

CIVIL ESTATE OCCUPANCY AGREEMENT

DRAFT

Volume 1

Short Leasehold Property

Appendices

OFWAT CEOA SHORT LEASEHOLD MOTO AGREEMENT BETWEEN DCMS AND OGA IN
RESPECT OF PART 4TH FLOOR, 21 BLOOMSBURY STREET, LONDON, WC2

**Memorandum of Terms of Occupation (MOTO) for use between Crown Bodies
only**

- 1 This MOTO forms part of the Civil Estate Occupancy Agreement for Crown Bodies (CEOA).
- 2 This MOTO between The Department for Culture Media and Sport (DCMS) (called in this document 'the Holder') and OFWAT (called in this document 'the Occupier') records the terms of occupation of the property known as 21 Bloomsbury Street, London
- 3 ¹The Occupier's Space comprises part of the 4th floor marked yellow in Appendix 2 ('the Space') comprising 515m² 5,543.46 ft² which is 7.46% of the total office area of the building (subject to final measured areas on completion of the Works)
- 4 Subject to the rest of this MOTO the Holder will permit the Occupier to use and occupy the Space from ² the date of the commencement of the Works as set out in Schedule 2 of Appendix 1 or 1st February 2016 (whichever the earlier) this agreement to 30th September 2022 (the Prescribed Term) and so on until ended by either party giving notice under the terms of the CEOA.
- 5 The Occupier will pay £ 22,998 plus VAT per Month ('the Licence Payment') as ³invoiced by the Holder beginning on the commencement of works the OGA works but no later than 1st February 2016⁴.
- 6 The occupier will pay £275,979 per year rental (or the equivalent pro rata rate per square foot subject to measured areas on completion of the Works) as invoiced by the Holder each month by equal instalments. The rent will increase by 12.56% to £310,645.27 wef 8th November 2017 until the expiry of the MOTO. The Holder will also levy a service charge to cover (not exhaustively); maintenance of the common parts; reception and buildings insurance. The Annual Service Charge has been estimated £97,232 pa and the Occupier will bear the pro rate floor area proportion of the total service charge expenditure.
- 7 The Occupier will pay rates direct to the local authority and should notify the local authority of it occupation in the usual manner.
- 8 (a) The Holder agrees, subject to the Occupier having paid its charges identified in this MOTO:

¹Describe the Space (including car parking) and include plan to identify the Space

²Insert Prescribed Term start and finish date

Licence Payment rent element is the apportionment of the passing rent, see CEOA paras 5.8 to 5.11

³Invoice procedures, see CEOA para 5.14

⁴Insert Licence Payment start date

⁵ Insert the rent review dates from the lease.

⁶See CEOA, paras 5.16 and 5.17

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*Delete if not
appropriate

- ***(i)** to provide the services listed in Part A of the First Schedule;
- ***(ii)** to use reasonable efforts to ensure that the Holder's landlord fulfils all its obligations under the lease; and

⁷For ASC calculation, see CEOA paras 5.19 to 5.24.

Delete references to ASC if Licence Payment is inclusive of service charges.

Attach estimate of Year 1 ASC

⁸ASC invoice and reconciliation procedures, see CEOA paras 5.25 to 5.30

⁹See CEOA paras 5.35 to 5.38

¹⁰See CEOA para 5.33

¹¹See CEOA paras 5.5 and 5.7

¹²See CEOA, paras 5.3 to 5.7 and 5.28 to 5.30

¹³eg offices

¹⁴Delete if Holder is responsible for providing utilities

- (b)** The Holder will provide an estimate of the ⁷Annual Service Charge (ASC) mentioned in paragraph 8(c) of this MOTO proportionate to the period of occupation during the first year plus a forward estimate of the next year's ASC. In each subsequent year, the Holder will provide details of actual ASC costs for the previous year plus an estimate for the following year.
 - (c)** The Holder will keep the Occupier informed of likely expenditure against estimates as the year progresses and inform the Occupier immediately if any significant or unexpected payments materialise later in the financial year.
 - (d)** ⁸The Holder will render four quarterly invoices for the ASC services listed in Part A of the First Schedule in accordance with the procedure set out in the CEOA. The invoices will be itemised in accordance with the Reconciliation Statement mentioned in sub-paragraph (g).
 - (e)** ⁹The Holder will render invoices for ad-hoc major maintenance and new works in accordance with the provisions of the CEOA.
 - (f)** ¹⁰The Holder will render invoices for services provided by its in-house staff in accordance with the provisions of the CEOA.
 - (g)** ¹¹The Holder will undertake reconciliation processes as set out in the CEOA and at the end of the financial year provide a Reconciliation Statement in the format given in Appendix 5 of the CEOA. That Statement will show the Occupier's proportion of actual expenditure and its payments to the Holder in the year concerned together with a request for a supplementary payment or a refund if appropriate.¹²
- 9 (a)** The Occupier agrees to use the Space for the purposes only of ¹³ office and the Holder will provide utility services for this use only. The Occupier will only use the Space between the hours of 07:00 and 21:00hrs Monday to Friday (excluding Public Holidays) access can be provided (upon prior notification to security) for out of hours and weekend working.

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¹⁵Delete if Licence
Payment is inclusive
of ASC

(b) ¹⁵On signing this MOTO the Occupier agrees to pay the Holder the ASC for provision of the services listed in Part A of the First Schedule and any direct Utility costs Supplied to the Space.

¹⁶Delete if none or if
the Licence Payment
is inclusive

(c) ¹⁶On signing this MOTO the Occupier agrees to pay the Holder its proportion of the cost of services listed in Part B of the First Schedule.

(d) On signing this MOTO the Occupier agrees to pay the Holder its proportion of the cost of ad-hoc major maintenance arising from the provision of services listed in Part A of the First Schedule. The Occupier also agrees to pay its proportion of the cost of any new works, provided these have been properly incurred in accordance with the CEOA.

¹⁷Delete if none

(e) ¹⁷The Occupier agrees to observe and perform those covenants entered into by the Holder with the Holder's landlord as detailed in the lease dated 8th November 2002 between Secretary of State for Communities and Local Government and the Landlord, Bayernfonds Immobilienverwaltung GmbH & Co. Objekt Engalnd 3KG.. The Occupier agrees to indemnify the Holder against any breach or non-performance of these covenants

10 For the avoidance of doubt, it is agreed and declared that:

(a) heating, water and other building services will be provided by the Holder to the standard agreed by the House Committee but the Holder will not be responsible for failure to maintain this standard in circumstances beyond its control;

(b) this Memorandum is confined to the Occupier. It does not constitute a tenancy nor create any other estate nor interest in the property. The Occupier may not seek to assign nor dispose of the benefit of this MOTO nor make any other arrangement concerning the use or occupation of the Space by anyone or any body except with the permission of the Holder; and

¹⁹Either (c) or (d).
Delete as applicable

(c) ¹⁹all other terms and conditions relating to this MOTO are contained in the CEOA.

(d) ¹⁹all other terms and conditions relating to this MOTO are contained in the CEOA as amended by the Third Schedule to this MOTO.

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11 The parties to this MOTO will observe all its terms and conditions

Signed for and on behalf of the Holder:

Name [REDACTED]

Date 31/3/16

Signed for and on behalf of the Occupier:

Name [REDACTED]

Date [REDACTED]

CATHRYN ROSS

22/12/15

Services provided to the Occupier

	1 Services provided by Holder <input checked="" type="checkbox"/>	2 Services provided by Landlord <input checked="" type="checkbox"/>	3 Payment for services included in Licence Payment (MOTO para 5) (Y/N)	4 Payment for services included in Annual Service Charge (ASC) (MOTO para 8c) (Y/N)	5 Show agreed pro-rata basis for apportionment of costs NIA = Net Internal Area	6 Remaining services that are the Occupier's responsibility <input checked="" type="checkbox"/>
Heads and Sub-Heads of Services						
Space (provision of workspace)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Y	N		<input type="checkbox"/>
External and Structure Repair and Decoration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
External Maintenance:						
Keeping the property clean and tidy (including if appropriate, external doors, walls, windows, frames, gutters, gullies and flat roofs)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Grounds maintenance (including car parks, fences, drains, statues etc)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Building signs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Masts, towers and flagpoles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Internal Repair and Decoration:						
Occupier's space	<input type="checkbox"/>	<input type="checkbox"/>	N	N	100%	<input checked="" type="checkbox"/>
Common areas (new works/maintenance including conference rooms)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>

CEOA SHORT LEASEHOLD APPENDIX 1
SCHEDULE 1 – PART A

	1 Services provided by Holder <input checked="" type="checkbox"/>	2 Services provided by Landlord <input checked="" type="checkbox"/>	3 Payment for services included in Licence Payment (MOTO para 5) (Y/N)	4 Payment for services included in Annual Service Charge (ASC) (MOTO para 8c) (Y/N)	5 Show agreed pro-rata basis for apportionment of costs NIA = Net Internal Area	6 Remaining services that are the Occupier's responsibility <input checked="" type="checkbox"/>
Heads and Sub-Heads of Services						
Shared public facilities (eg toilet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Shared staff facilities (eg canteen, crèche)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Building Services (M&E)						
Boiler plant	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Air conditioning and Mechanical ventilation plant	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Refrigeration installation including cold rooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Industrial doors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Heating, etc, control systems	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Power operated conveyors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Standby power suppliers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Lifting equipment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Lighting system in Occupier's space	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	100%	<input type="checkbox"/>
Chandelier and suspended light systems in Occupier's space	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	100%	<input type="checkbox"/>

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	1 Services provided by Holder <input checked="" type="checkbox"/>	2 Services provided by Landlord <input checked="" type="checkbox"/>	3 Payment for services included in Licence Payment (MOTO para 5) (Y/N)	4 Payment for services included in Annual Service Charge (ASC) (MOTO para 8c) (Y/N)	5 Show agreed pro-rata basis for apportionment of costs NIA = Net Internal Area	6 Remaining services that are the Occupier's responsibility <input checked="" type="checkbox"/>
Heads and Sub-Heads of Services						
Lighting systems in common areas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Chandelier and suspended lighting systems in common areas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Emergency lighting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Electrical motor control gear	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
HV electrical motor control gear	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
MV and LV electrical distribution systems	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Electrical earthing installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Hazardous areas electrical installation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Gas installation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Fire alarms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Security and CCTV	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>

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SCHEDULE 1 – PART A

	1 Services provided by Holder <input checked="" type="checkbox"/>	2 Services provided by Landlord <input checked="" type="checkbox"/>	3 Payment for services included in Licence Payment (MOTO para 5) (Y/N)	4 Payment for services included in Annual Service Charge (ASC) (MOTO para 8c) (Y/N)	5 Show agreed pro-rata basis for apportionment of costs NIA = Net Internal Area	6 Remaining services that are the Occupier's responsibility <input checked="" type="checkbox"/>
Heads and Sub-Heads of Services						
Statutory examination and testing of lifts, hoists, boilers and compressors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Water supply	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Catering equipment	<input type="checkbox"/>	<input type="checkbox"/>	N		NIA 100%	<input checked="" type="checkbox"/>
Communication equipment	<input type="checkbox"/>	<input type="checkbox"/>	N		NIA 100%	<input checked="" type="checkbox"/>
Building Services (other)						
Heating and hot water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Lift service	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Security and custody services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Internal cleaning of Occupier's space (offices, windows and laundry)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>

CEOA SHORT LEASEHOLD APPENDIX 1
SCHEDULE 1 – PART A

	1 Services provided by Holder <input checked="" type="checkbox"/>	2 Services provided by Landlord <input checked="" type="checkbox"/>	3 Payment for services included in Licence Payment (MOTO para 5) (Y/N)	4 Payment for services included in Annual Service Charge (ASC) (MOTO para 8c) (Y/N)	5 Show agreed pro-rata basis for apportionment of costs NIA = Net Internal Area	6 Remaining services that are the Occupier's responsibility <input checked="" type="checkbox"/>
Heads and Sub-Heads of Services						
Cleaning of common areas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Building Regulations Compliance Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Building condition surveys	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Fire inspections and certification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Fire fighting equipment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Window cleaning access equipment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Refuse collection	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	NIA %	<input type="checkbox"/>
Office Services and Accounting						
Reception/Messenger/Porters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	Ratio of staff numbers	<input type="checkbox"/>
Central typing/Reprographic facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N	Y	Ratio of staff numbers	<input type="checkbox"/>

CEOA SHORT LEASEHOLD APPENDIX 1
SCHEDULE 1 – PART A

	1 Services provided by Holder <input checked="" type="checkbox"/>	2 Services provided by Landlord <input checked="" type="checkbox"/>	3 Payment for services included in Licence Payment (MOTO para 5) (Y/N)	4 Payment for services included in Annual Service Charge (ASC) (MOTO para 8c) (Y/N)	5 Show agreed pro-rata basis for apportionment of costs NIA = Net Internal Area Ratio of staff numbers or extensions/call logging systems Ratio of staff numbers Ratio of staff numbers	6 Remaining services that are the Occupier's responsibility <input checked="" type="checkbox"/>
Heads and Sub-Heads of Services						
Telecoms and office machinery	<input type="checkbox"/>	<input type="checkbox"/>	N	N	Ratio of staff numbers or extensions/call logging systems	<input type="checkbox"/>
Library/Travel services	<input type="checkbox"/>	<input type="checkbox"/>	N	N	Ratio of staff numbers	<input type="checkbox"/>
Postroom and postage	<input type="checkbox"/>	<input type="checkbox"/>	N	N	Ratio of staff numbers	<input type="checkbox"/>
Professional fees						
Managing agents' fees		<input type="checkbox"/>	N		NIA %	<input type="checkbox"/>
Specialist consultant's fees		<input type="checkbox"/>	N		NIA %	<input type="checkbox"/>
Rating consultant's fees		<input type="checkbox"/>	N		NIA %	<input type="checkbox"/>

The Works

- Install new dividing wall and door
- Make good existing surfaces following removal of partitions
- Removal of existing partitions
- Minor modifications to existing fire alarm system
- Minor Modifications to existing lighting
- Supply and install new floor finishes to affected areas
- Modify existing small power distribution, including for additional floor boxes,
- Replacement floor tiles etc
- Install new partitions within new demise
- Provide additional blinds
- General clean
- Undertake minor alterations to fan coil units and ducting, as required
- Minor alterations to server room to facilitate use by OGA
- Install new corporate signage and wall features
- Redecorate isolated areas

AMENDED CEOA TERMS RELATING TO THIS MOTO

As per MOTO para 10 (d) list any terms or conditions if the agreed wording differs from that set out in the CEOA (Feb 2001 draft). (Include the agreed amended wording and use numbered continuation sheets as needed)

CEOA SHORT LEASEHOLD APPENDIX 2

GUIDANCE NOTES FOR COMPLETION OF NEW AND RENEWAL OF EXISTING MOTO

GUIDANCE NOTES FOR COMPLETION OF NEW AND RENEWAL OF EXISTING MEMORANDUM OF TERMS OF OCCUPATION (MOTO)

1. Introduction

- 1.1 The MOTO is Appendix 1 of the CEOA. It is property specific and should be prepared for each Crown body sharing occupation with the Holder of the Crown property asset.
- 1.2 The Holder should prepare the MOTO form as a draft following its marginal notes and taking into account this guidance. The draft should then be discussed with the Occupier and its terms finalised.
- 1.3 The parties in discussion should remember that the CEOA acts as the fall-back position for standard terms of occupation where an alternative agreement is either not required or has not been reached. The potential Occupier should not be refused occupation if it is prepared to accept the CEOA terms; and both Holder and Occupier have the opportunity to negotiate and agree other terms if both parties are willing (see paragraphs 3.19 and 3.20).

2. Prescribed Terms

- 2.1 Unless agreed otherwise with the Occupier, the Holder should offer Prescribed Terms related to the legal holding of the property and the appropriate provisions of the CEOA.

3. Annual Service Charge (ASC)

- 3.1 Services that are to be included in the Annual Service Charge (ASC) should be marked 'YES' in Column 4 of Schedule 1, Part A to the MOTO. The ASC should not include Licence Payment (except in exceptional circumstances), rates or services provided by the Holder's in-house staff. The House Committee may also specifically exclude ad-hoc major maintenance or new works expenditure where it considers it inappropriate for inclusion in the ASC. With regard to Licence Payment, in occupations where the Prescribed Term is short and/or the space is small it may be more cost effective administratively for the ASC to include the Licence Payment. The MOTO marginal notes allow the necessary amendments to facilitate this. A first year estimate should be provided by the Holder alongside the draft MOTO.

4. Completion of new MOTO and its First, Second and Third Schedules

- 4.1 In deciding the allocation of services the Holder should take into account local circumstances, its own maintenance arrangements and the competency of the Occupier to discharge any responsibilities it would take.
- 4.2 The Holder should prepare a draft Schedule 1 Part A for discussion with the Occupier:
- any services not appropriate to the space should be deleted;
 - before ticking the services in column 1 see Appendix 3;
 - any services which are neither ticked in columns 1 nor 2 are the responsibility of the Occupier and should be ticked in column 6; and
 - answer YES or NO in column 3 and 4 for each service.
- 4.3 The Holder should complete Part B if the Occupier has benefit of services provided by the Holder's in-house staff (see *CEOA paragraphs 5.31 to 5.34*).
- 4.4 The Holder should complete the Second Schedule where there are covenants/obligations to be observed by the Occupier. The Holder should offer clarification to the Occupier if there is any doubt as to what is required.
- 4.5 The Holder should complete the Third Schedule where CEOA terms have been amended by agreement with the Occupier. The agreed amendments should be included in the Third Schedule

5. Completion of renewal MOTO and its First, Second and Third Schedules

- 5.1 The Holder should prepare a new MOTO and Schedules where their content has been altered by varying the terms at renewal.
- 5.2 Although, in the absence of vacation or variation, the MOTO is renewed at the end of the Prescribed Term by default, the Holder should prepare a new MOTO and Schedules (See *CEOA paragraphs 2.8, 2.16, 3.43 and 3.44*).

EXAMPLE OF ALLOCATION OF RESPONSIBILITY FOR MAINTENANCE AND BUILDING SERVICES IN A TYPICAL PROPERTY

	Holder's Responsibility	Occupier's Responsibility
External and Structural Repair and Decoration	✓	
External Maintenance		
Keeping the property clean and tidy, including if appropriate external doors, walls, windows, frames, gutters, gullies and flat roofs	✓	
Grounds maintenance (including car parks, fences, drains, statues etc.)	✓	
Building signs	✓	
Masts, towers and flagpoles	✓	
Internal Repair and Decorations		
Occupier's space		✓
Common areas (new works/maintenance including conference rooms)	✓	
Shared public facilities (eg toilet)	✓	
Shared staff facilities (eg canteen, crèche)	✓	
Building Service (M & E)		
Boiler plant	✓	
Air-conditioning and mechanical ventilation plant	✓	
Refrigeration installation including cold rooms	✓	
Industrial doors	✓	
Heating, etc. control systems	✓	
Power-operated conveyors	✓	
Standby power supplies	✓	
Lifting equipment	✓	
Lighting systems in Occupier's space		✓
Chandelier and suspended light systems in Occupier's space		✓
Lighting systems in common areas	✓	
Chandelier and suspended light systems in common areas	✓	
Emergency lighting	✓	
New live electrical earthing installations	✓	
Hazardous areas electrical installation	✓	
Gas installation	✓	
Fire alarms	✓	
Security and CCTV	✓	
Statutory examination and testing of lifts, hoists, boilers and compressors	✓	
Water supply	✓	
Catering equipment	✓	
Communication equipment	✓	

**CEOA SHORT LEASEHOLD APPENDIX 3
ALLOCATION OF RESPONSIBILITY – EXAMPLE**

	Holder's Responsibility	Occupier's Responsibility
Building Services (other)		
Heating and hot water	✓	
Gas	✓	
Water	✓	
Electricity	✓	
Lift service	✓	
Security and custody services	✓	
Internal cleaning of Occupier's space (offices, windows and laundry)		✓
Cleaning of common areas	✓	
Insurance	✓	
Building regulations compliance check	Institutor of works' responsibility	
Building condition surveys	✓	
Fire inspections and certification	✓	
Fire fighting equipment	See note 2 below	
Window cleaning access equipment	✓	
Refuse collection	✓	

Notes

1. The terms of the lease may reserve some of these responsibilities for the landlord.
2. Fire-fighting equipment - allocation of responsibility will depend on location of what is provided locally. For example:
 - (i) externally-housed hose reels, etc are likely to fall to the Holder
 - (ii) internally-based equipment, eg extinguishers will fall to Occupiers.

GUIDANCE ON ACCEPTABLE MAINTENANCE CONDITION

Roofs – finishes and components	No leaks; sound and secure; insulation in good condition
Roof Drainage, gutters and rainwater down pipes	No leaks; free flow of rainwater to drains; secure fixings
External walls and external wall finishes	No damp penetration to interior; structurally sound; rendering, copings and other finishings sound and secure
Chimney stacks and flues	Structurally sound, no damp penetration; flaunchings and terminals good
Internal walls and internal wall finishes	Structurally sound; finishes secure, sound and hygienic
Floor and ceiling finishes	Structurally sound; finishes secure, sound and hygienic
Rooflights, windows, doors, hatches and screens	Structurally sound; secure; glass sound; weather proof where necessary; easily operated; furniture and ironmongery sound and complete
Door closures, panic bars and other locking devices	Securely fixed, complete and in good working order
Internal and external staircases and balustrades	Sound and secure; treads and nosings undamaged
Fixtures - shelving, cupboards, fixed seating, worktops, notice-boards, hat and coat racks, curtain rails etc	Sound and secure; door easily operated; hygienic work surfaces; furniture and ironmongery sound and complete
Sanitary fittings etc	No leaks; surface hygienic, free discharge; securely fixed; complete; functioning correctly
Fittings in cloakrooms, washrooms, bathrooms, toilets, etc - eg towel rails (not heated), toilet roll holders, soap trays, glass shelves, mirrors, splashbacks, shower curtain rails etc	Sound and secure; complete
Soil and waste water drainage stacks	No leaks; free flowing; secure fixings

**CEOA SHORT LEASEHOLD APPENDIX 4
GUIDANCE ON ACCEPTABLE MAINTENANCE CONDITION**

Hot and cold water services	No leaks; secure fixings; valves and cocks functioning correctly; lagging sound
Hot water heating systems	No leaks; secure fixings; valves and cocks functioning correctly; lagging sound
Electrical fixtures and fittings	Securely fixed, no loose connections, operating satisfactorily
Drainage	Free flowing; covers, gratings and frames sound; benching and channels sound; fresh air inlets sound and clear
Pavings and paths	Sound and even surface with no pot holes or sinkings; kerbs and edgings sound; no safety hazards
Fences, boundary walls, barriers, gates, guard-rails, bollards etc	Sound and secure, no safety hazards

MOTO - RECONCILIATION STATEMENT EXAMPLE

Site address:

Period:

Description	Apportionment basis	Estimated cost (paid)	Actual costs
Licence Payment			
Rent			
Rates			
Services provided by Holder's In-house staff			
Total		A	B

Estimated Costs: Total A £ If difference is + (ie A > B) a refund is due from Holder to Occupier

Actual Costs: Total B £ If difference is – (ie A < B) an additional payment is due to Holder from Occupier

Difference: Total A - B £

Annual Service Charge (ASC)			
External Structural Repairs & Decoration			
External Maintenance			
Internal Repair and Decoration			
Buildings Services (M & E)			
Buildings Services (Other)			
Office Services and Accounting			
Professional Fees			
ASC Total *		A	B

* **Note:** If the actual costs in respect of the ASC are greater/less than estimated but they fall within the 'acceptable variance' (+/- 10% of ASC up to a maximum £5,000) no further action will be taken. However, if they fall outside the 'acceptable variance' an additional refund/payment will be necessary (see CEOA paragraphs 5.29 and 5.30).