

APPENDIX ONE

Outline Heads of Terms

Tenant

Name: Healthmatic Ltd (Company no. 03122895)

Lease

Term: 20 years contracted out of L&T Act, to expire no later than 5th January 2034.

Break clauses: Council can break the lease on 12 months' notice, provided the Non-fault Termination Notice has been served in accordance with Clause 21.5 of the Contract.

Council can break the lease on 5th January 2029, after giving not less than 6 months' notice.

Rent: Peppercorn

Ancillary Rent: The Tenant to pay to the Council 20% of any rent received from a sub-lease associated with any Ancillary Uses.

User: Provision of a public convenience and any Ancillary Uses agreed between the Council and Tenant and recorded by Memorandum. The principal use of the Premises should remain as a public convenience at all times, except by agreement with the Council. In all cases, consent for an alternate use will be at the absolute discretion of the Council.

Repairs: Full Repairing

At the Commencement Date, the Parties shall agree a Record of Toilet Buildings Condition and the existing Condition Survey can either be updated or annotated with photographs, which the Contractor can submit within three months of contract award for approval by the Council. Any wants of repair that are excluded from the tenant's responsibility will be detailed in this process.

The Contractor will be required to maintain buildings to the standard set out in the specification. At hand back, the standard of buildings must be the same as at handover.

Outgoings: The tenant to be responsible for all outgoing associated with the premises including utility bills and business rates (the latter subject to final agreement)

Alienation: Assignment of part of whole not permitted.
Sub-letting the whole or part to a Sub-Contractor (as defined by clause 5.3 of the contract) is permitted, subject to the Council's prior approval.

Sub-letting to an operator of Ancillary Uses is permitted, subject to the Council's prior approval.

In the case of all sub-lettings:

- Sub-lease is contracted out of the Landlord and Tenant Act
- Sub-lease contains appropriate break clauses to ensure that vacant possession can be given by the Tenant
- Sub-lease reserves a market rent

Alterations: Tenant to seek prior approval, to the Council's absolute discretion, to any works to create an Ancillary Use

Alterations as an Obligation: Tenant to carry out Contractor's Investment within 2 years (or within shorter timescale as agreed with the Council) of commencement of the lease, subject to receiving Council's prior consent to the works, such consent to be granted in accordance with the terms of the Contract and Lease.

Landlord's Works: None

Landlord's access: Tenant to provide Radar keys (or equivalent) for the Council's tenants (and their staff) at a number of sites, providing free access to the toilet facilities

Tenant to grant rights to Council over the demise (shown green) to repair and maintain services, facilities or the demise.

Tenant's access: Landlord to grant rights to Tenant over other parts of the building (shown brown) to repair and maintain services, facilities or the demise.

Ability to amend access rights: If as a consequence of Contractor's Investment, the rights of access need amendment, the parties reserve such right to do so.

Termination of part due to redevelopment: The landlord can terminate any single lease upon the service of 12 months' notice exercisable where the Council is to substantially redevelop that site.

Insurance: The landlord is to insure the premises. Any additional premium related to sub-letting and ancillary use to be recovered from the tenant.

Termination: The lease shall terminate immediately should the Contract be terminated, for whatever reason.

Fees: Each party are to bear their own costs in respect of this transaction.

APPENDIX TWO

Lease Plan (attached separately)

APPENDIX THREE

Qualified Surveyors' Report – Alice Park Public Conveniences The Charities (Qualified Surveyors' Reports) Regulations 1992

1. (1) The public conveniences are situated against the western boundary of Alice Park, located between the car park and the tea room. The block is a purpose built public convenience constructed in 1992 and refurbished in 2005.

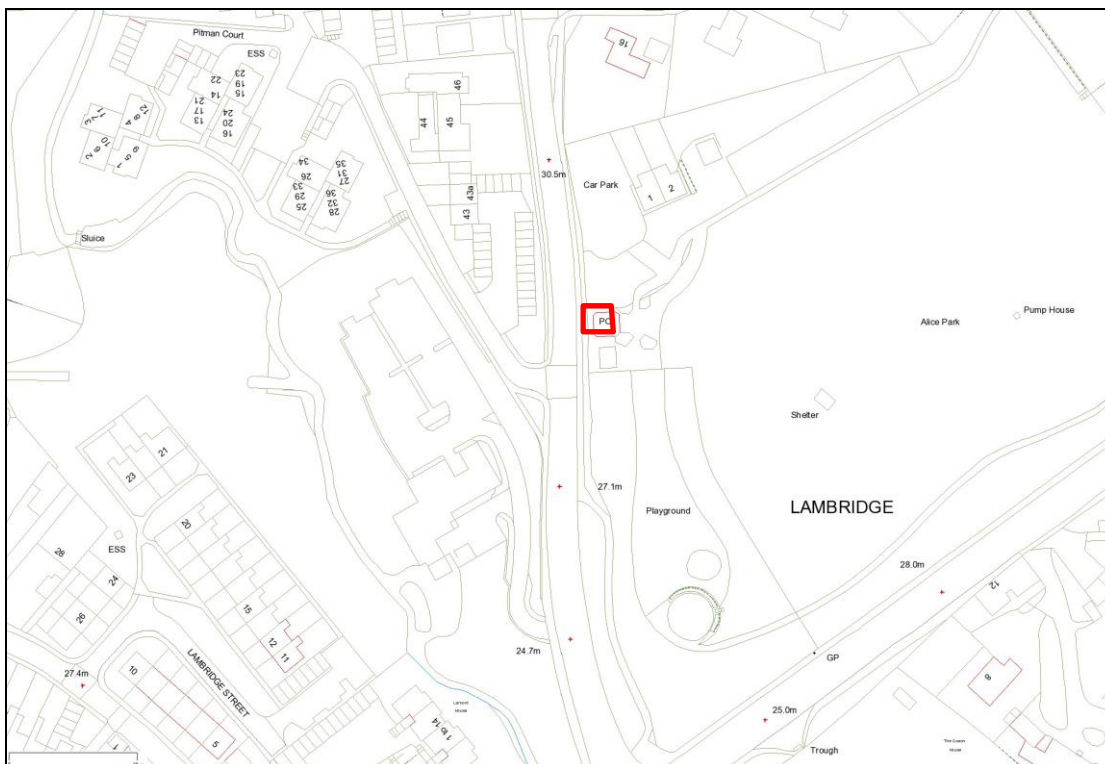
The external walls are solid blockwork with shiplap cladding to the external face and at high level, to the underside of the roof, are a string course of timber framed windows; all internal partition walls have been formed from solid blockwork. The roof structure is a fully hipped timber framed structure with a cedar shingle finish and there is a substantial overhang of the roof on all sides forming timber tongue and grooved soffits. The roof drainage is via perimeter metal guttering and downpipes that are mounted on timber fascia panels.

The ceilings to the toilet areas are clad with profiled metal sheeting and the walls are coated with an 'Agprotex' anti-graffiti finish, in the service voids the ceilings are finished with an insulation board.

The floors throughout are formed from a solid concrete floor slab with a quarry tile finish to public areas, but left clean in the service voids.

The public convenience has a Gross External Area of 47.31 m² and Gross Internal Area of 42.42 m², providing ladies, gents and disabled toilet facilities.

A plan of the location is attached below, shown edged red.



2. At present, the public convenience is currently operated by Bath & North East Somerset Council. It is proposed that the building is leased to Healthmatic Limited, in connection with a Service Contract for provision across Bath & North East Somerset.

The principal terms of the lease include that:

- (a) the proposed lease is for a period of 20 years, contracted out the Landlord and Tenant Act 1954, with a landlord break at 15 years;
 - (b) the rent payable under the lease will be a peppercorn, although if any part is sub-let the Trust will gain 20% of any sub-letting rental;
 - (c) no service charge will be payable;
 - (d) there is no provision in the lease for review of the rent;
 - (e) the lease will be drafted to put all liability for repairs and dilapidations onto the tenant, save for any inherent defects and recorded by Schedule of Condition; and
 - (f) the lease allows the tenant to sub-let, subject to consent, and the Trust gains a proportion of sub-let rental (as set out above).
3. The relevant land is not subject to any burden of, or enjoys the benefit of, easement or restrictive covenant nor is subject to any annual or other periodic sum charged on or issuing out of the land.
4. The public convenience is in a reasonable state of repair, although externally the wood cladding could benefit from timber treatment. It would not be in the best interests of the Trust for repairs to be carried out prior to the proposed disposition.
- The internal condition will not be reported upon as the contract with Healthmatic puts an obligation on them to improve the facilities during the life of the contract.
5. In my opinion, it would not be in the best interests of the Trust to alter any buildings included in the relevant land prior to disposition, given that the contract makes provision for improvements to the public convenience.
6. Given the inclusion of the public convenience within a wider contract, it would not be in the best interest of the Trust to advertise the disposition of the building. The contract will allow the operator to cross-subsidise improvements across the local authority area and separating this asset would have implications on that contract.
- It is my opinion that the public toilets would not attract a rental for the principle use as a public toilet and therefore there is no financial loss to be considered.
7. The building is not VAT elected, at the time of this report, although matters of VAT are beyond my area of expertise.
8. It is my opinion that the terms of the proposed lease are the best that could be obtained for the use as a public convenience, given the liability to improve the facilities and the associated running costs. Advertising the public convenience would not, in my opinion attract a rental value for the use as a public convenience.
9. I consider that the proposed disposition is in the best interested of the Trust.

Mike Dawson BSc (Hons) MRICS
Group Manager (Commercial)
Bath & North East Somerset Council

4th December 2013

PUBLIC NOTICE OF PROPOSED DISPOSITION

The Alice Park Trust

Section 121 of the Charities Act 2011

Notice of proposed disposition of trust land

Public Convenience, Alice Park, Gloucester Road, Bath BA1

The Alice Park Trust gives notice that it proposes to grant a lease of the public convenience at Alice Park, Gloucester Road, Bath BA1 7BW held by it as trustee.

It is proposed that the disposal will be by way of leasehold disposal, that the Trust will be grant a new lease to Healthmatic Limited and that a disposal by way of the grant of a new twenty years lease will therefore occur.

The Alice Park Trust invites representations concerning the proposed disposal.

Representations about this proposal should be sent in writing to:

Paul Crossley
Leader of the Council
Bath & North East Somerset Council
The Guildhall
High Street
Bath
BA1 5AW

The Alice Park Trust will consider representations received within one month of the date of this Notice

Date: