

Appendix 1 – Heads of Terms

DRAFT HEADS OF TERMS

**WITHOUT PREJUDICE SUBJECT TO CONTRACT AND COUNCIL APPROVAL
LEASE TO OCCUPY SOUTHLANDS CENTRE,
ORMESBY ROAD, MIDDLESBROUGH
TS3 0RJ**

LESSOR:	Middlesbrough Borough Council Middlesbrough House, 50 Corporation Road, Middlesbrough, TS1 2RH
LESSORS SOLICITORS:	Middlesbrough Council-Legal Property department
LESSEE:	Middlesbrough Football Club Foundation Brignall Road Riverside Industrial Estate Middlesbrough TS12 1PS Contact: Lynsey Edwards Tel No: 01642 757669 Email: Lynsey.edwards@mfcfoundation.co.uk
LESSEE'S SOLICITOR:	Emma Loughran Endeavour Partnership
AREA TO BE DEMISED:	All that land known as Southlands Centre, Ormesby Road, Middlesbrough TS3 0RJ, comprising 69,800 sq meters and shown verged red on the attached plan
DEVELOPMENT:	It is agreed that following an Agreement to Lease the lessor will in conjunction with the Football Foundation develop the facilities shown on the attached site layout plan and refurbish the existing 3G pitch pursuant to the planning application ref 24/0226/MAJ. Upon completion of the lease, in partnership with

the lessor, the lessee will be required to apply to the Football Foundation to secure funding towards the construction of a new 3G pitch on the part of the site shown hatched blue on the attached plan, and thereafter will be required to work with the Football Foundation to secure the construction of the 3G pitch by whatever means required by the Football Foundation.

Such application to the Football Foundation will be a joint application between the lessee and lessor provided that the lessee will be required to observe and perform any terms and conditions of any funding agreement with the Football Foundation and indemnify the lessor in respect of any breach of such terms and conditions.

Should application for the new 3g pitch be unsuccessful, the lessor will fund works to provide drainage to existing playing fields, such works to be carried out by the lessee to the lessor's reasonable satisfaction.

FUNDING:

Upon exchange of an Agreement to Lease, the lessee will provide the sum of [REDACTED] towards the costs of the lessor completing the following works in accordance with the lessor's plans and specifications submitted as part of the application for the planning application ref 24/0226/MAJ:

- Seeding of the existing grass turf playing field
- Formation of a new 11v11 grass turf playing pitch
- Refurbishment of the existing 3G playing pitch
- Construction of the community hub
- Construction of the car park and access road.

It is agreed and understood the lessor is responsible for the practical completion of the above works.

LENGTH OF LEASE:

The site will be let to Middlesbrough Football Club Foundation by way of an Agreement for Lease, which will then be followed on completion of the project by a 25 year lease.

RENT:

The rent charged will be [REDACTED]

PERMITTED USE:

The property will be used for the provision of football and sports activity throughout the year; for schools and the wider community plus other education, employability, health and wellbeing, social inclusion and associated activities.

The lessee will satisfy itself that the proposed use does not conflict with any restrictions in the title for the property.

The lessee will be expected to sign up to a Community Use agreement, the terms of which will be agreed separately.

The lessee will be required to provide the lessor with an annual report which sets out the number of bookings made in respect of the facilities at the property as well as details of any events/activities which have taken place at the site, to enable the lessor to assess whether the site is being used effectively for the intended purposes. For the avoidance of doubt, this requirement is in addition to any project monitoring requirements imposed by the Football Foundation pursuant to any funding agreement.

REPAIR AND MAINTENANCE:

The lease will be fully repairing on the part of the tenant. Which for the avoidance of doubt will include all internal and external repairs in relation to the land and buildings. The tenant will be responsible for all statutory inspection and compliance with health and safety regulations. All fixtures and fitting will also be the responsibility of the tenant.

This also includes a requirement to maintain the land shown edged blue on the plan as "playing fields" (as defined in s.77 of the School Standards and Framework Act 1998).

ALTERATIONS:

The lessee will not be permitted to undertake any structural alterations to the demised area, internal and non-structural repairs will be permitted with landlord's prior consent which will not be unreasonably withheld or delayed.

ALIENATION:

The lessee will not be permitted to charge the lease, nor will they be permitted to assign, sublet,

part with or otherwise dispose of the demised area either in whole or in part.

UNITY CITY ACADEMY:

The lessee will acknowledge that it will take the site subject to the rights of the Academies Enterprise Trust to continue to use the land shown hatched blue on the attached plan as "playing fields" in connection with the operation of the neighbouring Academy. This will therefore result in Academies Enterprise Trust having access to the new 11v11 pitch as well as the land upon which the 3G pitch is proposed and the 3G pitch itself if or when constructed.

SUITABILITY FOR DEVELOPMENT:

The lessee will take the site as seen and satisfy itself as to the suitability of the site for development through their own site investigations without any Lessor guarantee of its feasibility for development as proposed.

SITE ACCESS

Any third parties requiring access to the site for investigative work prior to completion of the lease will fully indemnify the lessor in relation to any claims arising from their activities/actions on the site and surrounding area.

Commencement of any construction, engineering or erection of any structures will only take place following completion of the lease.

INSURANCE:

The lessor will insure any buildings on site, subject to the reimbursement of the premium by the tenant. The lessee will be responsible for insuring the contents including their own equipment that is brought onto site to include any artificial playing surfaces which have been installed. The lessee will also maintain employers and public liability insurance of up to individual limits of £10,000,000 (ten million pounds) minimum.

HOURS OF OPERATION

Subject to any overriding Planning Conditions attached to any Planning Permission and the Lessee not creating any nuisance to neighbouring occupiers the premises will be permitted to operate between the hours of 8.00am and 10.00pm 7 days a week throughout the year.

CONDITIONS:

The grant of the lease will be subject to
i) Contract

- ii) Council Approval by way of delegated authority
- iii) The Council obtaining a surrender of part from Academies Enterprise Trust in respect of that part of the site that forms part of Unity City Academy
- iv) DfE requirements in respect of the part of the site to be surrendered by Academies Enterprise Trust

All other terms and conditions are as contained in the Council's standard lease agreement



NOTE The area of existing lease will be reduced by 1.5 Hectares to provide school and public access to both new 3G and 9v9 grass pitch

MSL: 11.24
 CL: 10.51
 R: 10.80
 Depth: 0.66m