

HM Treasury

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DAO(GEN) 15/96

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Dear Accounting Officer,

EFFICIENCY SCRUTINY ON THE MANAGEMENT OF THE CIVIL ESTATE

DAO(GEN)1/96 published on 10 January 1996 contained, as Appendix 1 to the Departmental Estate Occupancy Agreement for Crown Bodies, the Memorandum of Terms of Occupation (MOTO). Paragraphs 8 and 9 of the MOTO were inadvertently omitted from the version attached to the DAO letter. The attached version now includes this missing text.

Action for Departments, Agencies and Trading Funds

The attached MOTO should be substituted for all existing MOTO's. Departments should arrange for copies of this letter to be sent to appropriate NDPBs which they sponsor.

Enquiries

Enquiries should be addressed to Peter Atchison, HTCD team, room 10/1, HM Treasury, Parliament Street, London SW1P 3AG (telephone: 0171-270-4415; fax: 0171-389-9741).

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DEPARTMENTAL ESTATE - MEMORANDUM OF TERMS OF OCCUPATION (MOTO)

This MOTO is for use between CROWN BODIES only

1. This MOTO forms part of the Departmental Estate Occupancy Agreement for Crown Bodies

2. This MOTO between
(called in this document 'the Holder') and
(called in this document 'the Occupier') records the terms of occupation of the property known as
.....
.....
.....
.....

3. *The Occupier's space comprises
.....
.....("the Space")

4. Subject to the rest of this MOTO, the Holder will permit the Occupier to use and occupy the Space from * to * (the Prescribed Term) and so on until ended by either party giving notice under the terms of the Departmental Estate Occupancy Agreement for Crown Bodies.

5. The Occupier will pay £ per year ("the Licence Payment") in advance by equal quarterly amounts on 1 April, 1 July, 1 October and 1 January ("the Calendar Quarter Days") beginning on *

* Describe the space (including car parking) and include plan to identify the space

* Insert Prescribed Term start and finish date

£ Licence Payment rent element is the apportionment of either the passing rent or the Opportunity Costs Rent/Capital Charge

* Insert Prescribed Term commencement date

* For modern leasehold properties, insert the review date from the Head Lease. Otherwise, insert Opportunity cost Rent/Capital Charge review dates

The Licence Payment is subject to reviews by the Holder to take effect on *

* Delete if not appropriate

6. (a) The Holder agrees, subject to the Occupier having paid the service charges mentioned in paragraph 7 (c) of this MOTO :
- (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 provides the services listed in Part B of the First Schedule; and
 - (iii) *to use reasonable efforts to ensure that the Holder's Landlord fulfils all its obligation under the lease.
- (b) The Holder will provide an estimate of the service charge proportionate to the period of occupation during the first year plus a forward estimate of the next year's service charge. In each subsequent year, the Holder will provide details of actual costs for the previous year plus an estimate for the following year.

* eg offices

7. (a) The Occupier agrees to use the Space for the purposes only of *..... and the Holder will provide utility services for this use only.

* delete if Holder is responsible for providing utilities

- (b) *The Occupier agrees to pay the relevant Supply Authority all charges for using gas, water and electricity supplied to the Space.

* Delete if there are none listed

- (c) The Holder should keep minor occupiers informed of likely expenditure against estimates as the year progresses and inform them immediately if any significant or unexpected payments materialise later in the financial year. The Holder should render quarterly invoice appropriately itemised, for the services it provides directly, or those it has bought in or its landlord provides, to save invoice raising and processing costs. On the signing of this MOTO, the Occupier agrees to pay for provision of the services listed in Part A *[and Part B] of the First Schedule (including VAT where appropriate). This first payment will be for the period beginning at the start of the Prescribed Term until #..... Subsequent payments will be on the Calendar Quarter Days in advance thereafter. At the end of the financial year, the Holder will provide a reconciliation statement showing the Occupier's proportion of actual expenditure and amounts received from the Occupier in the year concerned, together with a request for a supplementary payment or a refund as appropriate. The supplementary payment or refund should be debited or credited to the vote (ie thrown back) before the Vote Account is closed for that Financial Year (usually towards the end of May).

Insert day before first Calendar Quarter Day after start of Prescribed Term

When apportioning actual costs, they will be treated as accruing from day to day.

* Delete if there are none

* Delete if the Holder or Holder's Landlord is responsible for insuring the premises

(d) *The Occupier agrees to observe and perform those covenants entered into by the Holder with the Holder's landlord as detailed in the Second Schedule to this MOTO. The Occupier agrees to indemnify the Holder against any breach or non-performance of these covenants.

8. The Occupier will repair or reinstate to the satisfaction of the Holder (or at the option of the Holder meet the cost of repair and reinstatement of) any damage caused to the space by fire, explosion, storm, flood, tempest, lightning, civil commotion, impact aircraft and articles dropped therefrom. In the event of substantial destruction of the Property, the Occupier will meet the cost of replacement apportioned by the Agents Letting Area or Net Internal Area.

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

(a) heating and hot water will be provided and 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 or create any other estate or interest in the property. The Occupier may not seek to assign or dispose of the benefit of the Memorandum 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

(c) all other terms and conditions relating to this MOTO are contained in the Departmental Estate Occupancy Agreement for Crown Bodies.

10. The parties to the MOTO shall observe all its items and conditions.

Signed for and on behalf of the Holder :

Name

Date

Signed for and on behalf of the Occupier :

Name

Date