

### Policy on leases with Perranzabuloe Parish Council.

The Parish Council should have criteria for two different types of lease, for business and community (not-for-profit) groups.

**Business:** For enterprises engaged in commerce, manufacturing or performing a service, the main aim of which is to make a profit for the individual, partnership or corporation concerned. The activities of the business may incidentally improve the well-being of the community as a whole but this would not be the prime purpose of the organisation.

- Rents would be based on the type and size of the leased area and projected profitability, to be ascertained by a chartered surveyor.
- The Lease would be a normal business lease with break clauses, rent reviews and right to renew (Landlord and Tenant Act 1954) with such clauses (e.g. full repairing) as is felt appropriate in individual cases.

**Community Groups:** For charitable or non-profit-making groups which must comply with the following criteria:

- *It is intended to improve the well-being of members of the community, physically, mentally or socially and/or bring direct benefit to all or some of its inhabitants,*
- *It has good governance procedures,*
- *It charges reasonable subscription amounts (bearing in mind the average users and areas of deprivation within the parish), and re-invests any surplus income into the group,*
- *It is inclusive (welcoming all-comers).*
- Rents for this type of group could be discounted by a percentage based on a realistic independent valuation by a chartered surveyor.
- The rent would take into account the value of the group to the community but would not be based solely on the number of users (to protect minorities).
- Any commercial activity of the group itself should be taken into account and accurate financial reports would be required to inform initial rent and rent reviews.
- Council would expect any commercial activity to be subordinate to the aims and objectives of the group.