weddings' are common because there is often only one geographic community for a project, and private partners are imposed through ownership or procurement.

There is a need for guidance on the best way for public sector landowners to select partners. This would include having the community alongside the council,

participating in framing the evaluation criteria and selecting the private partner. Criteria should take account of Social Value Act principles (though these don't currently apply to works or property). Guidance is also needed for communities on how to find and select an appropriate developer partner (eg look for people locally or nationally with CSR policies, run a 'competitive' getting-to-know-you process, seek out networking opportunities). The keys to success are building trust and achieving alignment of objectives.

The community group needs access to a range of skills. It is helpful if it includes professionals such as lawyers and accountants, who may be more familiar with acting as an interface with the private sector partner. The private sector partner needs to understand and value the input of the community.

Both parties need to recognise each other's valid objectives and adopt and share these, making any trade-offs between conflicting objectives transparent and explicit.

7.2 Mating

Once you have a partnership, what kind of deal works best? This will depend on whether you are looking for a joint venture or a different kind of mutually beneficial arrangement.

In a Joint Venture (JV) the most important document will be the Shareholders' Agreement. This will lay out the division of shares between private and community partners, their roles, responsibilities, and contributions, and the long-term intentions of the partners.

The most obvious legal structure for a JV acceptable to Heritage Enterprise Scheme is a company limited by shares in which the community organisation holds a majority (51%) and the private partner holds the remaining minority. Ancoats Dispensary Ltd follows this model. Its purpose is to undertake the redevelopment of the site and the plan is for the Trust to buy out igloo's shares once the development is complete and retain ADL as a trading subsidiary thereafter. The heads of terms for the Shareholders' Agreement have been in place for many months but the devil is in the detail and a partnership can come unstuck over something that might just seem like Clause 17.b to one partner, while to the other it may seem to undermine some fundamental aspect of mission or viability.

In many cases a formal JV will not be necessary. In the case of Bognor Pier, what is required is a Sale & Leaseback Agreement. At its most basic this will be a conveyancing document to arrange the transfer of freehold ownership of the pier to the community trust and the leasing back of the buildings for commercial use by the private partner. However, this is far from simple; there is no way to leap to that deal without building trust and securing the interests of both parties

so that they can work together through a long process of fundraising, planning and restoration. The 'mating agreement' put forward in this case was a Memorandum of Understanding, but even this was a step too far. The fragile partnership has to be continually nurtured and sometimes it is necessary to take a step back before moving forwards again.

The most important need is clarity about objectives. Each stakeholder needs to be honest and open about their aims, what they can offer and their constraints. The process of aligning and documenting these is critical to later communication. Understanding where people are coming from is key to translating what they are saying and relating to their experience of the project.

This process of alignment does not need a lawyer but it does need facilitation. Sometimes that may be available through a third party locally. We have found that external facilitation by a trusted and experienced 'honest broker' can be a helpful way to advance the partnership to agreed terms.

We have provided templates for the three key types of document:

- Memorandum of Understanding – how you will work together towards a shared goal
- Joint Venture Shareholders' Agreement – the division of ownership, governance, contributions and rewards
- Conveyancing – eg Sale & Leaseback.

When they are ready and have a clear idea of both partners' objectives, contributions and constraints, each partner will need legal advice to highlight any issues and risks and, eventually, to reassure them that this is the right way to structure the deal.

7.3 Translating

'Private' and 'community' are like two tribes, with many sub-cultures. They may be talking about the same building but they are talking different dialects. This can sometimes be a problem of jargon. Developer-speak uses a lot of shorthand terms to describe complex processes and equally complicated language to obfuscate basic points. Community organisations might be thought to be models of simpler language and often at first they are, but it doesn't take long before they are speaking funding-language!

Even without the jargon, ostensibly simple words like 'asset', 'finance', 'development', 'returns', 'resources', mean different things in the different contexts the partners operate within. There is often a mismatch of timescales and sometimes huge gaps between the resources available to each. They are each working within different constraints. They also have different missions and maybe different fundamental values.

Given this gulf, the role of translator is not just a job of perpetual rephrasing but also about helping each partner to understand the world of the other in order to 'get what they're saying'.

7.4 Relating

It follows that the most important task of a broker is to help the partners relate to each other. They need to understand each other's modus operandi. What makes your partner tick? What do they care about? What are their hidden concerns?

Long term partners need long term support, not all the time but available to them as required. Relating is most important if/when things go wrong, with the project or with the partnership - if either happens the other will suffer.

We have seen many situations where the two or three early stages of this four-stage process have been missed and relationships haven't formed or have broken down. The process then becomes like a Camp David shuttle diplomacy.

The outcome of such diplomacy cannot be preordained, but can only emerge from a process of communication, trust and relationship building and negotiation towards shared objectives.

8. LESSONS FOR BROKERS

It's complicated. We have found that brokers are often confronted with a complex web of cross-sectoral interaction that cannot easily be characterised as a community-private sector partnership. The local authority will almost always have important roles – indeed in multi-tier areas like Bognor Regis there can be up to three separate councils with different roles, attitudes and responsiveness. In Bradford the council's decision-making process was both divisive and conclusive. Members of Bradford One (around 500 local community members) were simply rejected; the council did not follow-through to support any rapprochement. In Bath, the delayed deal between the council and developer has put pressure on the nascent partnership. In Leeds the local authority has a key role behind the scenes but was not able to divulge this until fully supported by the cabinet. The way the partnership plays out will be hugely influenced by the local political context. It can be difficult, and in some cases unnecessary, to split out the brokering role from the other aspects of a project that need support. Partnership management and brokering can be provided as part of a wider advice/consultancy service if the consultant has the right skills and credibility but, given its importance, it should still be considered separately to ensure it is being covered.

You need credibility. Saying you're the broker is not enough. The broker has to bring relevant, respected expertise to the table. In our cases this meant: Ros knowing the players in Bath and having long experience in community-led heritage projects and funding; same for Hugh in Leeds along with living and working in Bradford; Chris having won Heritage Enterprise funding for Ancoats Dispensary relevant to Bradford Odeon and knowing the Chief Executive of the council; Jess having saved Hastings Pier relevant to Bognor Pier. Being recommended by a trusted third party can be important, but fundamentally the broker needs to add value to the project in order to gain trust and confidence. This would argue for brokers who are active in 'real' projects rather than consultants without such experience.

Skills required. While credibility may come from technical skills and know-how (eg in funding, development etc), the skills actually deployed are all around interpersonal diplomacy – strategic, tactical, negotiation, language, and relationship and trust-building skills to broker compromises. Much of the process is about finding out what each party wants to achieve and seeking ways to align their objectives.

Independence. The broker must be the advocate for the project not for any of the stakeholders. Respect, and the ability to act as a broker, forging compromise agreements, comes from being seen as rationally advocating what is best for the project. Locality pioneered this approach through its 'Advancing Assets for Communities' programme which worked with over 100 local authorities and their community partners. Case managers insisted that they were working, not for either party but 'for a fair and effective transfer'. It is important, therefore, that the broker is not seen to be anticipating a future role for themselves other than ongoing brokering.

Resources & timescales. The 10 days allocated within the pilot programme is not enough. The process of becoming accepted as a broker takes time in introductions, gaining trust, negotiating the role (3-5 person days). This start-up phase is crucial but must happen before any project would be willing to commission the broker, so it will always need to be funded elsewhere. The issues requiring the involvement of a broker then arise periodically through the project. The broker shouldn't be a crutch for the project but they need to hover in the background so they can see when they are needed and intervene in a timely and proportionate way. The cost of a broker to a project after the initial dating & mating stages, is a bit like a project contingency. If the project goes well it won't be needed, if the project hits challenges it will be. If the broker role is separate from other advice and support for the project, then to avoid overlap or confusion the role should be clearly focused on commercial partnership issues.

Documentation & monitoring. We piloted a Memorandum of Understanding (MoU) as a way of documenting the relationship between the broker and the parties. It would be more useful to have a simple document to give to both partners to describe what a broker does. Having a clear understanding between the parties as part of the process is helpful but trying to document and gain formal acceptance this early in the process is generally not. It is important to remember this work is all about relationships and trust; they often need time to grow organically.

9. RECOMMENDATIONS

There is a potentially significant need and demand for broker services within and beyond the field of Heritage Enterprise projects. HLF could encourage applications and commit to fund brokering where it is requested as part of Start-up Grants, Round 1 and Round 2 Heritage and Heritage Enterprise Grants. In high-risk, community-led partnership projects it may be worth including a requirement and funding for brokers as a contingency at all project stages with an emphasis on early intervention to save problems later. These community-led projects are very high risk from a developer's perspective and very time-consuming and it is likely that if developers experience them once without brokerage they will not undertake a second project.

HLF could usefully procure brokers either directly or through a third party or wider partnership. It would be important for the brokers to be supported and this could be through a mutual support arrangement. A specification for such procurement would outline the skills and experience that brokers should have and the kind of support they will require.

While it is relatively simple to envisage HLF considering brokerage for funded community-led projects that might be facing challenges, it would be preferable to intervene at an earlier stage to mitigate these risks. The pilot projects we worked with were all at pre-feasibility or feasibility stage. A 'relationship health check' at the HLF project inquiry or start-up grant application stage could identify where brokerage could be beneficial (although it would be important that the broker is not seen as an HLF assessor, but a critical friend making recommendations for development).

A register of potential private sector partners, preferably pre-vetted, would be useful. This could build on the existing Developers' Network established by PRT by publicising a systematic search for interested parties. There would need to be something in it for the private partners – that could just be the networking opportunities offered by PRT.

Additional guidance would be useful in the following fields:

- Community-led development – a how-to guide for all parties
- Supporting community-private sector partnerships – guide for brokers
- Selecting a developer – guide for communities
- Working with community groups – guide for private owners/developers
- Tackling difficult buildings – guide for local authorities.

10. CONCLUSIONS

Community groups often only do one project and often become engaged in order to save a building or prevent a development that is creating social or environmental costs when benefits are possible. As such many community groups have insufficient capacity initially to undertake community led development. Building this capacity is a precursor to the involvement of a broker.

Not all projects need a broker. Sometimes a mentor or advocacy role for the community group will be more effective. Sometimes community groups, like Building Preservation Trusts or longstanding development trusts, will have the necessary skills and resources. But very many community-led projects involving a private owner, developer or operator would benefit from a brokering role. This may change if this approach becomes commonplace, but currently communities struggle to find and keep appropriate private sector partners, some local authorities find it difficult to engage communities in their processes, and few developers know how to work in true partnership with communities or with the community as client.

APPENDIX A: STRUCTURING THE DEAL TEMPLATES AND CHECKLISTS

There are nearly as many approaches to structuring the deal as there are projects, and it is a field ripe for innovation. Here we have provided some basic checklists and templates for common requirements.

1. Heads of Terms - Grant of a Lease
2. Heads of Terms - Sale of Freehold
3. Heads of Terms - Sale & Leaseback
4. Memorandum of Understanding Checklist
5. Joint Venture Shareholders' Agreement Checklist

These are meant to provide a starting point. You will need to take independent legal advice to produce appropriate legal agreements. But if you have read through the relevant document/s and considered how they fit the specifics of your situation, you will be better prepared to brief your lawyer effectively.

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A.1 HEADS OF TERMS – GRANT OF A LEASE

AGREED TERMS

1. Landlord

[NAME]

Country of incorporation/registration:

Company number:

Registered office address:

2. Tenant

[NAME]

[Trading as:]

Country of incorporation/registration:

Company number

Registered office address:

3. Guarantor

[NAME]

Country of incorporation/registration:

Company number:

Registered office address:

4. Property

4.1 [DESCRIPTION]. [A plan is attached showing the property edged in red.]

4.2 The tenant will have the right to use [NUMBER] car park spaces.

5. Term

5.1 The lease will be for a term of [NUMBER] years beginning on [DATE][the usual quarter day before completion of the lease].

5.2 The [lease will exclude the] security of tenure provisions of Part II of the Landlord and Tenant Act 1954 [will apply].

5.3 [There will be no break clause.]

OR

[The tenant will have the right to break the lease at the end of the [NUMBER] year of the term, provided [the rent due under the lease] [all money due under the lease] has been paid up to that date [and the tenant has [fully] complied with its obligations in the lease [in all material respects]]. To exercise the right to break, the tenant must give the landlord [NUMBER] months' prior written notice. [ANY OTHER TERMS OF THE BREAK CLAUSE.]]

6. Rent and Rent Review

6.1 The rent will be £[AMOUNT], exclusive of VAT, rates, [service charges,] insurance premiums and all other outgoings.

6.2 In addition to rent, the tenant must also pay VAT (including any VAT on the rent), rates, [service charges,] insurance premiums and all other outgoings.

6.3 [There will be no rent-free period.]

OR

- [There will be a rent-free period of [NUMBER] months starting on [the date the lease is completed][DATE].]
- 6.4 The rent will be reviewed with effect from [DATE] and every five years after that date [and in the last year of the term].
- 6.5 The rent review will be upwards only and on an open market basis.
- 7. Rent Deposit**
- 7.1 The tenant will pay a rent deposit of £[AMOUNT], which will be held by the landlord in a separate interest bearing account.
- 7.2 The deposit [and all accrued interest] will be repaid to the tenant when it assigns the lease [with the landlord's consent].]
- 8. Services and Service Charge**
- 8.1 The tenant will pay a service charge. The amount will be [based on the floor area of the property][calculated as [a fair proportion]][fixed percentage []%] of the total service expenditure].
- 8.2 [DESCRIPTION OF ANY SERVICE CHARGE CAP ARRANGEMENTS.]
- 9. Insurance**
- 9.1 [The landlord will insure the property and the tenant will refund the premiums on demand.]
- OR**
- [The landlord will insure the [BUILDING/CENTRE/ESTATE], including the property and on demand the tenant will refund a [fair proportion of the total premium] [a proportion of the total premium based on the floor area of the property].]
- 9.2 [The landlord will extend its insurance to terrorist risk (as long as that insurance is available on reasonable terms).]
- 9.3 [The landlord [and the tenant] will be able to terminate the lease if the property is damaged or destroyed by an uninsurable risk so that the tenant cannot occupy the property.]
- 10. Use**
- 10.1 The property can only be used as [PERMITTED USE].
- 10.2 The tenant can change the use of the property only with the landlord's prior written consent [which cannot be unreasonably withheld].
- 10.3 [ANY RESTRICTIONS ON HOURS AND DAYS OF ACCESS].
- 11. Assignments and Underleases**
- 11.1 The tenant can assign the lease with the landlord's prior written consent, which cannot be unreasonably withheld. The tenant will always be required to give an authorised guarantee agreement in respect of any assignee of the lease. [ANY OTHER CONDITIONS OR RESTRICTIONS FOR ASSIGNMENTS].
- 11.2 [The tenant can underlet the whole of the property with the landlord's prior written consent, which cannot be unreasonably withheld.] [ANY CONDITIONS OR RESTRICTIONS FOR UNDERLETTING].
- OR**
- [The tenant cannot underlet the whole of the property.]
- 11.3 [The tenant can [DETAILS OF PERMITTED UNDERLETTING OF PARTS]].

OR

[The tenant cannot underlet any part of the property.]

- 11.4 The tenant [can][cannot] share occupation of the property with any company in the same group of companies as the tenant.

12. Repair

- 12.1 The lease will be a full repairing lease [with the tenant responsible for all repairs][with the tenant directly responsible for all internal repairs and responsible under the service charge for the cost of all other repairs].

- 12.2 [The tenant will not be obliged to repair damage caused by an uninsurable risk.]

13. Alterations

- 13.1 [The tenant cannot make any structural or external alterations to the property.]

OR

[The tenant can make structural or external alterations to the property with the landlord's prior written consent, which cannot be unreasonably withheld.]

- 13.2 [The tenant cannot make any internal alterations to the property.]

OR

[The tenant can make internal alterations to the property with the landlord's prior written consent, which cannot be unreasonably withheld.]

- 13.3 [The tenant cannot put up any signs on the outside of the property or that would be visible from the outside of the property.]

OR

[The tenant can put up signs on the outside of the property or that would be visible from the outside of the property with the landlord's prior written consent, which cannot be unreasonably withheld.]

14. Tenant's Fitting Out Works

- 14.1 The tenant must obtain the landlord's written consent before carrying out any fitting-out works to the property. The landlord requires [3] copies of the drawings and specification showing the proposed fitting out works as soon as possible.

- 14.2 [The tenant's fitting-out works will be paid for by the tenant and will be disregarded at rent review.]

OR

[The landlord will make a contribution of £[AMOUNT] (exclusive of VAT) to the cost of the tenant's fitting-out works, which will not be disregarded on rent review.]

15. Landlord's Works

[The landlord will carry out the following works to the property prior to the grant of the lease: [DETAILS OF ANY LANDLORD'S WORKS].]

OR

[The property will be let as seen.]

16. Conditions

The grant of the lease will be subject to [DETAILS OF CONDITION(S) EG SUPERIOR LANDLORD'S WRITTEN CONSENT CONTAINED IN A FORMALLY EXECUTED LICENCE].

17. Costs

[Each party is responsible for its own legal costs in connection with this transaction.]

OR

[The tenant will be responsible for the landlord's [reasonable] legal costs in connection with this transaction [subject to a maximum of £[AMOUNT]][on a full indemnity basis] plus VAT.]

OR

[The tenant will contribute £[AMOUNT] plus VAT to the landlord's legal costs in connection with this transaction.]

18. Conveyancers

18.1 The landlord's conveyancer is [NAME AND ADDRESS], for the attention of [NAME].

18.2 The tenant's conveyancer is [NAME AND ADDRESS], for the attention of [NAME].

A.2 HEADS OF TERMS – SALE OF FREEHOLD

AGREED TERMS

1. Seller

[NAME]

Country of incorporation/registration:

Company number:

Registered office address:

2. Buyer

[NAME]

Country of incorporation/registration:

Company number:

Registered office address:

3. Property

[DESCRIPTION OF PROPERTY TO BE SOLD, INCLUDING ITS TITLE NUMBER, IF REGISTERED]. [A plan is attached showing the property edged in red.]

4. Purchase Price

4.1 The purchase price will be £[AMOUNT], exclusive of any VAT that may be payable on the transaction.

4.2 A deposit of £[AMOUNT] will be payable on exchange of contracts. The balance will be payable in full on completion.

5. Title

The property will be sold [with vacant possession on completion] **OR** [subject to the following leases:

[]

[]

[]]

OR [subject to [the] leases [including those] listed in the Schedule].

6. [Sale of Part

6.1 The seller will retain land adjoining the property.

6.2 The transfer will reserve the following rights over the property:

[]

[]

[]

6.3 The transfer will grant the following rights over the seller's adjoining land for the benefit of the property:

[]

[]

[]

6.4 The transfer will include a covenant by the buyer on behalf of itself and its successors in title restricting the use of the property to [PERMITTED USE[S]].

7. Exchange and Completion

7.1 The parties will endeavour to exchange contracts within [NUMBER] working days of the buyer's conveyancer having received the contract documentation from the seller's conveyancer.

7.2 [The parties will endeavour to agree a completion date no [later] [earlier] than [NUMBER] working days after exchange of contracts.]

OR

[Completion will take place [before [DATE]] [as soon as possible after [exchange of contracts] [DATE]].]

8. [Conditions for Completion

Completion will be conditional upon [obtaining planning permission for [BRIEF DESCRIPTION OF PLANNING PERMISSION NEEDED] upon terms reasonably acceptable to the buyer. The buyer will apply for that planning permission and pursue that application with due diligence]. **OR** [OTHER CONDITION(S)].]

9. Costs

[Each party is responsible for its own legal costs in connection with the transaction.]

OR

[The buyer will be responsible for the seller's [reasonable] legal costs in connection with the transaction [subject to a maximum of £[AMOUNT]][on a full indemnity basis] plus VAT.]

OR

[The buyer will contribute £[AMOUNT] plus VAT to the seller's legal costs in connection with this transaction.]

10. Conveyancer

10.1 The seller's conveyancer is [NAME AND ADDRESS], for the attention of [NAME].

10.2 The buyer's conveyancer is [NAME AND ADDRESS], for the attention of [NAME].

Schedule [Occupational Leases]

Date	Description	Parties

A.3 HEADS OF TERMS – SALE AND LEASEBACK

AGREED TERMS

1. Seller (Tenant)

[NAME]

Country of incorporation/registration:

Company number:

Registered office address:

2. Buyer (Landlord)

[NAME]

[Trading as:]

Country of incorporation/registration:

Company number:

Registered office address:

3. Property

3.1 [DESCRIPTION]. [A plan is attached showing the property edged in red.]

3.2 The tenant will have the right to use [NUMBER] car park spaces.

4. Timescales

The Seller and Buyer will use all reasonable and commercial sensible endeavours to achieve completion on or before [].

5. Purchase Price

5.1 The purchase price will be [£], exclusive of any VAT that may be payable on the transaction.

6. Title

The freehold / leasehold interest in the Property will be sold [with vacant possession] or [subject to] on completion save for the Lease (lease-back) to be granted by the Buyer to the Seller.

7. Conditions for Completion

Completion will be conditional upon:

[N.B see below examples of typical conditions – please consider if there needs to be any pre-completion conditions for either party]

- Planning permission
- Grant funding

8. Costs

Each party is responsible for its own legal costs in connection with the transaction.

9. Lease

On completion of the sale, the Buyer shall grant a lease to the Seller on the following terms:

Lease Property

9.1 [DESCRIPTION]. [A plan is attached showing the property edged in red.]

[N.B Please consider who will prepare the lease plans. Is the lease to be 'internal only' or the whole of the building?]

Term

- 9.2 The lease will be for a term of [NUMBER] years.
- 9.3 The [lease will exclude the] security of tenure provisions of Part II of the Landlord and Tenant Act 1954 [will apply].
[N.B. If security of tenure is excluded the lease will end on expiry of the term without any right for the Seller to renew]
- 9.4 [There will be no break clause.]

OR

[The Seller will have the right to break the lease at the end of the [NUMBER] year of the term, provided [the rent due under the lease] [all money due under the lease] has been paid up to that date [and the Seller has [fully] complied with its obligations in the lease [in all material respects]]. To exercise the right to break, the tenant must give the landlord [NUMBER] months' prior written notice. [ANY OTHER TERMS OF THE BREAK CLAUSE.]]

Rent and Rent Review

- 9.5 The rent will be £[AMOUNT], exclusive of VAT, rates, [service charges,] insurance premiums and all other outgoings.
- 9.6 In addition to rent, the tenant must also pay VAT (including any VAT on the rent), rates, [service charges,] insurance premiums and all other outgoings.
- 9.7 [There will be no rent-free period.]

OR

[There will be a rent-free period of [NUMBER] months starting on [the date the lease is completed][DATE].]

- 9.8 The rent will be reviewed with effect from [DATE] and every five years after that date [and in the last year of the term].
- 9.9 The rent review will be upwards only and on an open market basis.

Rent Deposit

- 9.10 The Seller will pay a rent deposit of £[AMOUNT], which will be held by the Buyer in a separate interest bearing account.
- 9.11 The deposit [and all accrued interest] will be repaid to the Seller when it assigns the lease [with the Buyer's consent].]

Services and Service Charge

- 9.12 The Seller will pay a service charge. The amount will be [based on the floor area of the property][calculated as [a fair proportion]][fixed percentage []%] of the total service expenditure].
- 9.13 [The Service Charge in addition to the usual contribution for repair of the common areas, will include provision for a contribution to such addition community/educational activities required as a condition of the Buyer's grant funding.]

Insurance

- 9.14 [The landlord will insure the property and the tenant will refund the premiums on demand.]

OR

[The landlord will insure the [BUILDING/CENTRE/ESTATE], including the property and on demand the tenant will refund a [fair proportion of the total premium] [a proportion of the total premium based on the floor area of the property].]

- 9.15 [The landlord [and the tenant] will be able to terminate the lease if the property is damaged or destroyed by an uninsurable risk so that the tenant cannot occupy the property.]

Use

- 9.16 The property can only be used as [PERMITTED USE].
- 9.17 The tenant can change the use of the property only with the landlord's prior written consent [which cannot be unreasonably withheld].
- 9.18 [ANY RESTRICTIONS ON HOURS AND DAYS OF ACCESS].

Assignments and Underleases

- 9.19 The tenant can assign the lease with the landlord's prior written consent, which cannot be unreasonably withheld. The tenant will always be required to give an authorised guarantee agreement in respect of any assignee of the lease. [ANY OTHER CONDITIONS OR RESTRICTIONS FOR ASSIGNMENTS].
- 9.20 [The tenant can underlet the whole of the property with the landlord's prior written consent, which cannot be unreasonably withheld.] [ANY CONDITIONS OR RESTRICTIONS FOR UNDERLETTING].

OR

[The tenant cannot underlet the whole of the property.]

- 9.21 [The tenant can [DETAILS OF PERMITTED UNDERLETTING OF PARTS]].

OR

[The tenant cannot underlet any part of the property.]

- 9.22 The tenant [can][cannot] share occupation of the property with any company in the same group of companies as the tenant.

Repair

- 9.23 The lease will be a full repairing lease [with the tenant responsible for all repairs][with the tenant directly responsible for all internal repairs and responsible under the service charge for the cost of all other repairs].
- 9.24 [The tenant will not be obliged to repair damage caused by an uninsurable risk.]

Alterations

- 9.25 [The tenant cannot make any structural or external alterations to the property.]

OR

[The tenant can make structural or external alterations to the property with the landlord's prior written consent, which cannot be unreasonably withheld.]

- 9.26 [The tenant cannot make any internal alterations to the property.]

OR

[The tenant can make internal alterations to the property with the landlord's prior written consent, which cannot be unreasonably withheld.]

9.27 [The tenant cannot put up any signs on the outside of the property or that would be visible from the outside of the property.]

OR

[The tenant can put up signs on the outside of the property or that would be visible from the outside of the property with the landlord's prior written consent, which cannot be unreasonably withheld.]

Tenant's Fitting out Works

9.28 The tenant must obtain the landlord's written consent before carrying out any fitting-out works to the property. The landlord requires [3] copies of the drawings and specification showing the proposed fitting out works as soon as possible.

9.29 [The tenant's fitting-out works will be paid for by the tenant and will be disregarded at rent review.]

OR

[The landlord will make a contribution of £[AMOUNT] (exclusive of VAT) to the cost of the tenant's fitting-out works, which will not be disregarded on rent review.]

Landlord's Works

[The landlord will carry out the following works to the property prior to the grant of the lease: [DETAILS OF ANY LANDLORD'S WORKS].]

10. Conveyancer

10.1 The seller's conveyancer is [NAME AND ADDRESS], for the attention of [NAME].

10.2 The buyer's conveyancer is [NAME AND ADDRESS], for the attention of [NAME].

Signed by []

Signed by []

A.4 MEMORANDUM OF UNDERSTANDING CHECKLIST

The purpose of a Memorandum of Understanding (MoU) between a community organisation and a private company who wish to work together to develop and deliver a project jointly is to govern the relationship of the parties and what roles they will undertake to deliver the project.

Each project will be different. The checklist below is designed to highlight a range of issues which can be covered in a MoU. Please note that not all the issues referred to below will be relevant in all circumstances. The principal aim of this checklist is to help identify issues before commencing the drafting of legal documentation, in order that any arrangements adopted will be specifically tailored to suit the individual project.

1. The parties

- 1.1 Name and address of the community organisation
- 1.2 Name and address of the private company
- 1.3 Name and address of any other parties involved

2. The Project

- 2.1 What is the purpose of the project?
- 2.2 Have either party already contributed to the project? If so, detail the existing position and contributions (including financial, staffing, premises, use of premises, etc) already made.

3. Key objectives for the Project

- 3.1 The objectives should be as clear as possible and listed in detail. In the event that it is not possible at the outset of the project to fully scope the key objectives, then a procedure for further objectives to be agreed within a specified time frame could be included. If this approach is taken it should be clearly stated who will be authorised to approve the new objectives.

4. Project Governance

- How will the project be governed? What is the reporting structure? It is important that the governance provides a commitment at a sufficiently senior level in the parties to maintain oversight of the project and make timely decisions or to delegate this responsibility as appropriate.
- 4.1 How many people make up the project board?
 - 4.2 Who are the key members of the project board?
 - 4.3 What are the responsibilities of the project board?
 - 4.4 How often will the project board meet?
 - 4.5 How will decisions be made?
 - 4.6 Will there be a management board overseeing the project board? If so, who are the key members? What are their responsibilities?

5. Roles and responsibilities

- 5.1 What tasks/activities need to be carried out in order to fulfil the key objectives?
- 5.2 Who has the lead role in carrying out the specific activities? Will the party taking the lead require support and assistance from the other

- party(ies)? Is it a joint effort?
- 5.3 What are the key milestones?
- 6. Escalation**
- 6.1 How will disputes between the parties be resolved?
- 7. Intellectual Property**
- 7.1 Who should own the intellectual property rights in anything created during the Project?
- 8. Duration/termination**
- 8.1 Is the project to be for a fixed term and, if so, can it be terminated on notice during the fixed term?
- 8.2 If the project is not for a fixed term, is it to continue indefinitely until terminated on notice? How long should that notice be?
- 9. Charges and liabilities**
- 9.1 Who is responsible for bearing the cost of any task/activity?
- 9.2 The MoU should be as clear as possible as to what the financial implications of the project will be for the parties.

A.5 JOINT VENTURE SHAREHOLDERS' AGREEMENT CHECKLIST

In a joint venture, the shareholders agreement and articles of association should cover between them the following constitutional aspects of the joint venture company and its day-to-day operations:

1. Who are the parties involved?
2. The object and scope of the joint venture.
3. The role and responsibility of each party.
4. Are there any joint commitments?
5. The capitalisation and financing of the company (funding and cost).
6. The composition of the board and management arrangements.
7. How the joint venture is to be managed.
8. The division of power between the parties and the extent of their influence over the management of the joint venture.
9. The terms on which any party can transfer its shares to a third party.
10. How to deal with disputes and deadlock between the parties.
11. The circumstances in which the joint venture will terminate, including the mechanics and implications of termination.