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• *Enhancing quality of life* • *Making the best use of public resources*

Council Building
2 High Street
Perth
PH1 5PH

Wednesday, 14 February 2018

A Meeting of the **Property Sub-Committee** will be held in **the Council Chamber, 2 High Street, Perth, PH1 5PH** on **Monday, 26 February 2018** at **10:00**.

If you have any queries please contact Committee Services on (01738) 475000 or email Committee@pkc.gov.uk.

BERNADETTE MALONE
Chief Executive

Those attending the meeting are requested to ensure that all electronic equipment is in silent mode.

Please note that the meeting will be recorded and will be publicly available on the Council's website following the meeting.

Members:

Councillor Bob Band
Councillor Peter Barrett
Councillor Dave Doogan
Councillor Grant Laing
Councillor Murray Lyle
Councillor Roz McCall

Property Sub-Committee

Monday, 26 February 2018

AGENDA

MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.

1 WELCOME AND APOLOGIES

2 DECLARATIONS OF INTEREST

3 MINUTES

(i) MINUTE OF MEETING OF PROPERTY SUB-COMMITTEE OF THE STRATEGIC POLICY AND RESOURCES COMMITTEE OF 25 OCTOBER 2017 FOR APPROVAL 5 - 6

(ii) MINUTE OF SPECIAL MEETING OF PROPERTY SUB-COMMITTEE OF THE STRATEGIC POLICY AND RESOURCES COMMITTEE OF 15 DECEMBER 2017 FOR APPROVAL 7 - 8

4 LEASING/LICENSING VENUES FOR SPORT 9 - 24
Report by Executive Director (Education and Children's Services)
(copy herewith 18/63)

IT IS RECOMMENDED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEM(S) IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973

P1 DISPOSAL OF PLOT 7 (0.247HA/0.610 ACRES), BROXDEN BUSINESS PARK, PERTH

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PROPERTY SUB-COMMITTEE

Minute of meeting of the Property Sub-Committee of the Strategic Policy and Resources Committee held in the Council Chambers, Ground Floor, Council Building, 2 High Street, Perth on Wednesday 25 October 2017 at 10.00am.

Present: Councillors B Band, P Barrett, I Campbell, D Doogan, G Laing, M Lyle and C Purves (substituting for R McCall)

In Attendance: B Renton, S Crawford and J Janes (all The Environment Service); G Boland (Education and Children's Services); G Taylor, G Fogg, C Irons, K Molley, A Thomson and M Willis (all Corporate and Democratic Services).

1. APPOINTMENT OF CONVENER

Councillor Barrett seconded by Councillor Purves, nominated Councillor Campbell for the position of Convener of the Sub-Committee.

Councillor I Campbell was unanimously elected as Convener of the Sub-Committee.

Councillor I Campbell took the chair.

2. WELCOME AND APOLOGIES/SUBSTITUTES

The Convener welcomed all those present to the meeting. An apology and substitution were noted as above.

3. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Councillors' Code of Conduct.

4. MINUTES

- (i) The minute of meeting of the Property Sub-Committee of 1 March 2017 was submitted and approved as a correct record.
- (ii) The minute of meeting of the School Estate Sub-Committee of the Lifelong Learning Committee of 2 March 2017 was submitted and noted.

5. SCHOOL ESTATE PROGRAMME PROGRESS REPORT

There was submitted a report by the Executive Director (Education and Children's Services) (17/347) (1) updating the Committee on the progress and proposals for delivering the current school projects within the Education and Children's Services School Estate Programme, (2) detailing key milestones which had been achieved since the last update to the School Estate Sub-Committee on 2 March 2017; and (3) detailing future projects.

Resolved:

- (i) The significant milestones achieved since the report to the School Estate Sub-Committee on 2 March 2017, as detailed in paragraphs 3.1 to 3.5 of Report 17/347, be noted.
- (ii) The forward planning, as detailed in paragraphs 4.1 to 4.4 of Report 17/347, be noted.

IT WAS AGREED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEM IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973

COUNCILLOR LYLE ENTERED THE MEETING DURING THE FOLLOWING ITEM

P1. THE PROPOSED SALE AT AUCTION OF VARIOUS PROPERTIES

There was submitted a report by the Director (Environment) (17/348) seeking approval for the sale at auction of various properties within Perth and Kinross.

Resolved:

- (i) The properties, as detailed in Report 17/348, be sold in compliance with the Disposal of Land by Local Authorities (Scotland) Regulations and the relevant property's market value, and otherwise on terms to the satisfaction of the Director (Environment) and the Head of Legal and Governance Services.
- (ii) If any property fails to sell at auction, it be remarketed for sale through the traditional manner or at auction in compliance with the Disposal of Land by Local Authorities (Scotland) Regulations and the relevant property's market value, and otherwise on terms to the satisfaction of the Director (Environment) and the Head of Legal and Governance Services.

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## PROPERTY SUB-COMMITTEE

Minute of special meeting of the Property Sub-Committee of the Strategic Policy and Resources Committee held in Room 410, Fourth Floor, Council Building, 2 High Street, Perth on Friday 15 December 2017 at 14.30.

Present: Councillors B Band, I Campbell, R McCall and A Parrott  
(substituting for D Doogan).

In Attendance: T Flanagan, K Leer and J Janes (all The Environment Service);  
G Taylor, G Fogg and C Flynn (all Corporate and Democratic  
Services).

Apologies: Councillors P Barrett, D Doogan, G Laing and M Lyle.

Councillor I Campbell, Presiding.

### 1. WELCOME AND APOLOGIES/SUBSTITUTES

The Convener welcomed all those present to the meeting. Apologies and substitutions were noted as above.

### 2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Councillors' Code of Conduct.

**IT WAS AGREED THAT THE PUBLIC AND PRESS SHOULD BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEM IN ORDER TO AVOID THE DISCLOSURE OF INFORMATION WHICH IS EXEMPT IN TERMS OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973**

### P1. PROPOSED SALE OF ACORN BUSINESS CENTRE, PERTH

There was submitted a report by the Interim Executive Director (Environment) (17/410) seeking approval for the sale of Acorn Business Centre, Arran Road, Perth to Northern Trust Company Ltd or their nominees.

#### **Resolved:**

- (i) Acorn Business Centre, Perth be sold to Northern Trust Company Ltd or its Nominee on the basis of the terms contained in Report 17/410 and otherwise on terms and conditions to the satisfaction of the Interim Executive Director (Environment) and the Head of Legal and Governance.
- (ii) In the event that the offer from Northern Trust Company Ltd fails to deliver a concluded bargain, the competing offers that meet the asking price of £1.2 million be pursued in descending order as outlined in paragraphs 2.2 to 2.4 of Report 17/410, all to the satisfaction of the Interim Executive Director (Environment) and the Head of Legal and Governance.
- (iii) If any of the acceptable offers fail to reach a concluded bargain, the property be remarketed as soon as possible in the traditional manner, all to the

satisfaction of the Interim Executive Director (Environment) and the Head of Legal and Governance.

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PERTH AND KINROSS COUNCIL**Property Sub-Committee****19 February 2018****Leasing/Licensing Venues for Sport****Report by Executive Director (Education and Children's Services)****PURPOSE OF REPORT**

This report asks the Committee to approve the licence to occupy the swimming pool at Breadalbane Community Campus and lease of the George Duncan Athletics Arena (GDAA) at Perth Grammar School to Live Active Leisure (LAL).

The leasing/licensing of these buildings to LAL will achieve Best Value in using public resources to deliver community benefits through achieving Non Domestic Rates relief.

1. BACKGROUND/MAIN ISSUES

- 1.1 The Council commissions Leisure, Active Sports and Sports Development Services from Live Active Leisure (LAL).
- 1.2 In order to deliver these services consistently to communities across Perth and Kinross, LAL lease a number of facilities from the Council.
- 1.3 The Council is required to fulfil its statutory duties under Best Value as set out in Section 1 of the Local Government in Scotland Act 2003. Relevant aspects of this duty include:
 - Making best use of public resources, including land and property.
 - Being open and transparent in transactions.
 - Ensuring sound financial controls are in place to minimise the risk of fraud and error.
 - Assessing the full financial consequences of decisions at an appropriate level before major financial decisions are taken or commitments entered into.
 - Demonstrating responsiveness to the needs of communities, citizens, customers and other stakeholders, where relevant.
- 1.4 The Council also has a statutory duty in terms of Section 74 of the Local Government (Scotland) Act 1973 to achieve best reasonable consideration when it disposes of its land and buildings, subject to the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which allow the Council to sell or lease land and buildings for less than best consideration where certain criteria can be justified.

- 1.5 The Council previously transferred management responsibility for 17 cultural buildings to Culture Perth and Kinross and 2 outdoor education centres to Live Active Leisure ([Report No. 16/49 Refers](#)) in February 2016.

2. PROPOSALS

- 2.1 The report proposes to grant a licence to LAL, who already operate the swimming pool at Breadalbane Academy Community Campus, on behalf of the Council as per Appendix 1.
- 2.2 This report proposes to grant a lease to LAL, who already have a management responsibility for the GDAA at Perth Grammar School as per Appendix 2.
- 2.3 There will be a recurring saving to the Council of approximately £40,000 due to the cession of Non Domestic Rates charges attributable to these facilities as a result of the leasing/licensing of the facilities to LAL. LAL, as a charitable organisation, receives 100% rates relief.
- 2.4 Both facilities have been valued for transfer which is below the £10,000 threshold which would trigger the requirement for formal appraisals in terms of the Disposal of Land by Local Authorities (Scotland) Regulations 2010. The annual market rent valuations have been assessed at a nominal level to reflect the restricted use for which the facilities are being transferred.
- 2.5 Although formal appraisals are not required, it is considered that in this case wider community benefits would be achieved by licensing/leasing the buildings to LAL. Under these circumstances the Council can transfer buildings for nil or nominal rent.
- 2.6 It is important that a clear apportionment of repair and maintenance responsibilities between the Council (as landlord) and LAL (as tenant) is determined as part of the transfer. The Heads of Terms set out in Appendices 1 and 2 require the Council to retain responsibility for maintaining the facilities. A separate Property Agreement will set out the respective responsibilities.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 It is recommended that Property Sub-Committee:
- (i) Approves the proposal to licence the swimming pool at Breadalbane Academy Community Campus on terms set out in Appendix 1;
 - (ii) Approves the proposal to lease The George Duncan Athletics Arena at Perth Grammar School on terms set in Appendix 2;
 - (iii) Agrees to the recommendation that licensing/leasing these properties at a nominal rent is reasonable to enable LAL to deliver services for communities on behalf of the Council and to provide best value for the Council.

Author

Name	Designation	Contact Details
Greg Boland	Senior Business and Resources Manager	ECSCcommittee@pkc.gov.uk 01738 475000

Approved

Name	Designation	Date
Sheena Devlin	Executive Director (Education and Children's Services)	5 February 2018

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	No
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	No
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	No

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 The proposals relate to the delivery of the Perth and Kinross Community Plan/Single Outcome Agreement in terms of the following priorities:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

This report relates to all of these objectives.

Corporate Plan

- 1.2 The Perth and Kinross Community Plan 2013-2023 and Perth and Kinross Council Corporate Plan 2013/2018 set out five strategic objectives:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

This report relates to all of these Objectives.

- 1.3 The report also links to the Education & Children's Services Policy Framework in respect of the following key policy area:

- Maximising Resources

2. Resource Implications

Financial

- 2.1 The Council will make recurring savings of approximately £40,000 due to this proposal as reported within the body of the main report.

- 2.2 Although the lease and property agreement for the George Duncan Athletics Arena will provide that the Council will maintain the George Duncan Athletics Arena, the Council currently bears the maintenance costs for this property. Breadalbane Campus, including the swimming pool, is maintained under a Private Finance Initiative (PFI) arrangement with Axiom Education Ltd.

Workforce

- 2.3 There are no direct workforce implications arising from this report.

Asset Management (land, property, IT)

- 2.4 Property Services, Legal and Governance Services and Estates have contributed to the preparation of this report.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

- 3.1.1 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

- 3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

- 3.2.1 However, no action is required as the Act does not apply to the matters presented in this report. This is because these matters relate to the School Estate Strategy which is being considered under the Act as part of The Council's Asset Management Plan.

Sustainability

- 3.3 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Legal and Governance

- 3.4 The Head of Legal and Governance Services has been consulted in the preparation of this report.

Risk

- 3.5 The proposals in this paper substantially confirm the Council's existing relationship with LAL, and while terms will have to be agreed, the risk of not reaching agreement is very low.

4. Consultation

Internal

- 4.1 The Head of Democratic Services, Head of Finance, Head of Legal and Governance Services and Head of Property Services have been consulted in the preparation of this report.

External

- 4.2 Live Active Leisure have been consulted in the preparation of this report.

2 BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3 APPENDICES

Appendix 1 – Heads of Terms Breadalbane Community Campus Swimming Pool.

Appendix 2 – Heads of Terms The George Duncan Athletics Arena

PERTH & KINROSS COUNCIL

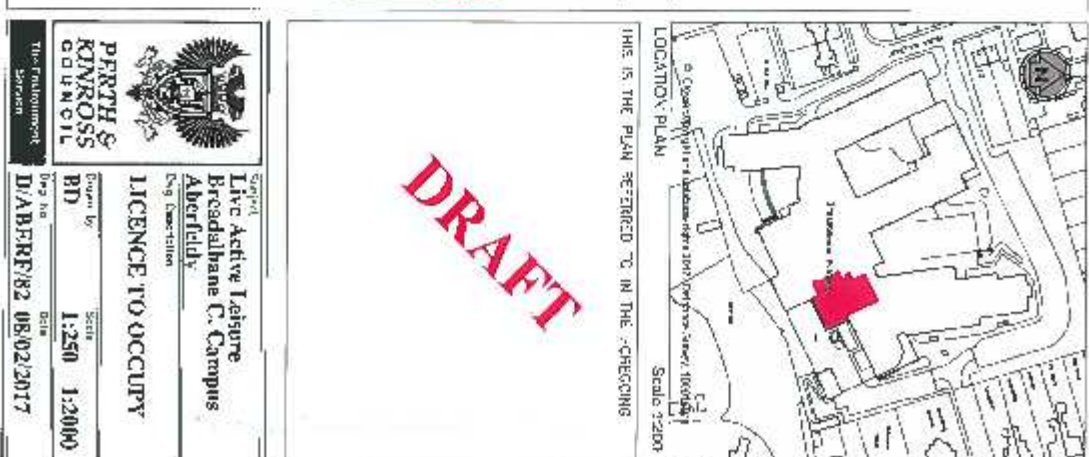
LICENCE TO OCCUPY

SUBJECT TO PERTH & KINROSS COUNCIL APPROVAL

Subjects:	Swimming Pool, Breadalbane Campus, Aberfeldy.
Landlord:	Perth & Kinross Council
Landlord's Agents:	Head of Planning & Development, Perth & Kinross Council, Pullar House, Kinnoull Street, Perth, PH1 5GD
Landlord's Solicitor:	Head of Legal and Governance Services, Perth & Kinross Council, 2 High Street, Perth, PH1 5PH
Tenant:	Live Active Leisure, Caledonia House, Hay Street, Perth, PH1 5HS
Tenant's Solicitors:	Peter Stewart Anderson Beaton Lamond Solicitors Bordeaux House 31 Kinnoull Street Perth PH1 5EN Telephone: 01738 639999 Fax: 01738 630063
Type of Lease:	Lease
Lease Duration:	19 years and 364 days
Date of Entry:	To be agreed
Rent:	£1 per annum if asked.
Rent Reviews:	Not Applicable
Extent of Subjects:	The extent of the leased area is shown coloured in blue together with mutual rights of occupation within those areas coloured yellow on the attached plan.
Break Clause:	Both The Landlord and the Tenant shall be entitled to terminate the Lease every 5 years on giving the other party 6 months' notice in writing of their intention so to do.

- Use:** The subjects shall be used for the provision and management of sports facilities including the use of the swimming pool, sauna, changing rooms, showers, toilets, and sundry stores in line with the current use as set by Education & Children Services and for no other purpose whatsoever. In the event that the Tenant ceases to use the subjects for the approved use, the lease shall terminate with immediate effect and the subjects shall revert to the Landlord.
- Repairs:** The Landlord will be responsible for keeping the Subjects in a good state of condition and repair throughout the duration of the lease. Any repairs or improvements will be at the Landlords sole discretion.
- The Tenant accepts the property as being fit for their purpose and will be responsible for all internal decoration and minor internal maintenance works and repairs.
- The Tenant will be responsible for the repairs of any damage caused by their users of the Subjects.
- The Tenant will be responsible for keeping the Subjects in a neat and tidy condition.
- Alterations:** The Tenant will require the Landlord's prior written consent to carry out any alterations, additions or extensions on or to the Subjects
- Insurance:** The Tenant will comply with all insurance clauses contained within the Public-Private Partnership Agreement.
- The Tenant will be responsible for insuring the contents within the Subjects, as detailed in the Service Level Agreement.
- The Tenant will be responsible for obtaining Public Liability Insurance, including occupier's liability insurance for no less than £5,000,000 (Five Million Pounds).
- The Tenant shall indemnify the Landlord against all claims which may arise as a result of the Tenant's use of the Subjects
- Resumption:** Where the property forms part of larger subjects and in the event that the larger subjects have been deemed to be surplus to requirements, the Landlord, at their sole discretion, reserve the right to terminate the lease at any time by giving a minimum of 12 months written notice on the Tenant.
- Alienation:** The Tenant will not assign or sub-let the whole or part of the subjects to another party. The Tenant will however be permitted to enter into a Hire Agreement of the subjects to third parties and keep the income generated by such Agreements.

Termination:	The Landlord, at their sole discretion, may call upon the Tenant to remove any buildings or erections constructed by the Tenant on the Subjects at the expiry of the Lease.
Outgoings:	<p>The Tenant will be responsible for the payment of rates, or for applying for rates relief, as appropriate.</p> <p>The Landlord will be responsible for water and sewerage charges, electricity charges, gas charges standing charges, telephone charges in respect of the leased Subjects.</p> <p>The Tenant will be responsible for all operational costs including staff.</p> <p>The Tenant will be responsible for all costs involved in marketing the Subjects.</p>
Services Connections:	The Landlord will be responsible for all water and sewerage, electricity, gas and telephone connections.
Statutory Conditions	The Tenant will comply with all Acts of Parliament, Statutory notices and Legislation.
Other Conditions:	<p>The Landlord & Tenant shall enter into a Property Agreement incorporating a Schedule of Maintenance Responsibilities which shall reflect those set out in the Public-private Partnership Agreement.</p> <p>Such other conditions which may be agreed between the parties.</p>
Costs:	Each party will bear their own costs incurred with the granting of this lease.
Special Note:	These Heads of Terms are not intended to form part of any legally binding contract and are expressly subject to completion of formal legal missives in accordance with Scots Law.
Reference:	Breadalbane LAL draft
Date:	16/10/2017
Revision:	C



**PERTH & KINROSS COUNCIL
LEASE**

SUBJECT TO PERTH & KINROSS COUNCIL APPROVAL

Subjects:	George Duncan Athletics Arena, Gowans Terrace, Perth
Landlord:	Perth & Kinross Council
Landlord's Agents:	Head of Planning & Development, Perth & Kinross Council, Pullar House, Kinnoull Street, Perth, PH1 5GD
Landlord's Solicitor:	Head of Legal and Governance Services, Perth & Kinross Council, 2 High Street, Perth, PH1 5PH
Tenant:	Live Active Leisure, Caledonia House, Hay Street, Perth, PH1 5HS
Tenant's Solicitors:	Peter Stewart Anderson Beaton Lamond Solicitors Bordeaux House 31 Kinnoull Street Perth PH1 5EN Telephone: 01738 639999 Fax: 01738 630063
Type of Lease:	Lease
Lease Duration:	19 years and 364 days
Date of Entry:	To be agreed
Rent:	£1 per annum if asked.
Rent Reviews:	Not Applicable
Extent of Subjects:	The extent of the leased area is shown outlined in green
Break Clause:	Both The Landlord and the Tenant shall be entitled to terminate the Lease every 5 years on giving the other party 6 months' notice in writing of their intention so to do.

Use:

The subjects shall be used for the provision and management of athletic facilities including the use of the athletic track, long jump track and sand pit, and any other athletic facility within the Subjects together with the grandstand (inclusive of the changing rooms, showers, toilets, office and sundry stores) in line with the current use as set by Education & Children Services and for no other purpose whatsoever. In the event that the Tenant ceases to use the Subjects for the approved use, the lease shall terminate with immediate effect and the Subjects shall revert to the Landlord.

The Subjects are to be managed from the North Inch Community Campus building.

The Tenant will be solely responsible for the opening and locking up of the Subjects. The Landlord to be advised where the location of the key(s) is / are.

The Tenant shall be responsible for the maintenance of a fire register and fire drills.

The Tenant is responsible for PAT testing of all electrical equipment whether portable or not.

Repairs:**Grandstand**

The Landlord will be responsible for keeping the grandstand in a good state of condition and repair throughout the duration of the lease. Any repairs or improvements will be at the Landlords sole discretion.

The Tenant accepts the grandstand as being fit for their purpose and will be responsible for all internal decoration and minor internal maintenance works and repairs.

The Tenant will be responsible for the repairs of any damage caused by the users of the Subjects.

The Tenant will be responsible for keeping the Subjects in a neat and tidy condition.

Arena

The Landlord will be responsible for keeping the arena in a good state of condition and repair throughout the duration of the lease. Any repairs or improvements will be at the Landlords sole discretion.

The Tenant accepts the arena as being fit for their purpose and will be responsible for minor internal maintenance works and repairs.

The Tenant is responsible for maintaining the sandpits and litter picking within the perimeter fence.

For the avoidance of doubt the following maintenance / repair regime is presently in place and will continue as follows:

Athletics track: The track will be professionally cleaned every three years and paid for by the Landlord

Long jump/run up: The Tenant will carry out basic maintenance of the pits, ensuring that they are fit for purpose. This includes, raking the pits/edging around the pits, cleaning out of the troughs. The Tenant will contact the Landlord to provide more sand when required

Perimeter fence: The Tenant will carry out a visual inspection on a weekly basis and report any defect to the Landlord

Grass cutting: is carried out by a contractor appointed by the Landlord

Litter picking: is the responsibility of the Perth Grammar School during term time; however the Tenant will carry out litter picking during opening hours

Floodlights: are the responsibility of the Landlord. The Tenant will operate the lights when required during opening hours and report any defects to the Landlord. The Landlord will carry out an annual inspection and maintenance schedule

Equipment: The Tenant will carry out visual checks on equipment and report any defects/faults to the Landlord. The Landlord will replace any defective / faulty equipment subject to budgetary provision.

Water provision: The Tenant will water the sand in the Long Jump pit as and when deemed to be required

Marking of lines: is carried out by a contractor appointed by the Landlord

Alterations: The Tenant will require the Landlord's prior written consent to carry out any alterations, additions or extensions on or to the Subjects.

Insurance: The Landlord will be responsible for the insurance of all of the buildings on the Subjects including the perimeter fencing and athletics track, etc.

The Tenant will be responsible for insuring the contents within the Subjects, as detailed in the Service Level Agreement.

The Tenant will be responsible for obtaining Public Liability Insurance, including occupier's liability insurance for no less than £5,000,000 (Five Million Pounds).

The Tenant shall indemnify the Landlord against all claims which may arise as a result of the Tenant's use of the Subjects.

Alienation: The Tenant will not assign or sub-let the whole or part of the subjects to another party. The Tenant will however be permitted to enter into a Hire Agreement of the subjects to third parties and keep the income generated by such agreements.

Termination: The Landlord, at their sole discretion, may call upon the Tenant to remove any buildings or erections constructed by the Tenant on the Subjects at the expiry of the Lease.

Outgoings: The Tenant will be responsible for the payment of rates, or for applying for rates relief, as appropriate.

The Landlord will be responsible for water and sewerage charges, electricity charges, gas charges standing charges, telephone charges in respect of the leased Subjects.

The Tenant will arrange for, and pay for, the removal of all rubbish and refuse.

The Tenant will be responsible for all operational costs including staff.

The Tenant will be responsible for all costs involved in marketing the Subjects.

Services Connections: The Landlord will be responsible for all water and sewerage, electricity, gas and telephone connections.

Statutory Conditions The Tenant will comply with all Acts of Parliament, Statutory notices and Legislation.

Other Conditions: The Landlord & Tenant shall enter into a Property Agreement incorporating a Schedule of Maintenance Responsibilities.

Such other conditions which may be agreed between the parties.

Costs: Each party will bear their own costs incurred with the granting of this lease.

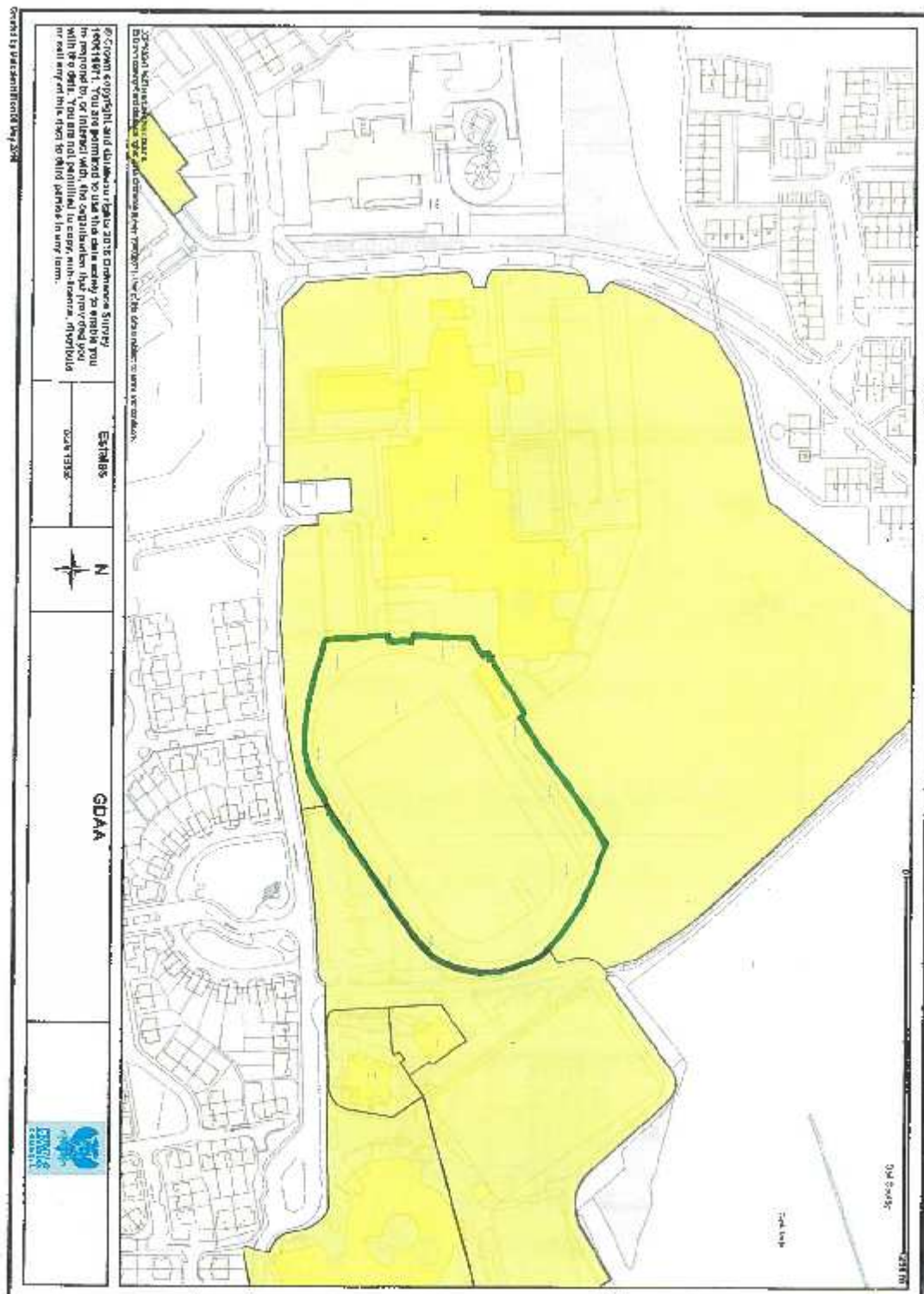
Special Note: **These Heads of Terms are not intended to form part of any legally binding contract and are expressly subject to**

completion of formal legal missives in accordance with Scots Law.

Reference: GDAA LAL draft

Date: 16/10/2017

Revision: A



MAL