

Establishing School-based Nursery Provision

Annex B: Licencing heads of terms template

October 2024

**HEADS OF TERMS: LICENCE TO OCCUPY/USE**

**[Property Address]**

**SUBJECT TO CONTRACT**

**{Template Heads of Terms to be used by schools entering into licence agreements of part of a property}**

|  |  |
| --- | --- |
| 1. **Licensor**
 | [To be inserted] |
| 1. **Licensor’s Solicitor**
 | [To be inserted]  |
| 1. **Licensor’s Agent**
 | [None]OR[To be inserted] |
| 1. **Licensee**
 | [Enter registered name of company, company number and registered office address] |
| 1. **Licensee’s Solicitor**
 | [To be inserted]  |
| 1. **Licensee’s Agent**
 | [None]OR[To be inserted] |
| 1. **Superior Landlord**
 | [None]OR[Entity that holds the freehold interest or head licence in the land] |
| 1. **Superior Landlord’s Solicitor**
 | [None]OR[To be inserted] |
| 1. **Licenced Area/s**
 | [Description of the area to be used by the Licensee] |
| 1. **Property**
 | [Description of the Licensor’s interest including any known Title numbers, if registered] |
| 1. **Site Plan**
 | [A plan showing the Licenced Area edged in red and the Property edged in blue] |
| 1. **Licence Period**
 | The Licensee shall be for a period of [maximum 12] months.  |
| 1. **Permitted Day/ Hours**
 | The Licensee shall be permitted to use the Licenced Area on the following days at the following times: |
| 1. **Licence Fee**
 | The Licensee will pay a Licence Fee to the Licensor of [£ ] payable [weekly/monthly/quarterly/annually in advance] on [date] |
| 1. **Deposit and guarantees**
 | [None]OR[The licence will be subject to a deposit of [£ ] being paid by the Licensee and being held by the Licensor for the duration of the Licence Period against the Licensee’s failure to pay the Licence Fee or other material breach of covenant][The Licence will be guaranteed by [company/ entity] to provide security for all obligations in the event of breach of covenant] |
| 1. **Landlord & Tenant Act 1954**
 | Then 1954 Landlord & Tenant Act will not apply to the licence arrangement.  |
| 1. **Break option**
 | The Licensor and Licensee will have the right to terminate the licence at any time, subject to providing [] days/weeks/months’ notice.  |
| 1. **Alienation**
 | [The Licensee is not permitted to assign, sublet, charge or share all or any part of the Licenced Area] |
| 1. **Common Parts**
 | [None] OR[Include description for example hallways, corridors, stairways, lifts, bins/bicycle rack/loading area and if possible, identify on the plan and describe the Licensee’s rights of access or use of these areas] |
| 1. **Shared Facilities**
 | [None]OR[Include description of any facilities shared with other users of the building for example car park, play areas, kitchen, staff room, lavatories etc, how and when they can be used and consider responsibility for maintenance and repair or contribution towards such maintenance and repair by way of a service charge] |
| 1. **Rights and Reservations**
 | [Include specific rights and reservations, as may be required such as access, car parking etc] |
| 1. **Services and Service Charge**
 | [None]OR[The Licence Fee will be inclusive of the Service Charge and other occupational and utility costs]OR[List of services to be provided by the Licensor for the Licensee for the Licenced Area, Common Parts or Shared Facilities e.g cleaning, maintenance, utilities, telecoms, landscaping, groundskeeping etc][The Licensee agrees to pay to the Licensor or their appointed agent, a service charge [monthly/quarterly] for the Licensor’s provision of the Services]{The service charge can be agreed as a recovery of actual cost calculated on actual consumption or based on floor area, or as a fixed amount subject to annual review or linked to inflation}.  |
| 1. **Permitted Use**
 | [The Licensee is permitted to use the Licenced Area for: ] |
| 1. **Licensor’s Works**
 | [None]OR[The Licensor will undertake the following works to the Licenced Area prior to licence commencement or within a certain period following licence commencement:] [include description] |
| 1. **Licensee’s Works**
 | [None] OR[The Licensee shall be permitted to carry out the following works to the Licenced Area][include description][in accordance with the plans and specifications to be agreed with the Licensor and attached to the licence] |
| 1. **Alterations**
 | [None] |
| 1. **Repair**
 | [The Licensee is required to keep and return the Licenced Area in good repair and condition]OR[The Licensee’s repair obligation shall be qualified by reference to a schedule of condition which the [Licensee/Licensor] shall prepare [following completion of the Licensee’s works] OR [prior to licence completion] and agreed with the [Licensor/Licensee]. |
| 1. **Expiry**
 | On expiry of the Licence Period the Licensee is required to yield up the Licenced Area with vacant possession in the repair and condition required by the licence with all Licence Fees and charges paid and all licence terms complied with.  |
| 1. **Insurance**
 | [The Licensee shall insure the Licenced Area from completion of the licence] OR[The Licensor is required to insure the Property] ORThe Licensor is required to insure the Property and has the right to recover the cost of insurance of the Licenced Area from the Licensee] |
| 1. **Planning**
 | [None]OR[The Licensor is to obtain planning consents/ change of use in line with the use permitted by the licence prior to commencement of the licence]OR [The Licensee is to obtain planning consent/ change of use in accordance with the use permitted by the licence prior to commencement of the licence] |
| 1. **Timescales**
 | Completion of the licence is to take place on or before [ ] subject to the Conditions Precedent for Completion being satisfied. |
| 1. **Conditions Precedent for Completion**
 | Subject to contractSubject to Licensor approvalSubject to Licensee approval][Subject to Superior Landlord consent][Subject to planning consent][Subject to completion of the Works] |



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