

Stanstead Village Community Centre & Social Club C.I.C.

The Hill, Stanstead, Sudbury, Suffolk, CO10 9AP

Email: stansteadcommunitycentre@gmail.com

Dear Parish Councillors,

Please find attached Stanstead Village Community Centre & Social Club C.I.C.'s formal proposal for a new lease of Stanstead Village Community Centre.

We ask Stanstead Parish Council to consider this proposal and recommend that after considering the heads of terms, it seeks independent professional advice and instructs its solicitor to prepare a draft lease based on the heads of terms and protections set out in the attached proposal. The Board has considered the options proposed by the Parish Council in its letter dated 11th June 2026. The Board has decided that these options are non-negotiable as they do not comply with the requirements of a Community Interest Company, a Club Premises Certificate, its Policies and the current legislative and regulatory requirements for a new lease.

The Board strongly encourages the Parish Council, as the Freehold Landlord of an important Community Asset it is ultimately responsible for preserving for the benefit of local residents, to fulfil its legal responsibilities and to budget accordingly. We do understand the Parish Council's responsibilities around accountability, finances and audit. The Board's intention is to secure a lease that protects both parties' interests and the long-term future of one of the last remaining Community Assets in Stanstead.

The C.I.C. currently undertakes all management responsibility for the Community Centre including operational management, financial responsibility and compliance with legislative and regulatory requirements as a Tenant. If a lease is not successfully negotiated these responsibilities and costs will potentially fall to the Parish Council which, in its letter dated 11th June 2026, it has stated it is not actually in a financial position to take on any significant additional financial obligations. Therefore, the Board encourages the Parish Council to implement a new lease within the proposed heads of terms as a matter of urgency to avoid these additional costs and responsibilities falling to the Parish Council in their entirety.

It is the Board's position that the last agreed lease from 1975 cannot be relied upon by either party indefinitely. The current lease, which was written over fifty years ago, does not take into account the legal status of the Community Centre as a Community Interest Company operating a Club Premises Licence and, it does not take into consideration current relevant legislation and regulatory requirements necessary for a Commercial Lease for both the Landlord and Tenant.

The last lease would have ended in 1982, although the Landlord may have inadvertently renewed the lease on each occasion it asked the Tenant for rent and, we believe that the current tenancy continues on holding over terms. It is likely that an annual periodic tenancy has arisen due to the annual rent paid to Stanstead Parish Council and, that the Tenant has security of tenure under the Landlord and Tenant Act 1954. However, due to the uncertainty and position that both parties find themselves in within the Landlord and Tenancy Act 1954 it is suggested that independent professional advice is obtained by the Landlord to clarify these matters.

The Tenant seeks a 25-year lease at a peppercorn rent of £1 per annum, with protection under the Landlord and Tenant Act 1954, no landlord break clause and a Tenant-only right to terminate on 12 months' written notice. These terms are requested to support long-term community use, continuity of operation and eligibility for grant funding.

The lease must confirm the C.I.C. as the sole tenant, with exclusive occupation and operational control of the Premises. The permitted use must allow the Centre to operate as a Community Centre and Social Club, including community, social, recreational, educational, cultural, charitable, fundraising, licensed and trading activities consistent with the C.I.C.'s Articles of Association, Community Interest Statement, The Conveyance of Land 1938 (condition 2), Club Premises Certificate, Policies and applicable law.

The Tenant does not propose an unqualified full repairing and insuring lease. Instead, the lease should be a modified repairing and insuring lease under which the Tenant is responsible for internal repair, decoration, maintenance, operational compliance, while the Landlord retains responsibility for the structure, roof, foundations, outside areas, historic defects and latent defects. The Parish Council shall not amend the Community Asset register relating to any part of the building and land until negotiations are complete and with the agreement of the Tenant. This includes the oil tank minute ref. 26/025e.

The lease must protect the Tenant's status as a Community Interest Company, including its community benefit purpose, statutory asset lock, grant-funded assets, income, reserves, independence and reporting obligations. It must not create excessive private benefit or restrict the Tenant's ability to comply with CIC law, funder requirements, or annual reporting duties.

The lease must also preserve the Tenant's Club Premises Certificate and compliance with the Licensing Act 2003, including qualifying club status, member and guest controls, lawful control of alcohol supply, regulated entertainment, safeguarding, age-verification, operating hours, Temporary Event Notices, certificate variations and the licensing objectives. The Parish Council must also support the change of Club Premises Certificate from the previous Unincorporated Association to the C.I.C. as a new legal entity, following a formal application to Babergh District Council.

The Tenant further asks that the lease clearly addresses outside-area rights, access, parking, emergency egress, events, insurance, health and safety, fire safety, safeguarding, utilities, rates, alterations, landlord access and quiet enjoyment.

Before signature, the Tenant will obtain independent legal, surveyor, insurance and licensing advice as appropriate. If any lease terms cannot be agreed, the parties should use the proposed escalation process, including an issues log, adviser review, Board and Council consideration, mediation if required, and preservation of the Tenant's Landlord and Tenant Act 1954 rights.

We would be grateful if the Parish Council responds in writing to this single proposal to the Secretary of the C.I.C. and, it drafts a non-binding document agreeing to the heads of terms before either party commits to legal fees. The Board do not propose a further meeting of the existing working group between the Parish Council and the Board of the C.I.C.

Kind regards,

Bill Armit - Secretary

Stanstead Village Community Centre & Social Club C.I.C.

Proposal for New Lease of Stanstead Village Community Centre

Proposal from Stanstead Village Community Centre & Social Club C.I.C. to Stanstead Parish Council

Purpose of Proposal

This proposal sets out the Tenant's requested heads of terms for a new lease of Stanstead Village Community Centre. It is intended to provide a clear basis for the Parish Council to consider the Tenant's position and instruct its solicitor to prepare a draft lease that supports long-term community use, grant funding, Community Interest Company compliance and the Tenant's Club Premises Certificate.

Proposed Heads of Terms

Freehold Landlord: Stanstead Parish Council.

Tenant: Stanstead Village Community Centre & Social Club C.I.C., company number 16635244.

Premises: Stanstead Village Community Centre, The Hill, Stanstead, Sudbury, Suffolk CO10 9AP, as defined by Land Registry title number SK423533. Includes all land and buildings within the title.

Term: The Tenant proposes and asks, that the Landlord honors its commitment to a new 25-year lease as resolved unanimously by the Parish Council (minute ref 04.04.25 EX), with security of tenure under the Landlord and Tenant Act 1954, no landlord break clause, and the Tenant's right to terminate on not less than 12 months' written notice. The 25-year term is required to provide stability for both the Landlord and Tenant, to secure and protect a long-term community asset and, to ensure eligibility for grant funding particularly long-term capital grants.

Rent and other sums: Rent shall be £1 per annum as a peppercorn rent, payable annually. There shall be no rent review, upward rent increase, landlord break clause, service charge or additional landlord cost contribution unless expressly agreed in the lease. A 'peppercorn' rent is required to formalise a legal lease without charging a true market rate, to reflect the community benefit and charitable purposes of the premises and, that the Parish Council is not using the rent for profit or other purposes.

Permitted use: The Tenant shall be permitted to use the Premises as a Community Centre and Social Club for community, social, recreational, educational, cultural, charitable, fundraising, licensed and trading activities consistent with its Articles of Association, Community Interest Statement, Conveyance of Land conditions 1938, policies, Club Premises Certificate and applicable law. The permitted use shall include activities reasonably ancillary to the operation of the Community Centre, including operation of a licensed bar in accordance with the Club Premises Certificate.

During the term, users of the Community Centre permitted by the Tenant may access and use the outside areas without charge, including the playing field, playground, recycling facilities and car park, without unreasonable hindrance by the Landlord. The Landlord may restrict access to the outside areas only where necessary for safety, repairs, emergencies or compliance with law and, where reasonably practicable, shall give the Tenant reasonable prior notice.

For the avoidance of doubt, the outside areas, including the playing field, car park, playground, recycling facilities, paths, landscaped areas, boundaries and any other external areas, shall not be demised to the Tenant and shall remain under the responsibility and control of the Landlord unless expressly stated otherwise in the lease. The Tenant may use the playing field as an overflow car park only for exceptional events held at, or in connection with, the Premises, provided that the Tenant takes reasonable steps to manage traffic, protect the surface, avoid obstruction, minimise nuisance and ensure public safety. At all other times, the access gate to the playing field must be kept closed.

Repair and maintenance: The Tenant shall be responsible for internal repair, decoration and maintenance of the demised Premises only, excluding the structure, roof, walls, foundations, external outside areas and pre-existing or latent defects. The Tenant shall not be required to put the Premises into better condition than evidenced by a schedule of condition agreed at commencement. The Landlord shall remain responsible for the repair and maintenance of the building structure and external outside areas, including the car park, playing field, playground, recycling facilities, boundaries and drainage across those areas.

With reference to the car park, the C.I.C. uses the car park because of its business operations, for an average of 22 hours each week. For the remaining time (146 hours) it is used by residents and individuals outside of the village to access the playing field, playground and recycling facilities as well as a general car park for the Village. The Parish Council has recognised that the car park is a Community Asset due to the reasons for its use (minute ref. 18.03.24c) and it is therefore the Tenant's submission that the car park is the Landlord's responsibility.

Insurance: Insurance responsibilities must be clearly allocated in the lease. The Landlord should be responsible for insurance of the freehold structure and external areas unless professional advice confirms another arrangement is appropriate. The Tenant shall be responsible for contents, public liability, employer's liability, business interruption, licensing-related and operational insurances and licences required for its activities.

Public safety and statutory compliance: The lease shall clearly allocate responsibility for health and safety, fire safety, asbestos, electrical safety, occupiers' liability, equality duties, building safety, safeguarding, licensing compliance and public safety. The Tenant shall be responsible for its operations within the Premises; the Landlord shall remain responsible for the structure and external outside areas except where damage or risk is caused by the Tenant or those under its control.

Typically, even where a lease is described as full repairing and insuring, the Landlord shall retain responsibility for the building structure, including the roof, external walls and foundations, and building-wide systems particularly, but not exclusively, those relating to public safety. The Tenant shall be responsible for workplace safety within the Premises and for its business operations. Some duties may be shared between the Landlord and Tenant. The Landlord shall remain responsible for public safety in the outside areas, including the car park, recycling facilities, playing field and playground. The Tenant requests that the Parish Council obtains

appropriate independent professional advice as part of the preparation of the draft lease regarding the allocation of these responsibilities.

Utilities: The Tenant shall be responsible for paying utilities used at the Premises because of its day-to-day operations, including oil, broadband, water and electricity.

Taxes and rates: The Tenant shall be responsible for paying any business rates and local taxes properly attributable to its occupation and use of the Premises.

Single tenancy and exclusive occupation: The C.I.C. shall be the sole tenant and shall have exclusive occupation and operational control of the Premises. If the Landlord wishes to use the Premises or a single room, it shall book through the Tenant's usual booking process and comply with the Tenant's hire terms, charges (to pay for electricity and heating) and licensing requirements. The Tenant shall have security of tenure under the Landlord and Tenant Act 1954.

Quiet enjoyment and access: The Landlord shall not interfere with the Tenant's lawful occupation, bookings, staffing, volunteers, licensing arrangements, finances, policies or community events. Landlord access shall be on not less than 24 hours' prior notice for a lawful purpose, except in emergency or where required by law with 24-hour retrospective notification.

Alterations: The Tenant may carry out minor non-structural internal works, decorations, installations and improvements without consent where they do not affect the structure, exterior, services, safety systems or planning status. Other alterations shall require the Landlord's prior written consent, not to be unreasonably withheld or delayed.

Landlord installations: The Parish Council may install and maintain, at its own cost and subject to reasonable agreement with the Tenant, a noticeboard, defibrillator (minute ref. 22.03.24) and post box (minute ref. 05.10.22) at the front of the building.

Preparation of Draft Lease

As Landlord, the Parish Council is requested to procure a draft lease for consideration by the Tenant, using appropriate professional advice. The lease should reflect the proposed heads of terms and be compatible with the Tenant's status as a Community Interest Company, its Articles of Association, Community Interest Statement, policies, statutory asset lock, grant funding requirements and Club Premises Certificate. The Tenant will obtain independent legal, surveyor, insurance and licensing advice as required before signature.

Essential Tenant Protections

CIC compliance: The lease must preserve the Tenant's ability to operate for community benefit in accordance with its Community Interest Statement, maintain the statutory asset lock, use income and assets for community purposes, comply with annual CIC reporting duties, avoid excessive private benefit and remain independent in governance and operational decision-making.

- **Asset and grant protection:** Tenant, donor and grant-funded assets, fixtures, fittings, equipment and improvements must remain protected by the CIC asset lock and any funder conditions. The Parish Council shall not amend the Community Asset register

relating to any part of the building and land until negotiations are complete and with the agreement of the Tenant. This includes the oil tank minute ref. 26/025e.

- **Community use:** The permitted use must remain broad enough for current and future community, social, recreational, educational, cultural, charitable, fundraising, licensed and trading activities in accordance with the C.I.C.s Community Interest Statement and the Conveyance of land in 1938 to permit the building to be used in perpetuity as an unsectarian and nonpolitical place of recreation and social intercourse for the residents of Stanstead.
- **Private benefit:** The lease must not transfer value, control or risk to the Landlord or any third party in a way that creates excessive or unjustified private benefit.
- **Grant funding:** The lease must preserve a 25-year term to support capital grant funding, as, resolved unanimously by the Parish Council (minute ref 04.04.25 EX), security of tenure, peppercorn rent, absence of a landlord break clause, and clear asset ownership.

CIC protection clause: Nothing in the lease shall require, permit or be interpreted as requiring or permitting the Tenant to act inconsistently with the Companies (Audit, Investigations and Community Enterprise) Act 2004, the Community Interest Company Regulations 2005, the requirements of the Regulator of Community Interest Companies, the Tenant's Articles of Association, the Tenant's Community Interest Statement, the statutory asset lock, any applicable grant condition or any other applicable legal or regulatory obligation.

Licensing protection: The lease must preserve the Tenant's Club Premises Certificate and compliance with the Licensing Act 2003, including qualifying club status, member and guest controls, lawful control of alcohol supply, regulated entertainment, licensing records, operating hours, safeguarding, age-verification, Temporary Event Notices, certificate variations and the four licensing objectives.

Licensing protection clause: Nothing in this lease shall require, permit or be interpreted as requiring or permitting the Tenant to act in a manner inconsistent with the Licensing Act 2003, any regulations, statutory guidance or lawful direction made under it, the Tenant's Club Premises Certificate, the Tenant's club rules, the qualifying club conditions, the club operating schedule, any licence condition, or any lawful requirement of the licensing authority, police, fire authority, environmental health authority or other responsible authority. The Landlord shall not exercise any right under this lease in a way that would undermine the Tenant's qualifying club status, interfere with the Tenant's lawful control of alcohol supply, regulated entertainment, membership arrangements, guest access, licensing records, age-verification procedures, safeguarding arrangements, operating hours, temporary event notices or applications to vary the Club Premises Certificate, except where reasonably necessary to protect the Landlord's legitimate property interests or to comply with law.

Key Drafting Requirements

- **Premises and rights:** Define the demised Premises clearly and grant sufficient rights over outside areas for access, parking, emergency egress, safe operation, events (without charge) and exceptional event overflow parking.
- **Repair and insurance:** Limit the Tenant's repair obligations to internal repair, decoration, maintenance supported by a schedule of condition, with clear allocation of building and operational insurance.

- **Operations:** Preserve the Tenant's control of bookings, hires, volunteers, staffing, bar operation, policies, finances, licensing compliance, opening hours and events.
- **Assets and funding:** Protect Tenant, donor and grant-funded assets and avoid any lease term that could trigger grant clawback, asset lock issues or repayment obligations.
- **Compliance:** Ensure the lease supports CIC law, the Licensing Act 2003, the Club Premises Certificate, health and safety, fire safety, safeguarding, equality duties and occupiers' liability obligations.
- **To Honor previous commitments that the Parish Council has voted on and agreed at full Council Meetings.** The Tenant reminds the Landlord that in addition to the decisions and commitments it has made regarding a 25-year lease (minute ref. 04.04.25ex), £300 annual grant (minute ref. 18.05.25), obtaining an Energy Performance Certificate (minute ref. 12.07.25) and the car park (minute ref. 18.03.24c), it has also previously accepted certain Landlord's responsibilities for fire (minute ref. 26/026b, 10.07.23, 16.05.23, 23.03.23, 24.03.23, 25.03.23, 26.03.23) and electrical safety (minute ref. 10.05.45, 09.03.24, 10.01.24, 07.01.24, 09.11.23, 08.09.23, 09.09.23, 14.07.23, 11.03.23, 13.10.22) and those previous commitments and responsibilities must be reflected in the new lease.

It is the Tenant's position that the Parish Council, by its previous resolutions, conduct and intentions is responsible for these matters. Failure to honor these decisions will only serve to significantly undermine trust and credibility in any future negotiations and ultimately lead to a breakdown in the relationship between the two parties and the possibility of a future agreement.

The Tenant also draws attention to the comments made by residents at the EGM dated 27th October 2025, minute ref 03.10.25 - the majority of those present supported the concept that the Parish Council should take on the responsibility for maintenance of the Community Centre building. It was also recognised that the C.I.C. should play a part in maintenance and repair.

Repairing and Insuring Position

The Tenant does not propose an unqualified full repairing and insuring lease. The lease should instead be a modified repairing and insuring lease under which the Tenant is responsible for internal repair, decoration, maintenance, operational compliance, while the Landlord retains responsibility for the structure, roof, foundations, external outside retained areas, historic defects and latent defects.

If the Landlord proposes fuller repairing and insuring obligations by making reference to the conveyance of land 1938, the Tenant will only consider them if they are limited by a schedule of condition, building survey (at the Landlord's cost), exclusion of pre-existing and latent defects, clear insurance allocation, financial sustainability review including rent amount, and confirmation that the obligations are compatible with the Tenant's CIC status, grant funding requirements including length of the lease and the Club Premises Certificate.

The Tenant reminds the Landlord that the legal advice obtained by the Tenant in March 2025 stated that, it is unclear whether the historic Comrades Club's obligations for repair, maintenance and insurance contained within previous lease arrangements and the 1938

Conveyance of Land have been transferred to Stanstead Village Community Centre after 2002 as either a new or successor entity to the Comrades Club. Therefore, the Parish Council cannot automatically rely on the historic obligations for the Comrades Club to absolve itself of any current and future obligations relating to Stanstead Village Community Centre.

Grant Funding Compatibility

- **Secure term:** The 25-year term as, resolved unanimously by the Parish Council (minute ref 04.04.25 EX) would in principle be granted to the Tenant, Landlord and Tenant Act 1954 protection, no landlord break clause and tenant-only termination right should meet funder expectations.
- **Registered lease:** The lease should be properly executed, registered at HM Land Registry at the Landlord's cost and as the Parish Councils Community Asset and, supported by a compliant lease.
- **Funder consent:** The lease should allow compliance with funder consent requirements before alteration, disposal, surrender, assignment, charging, transfer or change of use affecting funded assets or the Premises.
- **Asset protection:** Grant-funded improvements, fixtures, fittings and equipment should remain controlled by the Tenant and protected by the CIC asset lock and funder conditions.
- **No clawback risk:** The lease should avoid terms that could trigger grant repayment through premature termination, loss of control, change of use, landlord break rights or breach of funder conditions.
- **Reporting:** The Tenant must be able to meet funder reporting, audit, monitoring, publicity and community benefit evidence requirements throughout the term.

Professional Review and Next Steps

Before signature, the Tenant will obtain independent legal, surveyor, insurance and licensing advice as appropriate on the final draft lease. Particular attention will be given to CIC governance, Club Premises Certificate and Licensing Act 2003 requirements, repair obligations, insurance, asset ownership, grant-funded assets, security of tenure, outside-area rights, public safety, landlord access, operational licensing compliance, termination, sole occupancy, right to quiet enjoyment of the premises and Land Registry registration.

Escalation if Agreement Is Not Reached

1. **Issues log:** Outstanding points should be recorded in a shared issues log showing each party's position, proposed wording and reason for disagreement.
2. **Adviser review:** Each party should obtain relevant solicitor, surveyor, insurance, licensing or grant funding advice on unresolved points as appropriate.
3. **Board and Council decision:** Any unresolved key issues should be referred to the Tenant's Board and the Parish Council for formal consideration.
4. **Mediation or final position:** If agreement is still not reached, the parties should consider independent mediation or confirm their final position in writing before considering formal legal action.

5. **Urgent rights preserved:** Either party may take urgent action where necessary to comply with law, protect public safety, preserve insurance, comply with licensing requirements, protect grant funding, safeguard CIC assets or prevent serious loss.

Landlord and Tenant Act 1954 Escalation Process

If the parties cannot agree the lease terms, they will preserve the Tenant's security of tenure position under the Landlord and Tenant Act 1954 and take appropriate legal advice before serving, responding to or relying on any statutory notice.

1. **Continue without prejudice negotiations:** The parties should continue to negotiate lease terms using the issues log, while expressly reserving the Tenant's statutory rights and without treating negotiation as a waiver of protection.
2. **Landlord's Section 25 route:** If the Landlord serves a Section 25 notice, the Tenant will immediately obtain legal advice on whether the notice is valid, whether it proposes a new tenancy or opposes renewal, the termination date specified, any proposed terms and any statutory ground relied on. The Tenant reminds the Landlord that the 1938 Conveyance of Land permitted the premises to be used in perpetuity as a place of recreation and social intercourse for the inhabitants of Stanstead.
3. **Tenant's Section 26 route:** If appropriate, the Tenant may take advice on serving a Section 26 request for a new tenancy, including the proposed commencement date, proposed terms and the deadline for any landlord counter-notice.
4. **Opposition to renewal:** If the Landlord opposes renewal, the Tenant will require clear identification of the statutory ground relied on and take advice on evidence, compensation, interim arrangements and the prospects of resisting opposition.
5. **Application deadline:** The Tenant will monitor all statutory deadlines carefully. If terms cannot be agreed, the Tenant will take advice on making or responding to a court application for a new tenancy before any statutory deadline expires.
6. **Interim occupation and rent:** While the statutory process continues, the parties should agree practical interim arrangements for occupation, bookings, utilities, insurance, repairs, licensing compliance, public safety and any interim rent, without prejudicing either party's legal position.
7. **Court determination or settlement:** If agreement remains impossible, the parties may ask a court to determine the terms of a new tenancy or may settle agreed terms at any point, subject to Tenant Board approval and professional review.

Working Group Process

The Board do not propose a further meeting of the existing working group between the Parish Council and Board of the C.I.C. The Board believes that the current working group is not fit for purpose due to its failure over the last eighteen months to resolve the matter of a new lease and it does not anticipate this matter being resolved successfully in that forum. This does not preclude future negotiations between the two parties in a different forum subject to the agreement of both parties regarding the terms of reference and members of any future forum. It is, however, the preference of the Board to bring this matter to a conclusion by written response and independent professional advice as appropriate, with formal consideration and decisions being made at the separate Tenant's Board and Landlord's Parish Council formal meetings.