



Haringey Council

Report for:	Cabinet – 9th July 2013	Item Number:	
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Title:	White Hart Lane Community Sports Centre - Leasing
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Report Authorised by:	Lyn Garner – Director of Place and Sustainability
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Lead Officer:	John Morris 020 8489 5602 john.morris@haringey.gov.uk
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Ward(s) affected: Woodside /White Hart Lane	Report for Key Decision
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1. Describe the Issue Under Consideration

- 1.1 This report is seeking approval for the Council to enter into a long term lease with Fusion Lifestyle, a registered charity, for White Hart Lane Community Sports Centre (WHLCSC).
- 1.2 In February 2011, as part of a wider package of measures, Cabinet agreed that the Council should pursue a separate bespoke partnership solution for the site and lease it to a "local sports club(s)/agency" to achieve a saving of £478k per year which represented 100% of the revenue subsidy.
- 1.3 Cabinet approval is now sought for disposal to Fusion Lifestyle based on the heads of terms (as agreed with Fusion Lifestyle), and delegate authority for the Director of Place and Sustainability to agree the final terms of the Agreement to Lease and of the grant of a 50-year Lease for the site, after consultation with the Cabinet Members for Communities, and Finance and Sustainability.

2. Cabinet Member Introduction

- 2.1 Following the Cabinet decision of 8th February 2011, WHLCSC was included in the wider procurement process for the management of the Council's leisure facilities



on the basis of an interim and up to 3-year contract, pending a review of options to secure a long-term tenancy with no ongoing public subsidy.

2.2 External specialist assistance (GL Hearn) was engaged to assist this process, initially to establish investment needs and potential parties that could be interested in the site and, thereafter, to undertake the market testing and evaluation.

2.3 Following the February 2011 Cabinet decision and to provide parameters for the leasing exercise, five guiding principles were developed to ensure that the loss of subsidy could be mitigated through the capability and capacity of the incoming lessee. (See paragraph 5.11)

2.4 With specific reference to the guiding principles, I believe that the proposal submitted by Fusion offers a value for money and effective solution for both the Council and local stakeholders, in that:

- It will achieve significant investment in the facility for refurbishment and upgrading that will increase both the amount of usage at the site and the quality of the facilities available.
- Fusion will take on responsibility for all repairs and maintenance of the facilities.
- Their proposals have been developed following consultation with the major site stakeholders as well as Fusion's own assessment of local market demand.
- Fusion manages over 60 facilities, mainly in London and the South-East, and the financial healthcheck undertaken on the organisation indicates they present a low risk to the Council. They have generated a financial surplus since their inception in 2000.
- Fusion is a registered charity managed by a Board of Trustees with charitable objectives that balance financial and social outcomes. (See Appendix 1 Fusion Charitable Objectives)
- The terms of the agreement would remove the need for revenue subsidy from 01-04-2014.
- Their indicative proposal would improve the attractiveness of this part of Haringey and lead to an increase in the number of jobs provided at the site.

2.5 I am, therefore, recommending to Cabinet that the Council approves that we enter into a 50-year lease with Fusion Lifestyle on the basis of the heads of terms, (Set out in Appendix 2 and the Exempt report at Appendix 3), and that the Director of Place and Sustainability be given delegated authority to agree the final details of the Agreement to Lease, Lease and Loan Agreement, after consultation with the Cabinet Members for Communities, and Finance and Sustainability.



3. Recommendations

Cabinet approval is sought to:

- 3.1 Authorise the disposal of WHLCSC (shown edged in red on the site plans attached at **Appendix 4**) to Fusion Lifestyle in accordance with the heads of terms dated 24-06-2013 and attached at **Appendix 2** and **3** (exempt report).
- 3.2 Delegate authority to the Director of Place and Sustainability to agree the final details of the Agreement to Lease, Lease and Loan Agreement, after consultation with the Cabinet Members for Communities, and Finance and Sustainability.
- 3.3 Authorise the making of a loan to Fusion to finance their initial redevelopment works and to delegate authority to the Director of Resources to finalise and issue the Loan Agreement.

4. Alternative Options Considered

- 4.1 Options explored to determine the most effective approach for the future of this site were:
 - Full or partial closure
 - Seeking a solution with on site stakeholders
 - Market testing to organisations that had previously been identified as potentially interested in the site

4.2 Full or Partial Closure

- 4.2.1 This option would have resulted in either a full or partial loss of provision for local residents, and the need for ongoing revenue subsidy to ensure that,
 - a) the site was safe and secure (c£75k pa),
 - b) the grounds were maintained (c£85k pa)

It would also, potentially, have required repayment of previously awarded external grant funding from the Football Foundation (c£400k) and Sport England (£101k).

4.3 Seeking a Solution with Local Stakeholders

- 4.3.1 The major users of the facility collaborated and developed an outline business case for the site that was provided to the Council prior to formal tendering. This indicated that their prospects for achieving the required levels of investment were very challenging and that their proposal would require ongoing subsidy.
- 4.3.2 Subsequently, stakeholders decided not to submit a proposal themselves, but to work with other prospective bidders instead.



4.4 Market Testing

4.4.1 GL Hearn recommended to the Council that a limited market testing exercise be undertaken inviting proposals from parties who had already expressed an interest in acquiring the site. This approach was selected based on the following factors:

- GL Hearn's previous report (July 2012) made clear that there would be no commercial solution which would generate receipts for the Council;
- An open and advertised tender to dispose would be likely to attract highly speculative bids which might promise attractive receipts (and so would need to be given serious consideration), but which would be based on unlikely planning outcomes because of the planning restrictions in place on the site;
- There was limited time available given the objective of securing disposal prior to the end of the 2012-13 financial year;

5. Background Information

5.1 The Council's Medium Term Financial Strategy approved in February 2011, indicated that the level of funding available to deliver services for local people would be greatly reduced, and that the Council would need to ensure that resources supported service areas of highest priority.

5.2 The approach approved in the Cabinet report of 8 February 2011 for sport and leisure provision included:

- Reducing the cost of providing the service
- A much greater focus on outcomes
- Concentrating on what we provide rather than who provides it
- Focusing more on the user rather than buildings and facilities
- Increasing the involvement of the voluntary and community sector, and
- Transferring some or all of the asset, demand and financial risk onto other parties

5.3 This report specifically agreed a package of proposals which included leasing WHLCSC to local sports club(s)/agency(s).

5.4 GL Hearn were engaged to analyse the current status of the site, to conduct a soft marketing exercise with leisure providers and to identify the options for WHLCSC, that would meet the Council's requirements for eliminating ongoing revenue support, in accordance with the February 2011 Cabinet decision. In addition they identified that a significant capital investment was required to improve the mix of commercially viable facilities.



- 5.5 In summary, a number of sports activities were investigated for their suitability at the site, taking into account its location and local demographics (eg 10-pin bowling, BMX/Skating, climbing). However, the sports highlighted where demand was not currently being met elsewhere were swimming, health and fitness, indoor tennis, 5-a-side football, soft play and boxing.
- 5.6 Based on this, a number of development options for the site, ranging from minor changes to major commercial sports development, were profiled and judged for their suitability. The analysis of these options concluded that there were no straightforward solutions for securing the future of the site, but that an asset transfer strategy should be pursued.
- 5.7 In December 2012, Fusion Lifestyle commenced their contract to manage the Borough's leisure centres. This contract included WHLCSC being managed on a maximum three-year interim basis, by Fusion, until its long-term future had been secured.
- 5.8 The long-term leasing opportunity for WHLCSC was advertised to a selected set of bidders in December 2012. Following this exercise, GL Hearn completed a selection report that appraised the three bids received and recommended that the Fusion Lifestyle bid should be chosen. Fusion Lifestyle was selected as the preferred bidder on the basis that their bid proposal would deliver the best outcomes for the Council, in line with the policy objectives agreed in 2011, and the parameters set for bidders, as set out in 5.11 below.
- 5.9 The three bids were from:
- Fusion Lifestyle for the whole of the site (**Appendix 5**)
 - Haringey Borough Football Club for the whole of the site (**Appendix 6**)
 - Goals Soccer Centres plc seeking a lease for a discrete area of the site only.
- 5.10 On the basis that the Council's overriding requirement from the exercise was to transfer cost and risk for the overall site, the Goals' proposal was not considered further.
- 5.11 The remaining two bids were then evaluated on the relevant merits of their financial implications, leisure provision and management proposals as well as their match with the five guiding principles established at the start of the process, as follows:
- Securing capital funding and achieving revenue position of no ongoing subsidy by the Council.
 - Securing a sustainable approach to operational management that minimises the potential for negative publicity.
 - Entering into a lease agreement with one or more organisations that can demonstrate financial rigour and that they have sufficient management capacity and capability.



- Suitable governance arrangements that provide the required level of robustness to support ongoing management.
 - A business plan that is sustainable and deliverable within a defined and agreed timetable, and contributes to key Council outcomes.
- 5.12 In financial terms, the proposal from Fusion was financially more advantageous than the proposal from Haringey Borough Football Club, as set out in the exempt report section in **Appendix 3**.
- 5.13 Following receipt of proposals from interested parties and prior to agreeing terms with any of them, Notice of an intended transaction was published in the Haringey Independent newspaper, the established medium for publishing the Council's local proposals, on two consecutive weeks, the 1st March and 8th March 2013.
- 5.14 The Notice was given under Section 123 of the Local Government Act 1972 and Section 26(2) of the Town and Country Planning Act 1959 in respect of a disposal of Open Space and a copy of this Notice is contained in **Appendix 7** of this report.
- 5.15 Only one response was received as a result of publication of the Notice, and this was from the Secretary to the Trustees of Tottenham Community Sports Centre asking for information about what was proposed. Following the Council's response he subsequently expressed, on behalf of his Trustees, his satisfaction with what was proposed.
- 5.16 The features of the proposal and the subsequent agreed Heads of Terms are summarised below. The proposed improvements to the facilities are based on the Council making Prudential Borrowing available. Repayment of the loan has been incorporated within Fusion's indicative business plan and would be delivered without any requirement for Council subsidy.
- 50 year lease on an initial peppercorn, and thereafter minimal, rent
 - A prudential loan to be made available by the Council to Fusion, via a separate Loan Agreement
 - Installation of ten 5-a-side and one full-sized artificial surface pitches; the latter suitable for football, rugby league and rugby union (subject to planning consent being granted)
 - Refurbishment of existing grandstand and other buildings, including creation of fitness facilities
 - Creation of a tennis dome and reinstatement of redundant tennis courts (subject to planning consent being granted)
 - Increased car parking for the enhanced fitness and 5-a-side facilities on site
 - Lease commencement on 1st April 2014
 - Full risk transfer on capital works costs, revenue expenditure, assets condition and demand risk



5.17 The key, non commercial elements of the Agreement for Lease and Lease are as follows:

- Sport, leisure, community and well-being activities will continue at the site
- Fusion will be responsible for all repair, decoration and maintenance of all the land and buildings on site
- Initial retention of all existing facilities and a preference to find a solution which retains athletics at the Centre
- All activities will continue to be available on a pay and play basis and pricing will ensure that the facilities remain inclusive and accessible
- The existing tenancies, management agreements and service level agreements will transfer to Fusion with the Lease
- There will be investment for the improvement of the onsite facilities
- Site redevelopment works will be agreed between Fusion and the Council before the Lease is granted
- Fusion will seek planning consent for the redevelopment works no later than 30 December 2013
- Fusion and the Council will agree the cost of the work prior to the loan agreement

5.18 Remaining Risks and Mitigation

5.18.1 Following the Agreement to Lease being signed by both parties a series of risks will remain during the period before the Lease is signed and granted, as scheduled for April 2014.

5.18.2 Defects

The discovery of latent building or ground defects may prevent scheduled development from taking place or lead to increased costs for those developments. This risk can be mitigated through Fusion conducting due diligence prior to entering into the Lease for reassurance that the loan can cover the potential costs. However, in the event that defects are discovered, the Council may need to provide funding to pay for remedial works.

5.18.3 Planning

The proposed developments may incur restrictions or planning conditions that limit their revenue-earning ability. In mitigation, Fusion will engage in early policy issues discussion with Planning to understand what will need to be addressed to progress planning permission.



Haringey Council

5.18.4 Planning

The process of planning application and consent may incur delays that put back the lease commencement date of 1 April 2014. In mitigation, there is a process in place allowing Fusion to appeal within 3 months of the refusal date. Ultimately, the lease commencement date can be put back beyond 1 April 2014.

5.18.5 Assignment

The Football Foundation has to consent to novating the grant for the Tottenham Hotspur Foundation Spaces for Sports area of the site. This requires the Lease to Fusion to be assignable. Whilst consent can be withheld, in mitigation, the heads of terms contain a clause that allows assignment with Haringey's consent, not to be unreasonably withheld.

6. Consultation

- 6.1 Site stakeholders representing the majority of onsite users have engaged with the Council and Fusion throughout the leasing process. There have been a series of on-site meetings between the stakeholders, the Council and Fusion throughout the tendering process and latterly, through the process of heads of terms agreement. Users from the sports of Athletics, Rugby League, Rugby Union, Weightlifting, Tennis, Boxing and school sports have attended.
- 6.2 During the options appraisal stage in spring/summer of 2012, GL Hearn arranged to meet the on site stakeholders individually so that their views about the site and its future could be incorporated into the development of options for securing the future of the site.
- 6.3 In addition, consultation has taken place with the relevant sports national governing bodies, and Sport England, to provide information to them and to seek their input and advice regarding proposals for the site.
- 6.4 A meeting of stakeholders took place in mid-June to give Fusion and the Council an opportunity to provide an overview of the proposed leasing arrangement and sports facilities improvements. All the major users of WHLCSC were represented at this meeting. They had an opportunity to ask questions about the proposals which were answered by Fusion and the Council. Fusion are committed to maintaining this approach in developing the detailed/final facilities improvement plan.

7. Timetable

- 7.1 Set out below is the timetable that Fusion are working to in order to begin operations on 1st April 2014.



Haringey Council

Activity	When
Commence development of Lease and Agreement to Lease	15 July 2013
Exchange Agreement to Lease	6 September 2013
Fusion commence planning application	9 September 2013
Submit planning application for tennis dome and 5-a-side pitches	31 October 2013
Receive planning consent	14 February 2014
Commence mobilisation of asset transfer	17 February 2014
Commencement of Lease	1 April 2014

8. Comments of the Chief Finance Officer and Financial Implications

- 8.1 The Council's Medium Term Financial Plan for 2013/14 includes a £478k saving in respect of WHLCSC which represented 100% of the revenue subsidy. This proposal ensures that the revenue saving will be achieved from 2014/15 over the duration of the Lease. The unachieved saving in 2013/14 will be reported through the usual budget monitoring process.
- 8.2 The Council will be making a Loan to Fusion at a market rate to fund their initial redevelopment works. Under the Loan Agreement the Council will be fully reimbursed by Fusion and thus there is no direct financial cost to the Council associated with this.
- 8.3 The proposal will deliver significant capital investment at the site which the Council may not have been able to provide given the limited capital receipts available, and in addition to the pre-agreed saving it transfers any future revenue risk to Fusion.

9. Head of Legal Services and Legal Implications

- 9.1 The Council will be entering into an Agreement for Lease prior to granting the Lease to Fusion Lifestyle. The Agreement is designed to ensure that the conditions set by the Council are met prior to the Lease being granted. This way it will be easier for the Council to terminate the Agreement if the conditions are not met.
- 9.2 The lease is for a term of 50 years. This is a disposal on the part of the Council. The Council has the power to dispose but must obtain the best consideration that can reasonably be obtained (S123 of the Local Government Act 1972) otherwise Secretary of State Consent is required. As WHLCSC is part of an open space the Council is required to advertise its intention to disposal for a period of two consecutive weeks in a newspaper circulating in the area where the land is



situated and consider any objections to the proposed disposal which may be made to them.

9.3 The Council will also be making a loan to Fusion Lifestyle. The loan must be on commercial terms for it not to be deemed as state aid under Article 107(1) of The Treaty on the Functioning of the European Union. The loan agreement must contain such terms and conditions as will protect the Council's interest.

9.4 Members should note the "Compensation Provisions" contained in the Heads of Terms.

10. Equalities and Community Cohesion Comments

10.1 An Equalities Impact Assessment was undertaken in 2011 to inform the future direction of Leisure Services against a context of service redirection, reduced resource availability and the need for significant investment in facilities.

10.2 This identified that the Council would be able to exercise a greater degree of control, via a service specification, of those facilities it was seeking to place in a future management contract than for those facilities, including WHLCSC, that it was proposing to lease.

10.3 Usage and benchmarking data from WHLCSC indicates that usage by women is low with just over one third of users being female and that use by people aged 60 and over, and disabled people aged under 60, is below average.

10.4 The indicative works proposed by Fusion would likely improve provision for women as a result of enhanced health and fitness provision, the ten new small-sided courts (suitable for netball and football), the proposed indoor tennis facility and the likely refurbishment of ancillary accommodation.

10.5 As a result of the leasing, Fusion will retain control of all pricing including concessionary pricing. They have indicated that they will operate their own concessionary pricing scheme.

10.6 A number of potential mitigation actions have been identified to seek to reduce barriers and imbalances that may arise as a result of the leasing. These include:

10.6.1 Seeking to obtain external grant funding to address issues of under-participation.

10.6.2 Seeking to influence Council and voluntary sector commissioning activity to commission programmes at WHLCSC.

10.6.3 Grant aid assistance by the Council to sports organisations based on the site to increase membership and usage.



10.6.4 Alternative Council subsidy of concessionary pricing in the event that pricing is identified as a barrier causing a particular impact on certain of the equalities groups.

10.7 At this stage, it is not possible to accurately identify the specific impacts as the final facility mix, pricing and programming is still to be determined.

10.8 Hence, the Council will need to monitor, review and respond if necessary to any issues that might arise.

10.9 Should it not be feasible to address potential issues on the WHLCSC site itself, then the Council could support activity on other sites with a wider range of providers.

11. Head of Property Services Comments

11.1 The terms proposed for the 50 year lease to Fusion Lifestyle to operate the property and site, for continued sports and leisure activities by residents, is designed to make the property and operations sustainable, by addressing the current annual subsidy and much needed injection of capital investment to address maintenance and refurbishment needs.

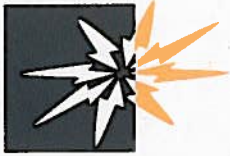
11.2 Having selected Fusion Lifestyle as the lessee to operate the centre following a selective competitive process I am satisfied that this arrangement represents the best financial deal for the Council to improve services and protect the Council's assets.

11.3 The external specialist property consultant has confirmed that the bid by Fusion and the terms of the lease negotiated represents best consideration for the Council.

12. Policy Implications

12.1 Overall Council policy is provided for in the approach outlined in this report:

- Reducing the cost of providing the service
- A much greater focus on outcomes
- Concentrating on what we provide rather than who provides it
- Focusing more on the user rather than buildings and facilities
- Increasing the involvement of the voluntary and community sector, and
- Transferring some or all of the asset, demand and financial risk onto other parties



Haringey Council

12.2 Current Property policy as it relates to community buildings is under review. However the process of agreement to lease is being put into place on a number of projects on the basis of mitigating risks in tying leases into projects requiring capital investment.

13. Reasons for Decision

13.1 This decision is required to implement the approach agreed by Members at the 8th February 2011 Cabinet meeting to lease out the facility.

13.2 An invitation to leisure organisations to submit proposals for leasing the facility resulted in a bid that fulfilled the financial and service provision requirements of the 8 February 2011 Cabinet decision.

13.3 The heads of terms agreed will form the basis of the Lease and Agreement to Lease with Fusion.

14. Use of Appendices

Appendix 1: Fusion Charity Objectives

Appendix 2: Heads of Terms

Appendix 3: Exempt Report

Appendix 4: Existing Site Plan

Appendix 5: Fusion Proposal

Appendix 6: Haringey Borough FC Proposal

Appendix 7: Notice of Disposal of Open Space

The report contains exempt information. Exempt information is contained in **Appendix 3** and is **not for publication**. The exempt information is under the following category (identified in amended Schedule 12A of the Local Government Act 1972);

S (3) Information relating to the financial or business affairs of any particular person including the authority holding the information

15. Local Government (Access to Information) Act 1985

- Sports and Leisure – Strategic Direction, Cabinet Report 8th February 2011
- Equalities Impact Assessment
- GL Hearn Options Review Report – July 2012
- GL Hearn Marketing Report – March 2013

Appendix – 1

Fusion charitable objectives

Fusion is a bona fide registered charity and a company limited by guarantee. Fusion's corporate purpose is set out in the Objects incorporated within the company's Memorandum of Association and include the following:

- to provide or assist in the provision of facilities and services for the public benefit for recreational, sporting or other leisure time occupation in the interests of social welfare, such facilities being provided to the public at large save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances may have need of special facilities and services; and/or
- to promote community participation in healthy recreation; and/or
- to advance the education of the public in the benefits of healthy lifestyles;

In this context, Fusion's corporate purpose clearly establishes a driver to manage the company's facilities in such a way to encourage participation by all members of the local community and particularly by those who may otherwise be disadvantaged.

Fusion's pricing policies reflect this corporate purpose. In a number of Fusion's contracts, Fusion's clients retain some element of control and influence over pricing policies and charges. However, in a number of cases, Fusion either have complete or material control of pricing. In these cases, Fusion's approach to pricing clearly demonstrates the practical application of Fusion's corporate purpose:

In each of the following cases, Fusion's price schemes include concessionary offers for both pay-and-play and subscription members:

- Leatherhead Leisure Centre, Mole Valley District Council;
- Wycombe Rye Lido, Wycombe District Council;
- Brockwell Lido, Lambeth Council.

There are further examples where we have applied our own discretion to price schemes to encourage participation by target groups. These include:

- the freezing of concessionary prices across our Oxford City Council contract;
- the introduction of new concessionary membership options;
- the introduction of Fusion's "Rewards" card designed to discount the cost of regular use by casual/pay-and-play users.

(NB. Those qualifying for concessionary prices vary slightly from contract-to-contract, but typically include young people, students, older people, those with disabilities and those on low income).

Further details of our local pricing policies can be found on the relevant site page of the Fusion website under <http://www.fusion-lifestyle.com/Directory>.

White Hart Lane Community Sports Centre

Heads of Terms – Agreement for Lease – 24/06/13

Subject to Contract

Landlord	London Borough of Haringey
Tenant	Fusion Lifestyle
Conditions	<p>The Agreement for Lease will set out conditions under which the Lease will be granted. These will include:</p> <ul style="list-style-type: none"> a- planning consent for the Initial Redevelopment Works b- satisfactory building surveys (any issues identified within surveys already provided to the Tenant will not render building surveys unsatisfactory) c- satisfactory ground conditions d- to the extent required by the Tenant to finance the Initial Redevelopment Works, formal confirmation of availability of funding by the Landlord e- Agreement with the Football Foundation Board of Trustees to novate the Tottenham Hotspur Foundation to the Tenant. In the event that the Football Foundation Board does not agree to the novation or the novation is not completed by 1 April 2014, the Landlord will remain party to the agreement and enter into a side agreement with the Tenant in relation to the performance of the arrangement with the Football Foundation Board. <p>On satisfaction of the Conditions, the Lease will be granted within 20 working days provided that the Lease will not be granted prior to 1 April 2014 unless specifically requested by the Tenant.</p> <p>The parties acting reasonably can agree to waive the preconditions b and c.</p>
Preliminary Schedule of Initial Redevelopment Works	The Tenant's proposal for Initial Redevelopment Works to be undertaken will be agreed with the Landlord and appended to the Agreement for Lease within 4 weeks of it being signed.
Planning	<p>A Planning strategy will be agreed between the parties within 4 weeks of the Preliminary Schedule of Initial Redevelopment Works being agreed.</p> <p>The Tenant will work up a planning application(s) in respect of all Initial Redevelopment Works which require planning consent. This will be submitted to the Landlord for approval prior to submission (with the Landlord acting solely in its capacity as Landowner).</p> <p>It will use reasonable endeavours to submit the planning</p>

Appendix 2 – Heads of Terms

	<p>application no later than 31 October 2013 or such later date as the parties acting reasonable agree, and in any event before 30 December 2013, and pursue the application diligently.</p> <p>The Landlord will provide reasonable assistance to the Tenant in working up the application though will not be required to undertake any actions which would fetter its discretion as Local Planning Authority.</p> <p>Should the planning application be refused, the Tenant shall be entitled to appeal within 3 months of the date of the refusal.</p>
Final Schedule of Initial Redevelopment Works	<p>Within 4 weeks of receipt of planning consent, the Preliminary Schedule of Initial Redevelopment Works shall be revised if necessary to reflect any requirements arising from the planning consent (or the Tenant will confirm that the Preliminary Schedule of Initial Redevelopment Works is not to be amended).</p>
Grant Funding	<p>The Tenant will use reasonable endeavours to secure and maximise external funding from sources to be agreed.</p> <p>The Landlord will provide all reasonable support and assistance in securing such funding.</p>
Loan	<p>The Landlord will make available funds to the Tenant in the form of a loan up to the Maximum Loan Sum as defined in the Agreement for Lease [to be inserted in the Lease prior to grant].</p> <p>Security for Loan to be discussed and a separate loan agreement will be entered into.</p>
Tenant's Obligations	<p>To undertake all necessary due diligence to discharge conditions prior to the submission of the planning application.</p>
Landlord's Obligations	<p>To provide reasonable assistance to the Tenant in complying with its obligations.</p> <p>To use reasonable endeavours to formally confirm availability of necessary funding prior to [28 February 2014].</p>
Termination	<p>Either party shall be entitled to terminate the Agreement should either party be in substantial breach of its obligations under the Agreement.</p>
Costs	<p>Each party to bear its own costs associated with the transaction.</p> <p>For the avoidance of doubt, the Landlord is not required to indemnify the Tenant against any of its costs should the conditions not be satisfied unless it is in clear and substantial breach of its obligations.</p>

White Hart Lane Community Sports Centre

Heads of Terms – Lease – 24/06/13

Subject to Contract

Landlord	London Borough of Haringey
Tenant	Fusion Lifestyle
Property	Land at White Hart Lane as outlined in red on attached plan (to be provided).
Term	50 years
Lease commencement	On satisfaction of conditions set out in Agreement for Lease
Rent	Peppercorn until the scheduled date for the final repayment of the Loan. Thereafter an annual rent of £5,000 in the first year, rising annually in line with RPI (or an equivalent measure that is in place at the time). Rent is payable quarterly in advance.
User	Sport, Leisure, Community and wellbeing activities together with ancillary and associated activities including catering and retail.
Repair & Decoration	The Tenant will be responsible for all repair, decoration and maintenance of land and buildings.
Insurance	The Tenant will be responsible for insurance of the land and buildings.
Redevelopment	The Landlord's prior consent shall be given to the Initial Redevelopment Works as defined by and agreed under the terms of the Agreement for Lease. Any further redevelopment shall be subject to the Landlord's consent which is not to be unreasonably withheld or delayed provide that it falls within the Permitted Use.
Management	The leisure facilities on the Property will be managed in line with Fusion's charitable objectives, such as all facilities and activities will be available on a pay and play basis. Pricing structures will be applied to ensure that the facilities and activities are inclusive and accessible.
Alienation	Assignment, subletting or charging of the whole will not be permitted without Landlord's consent, not to be unreasonably

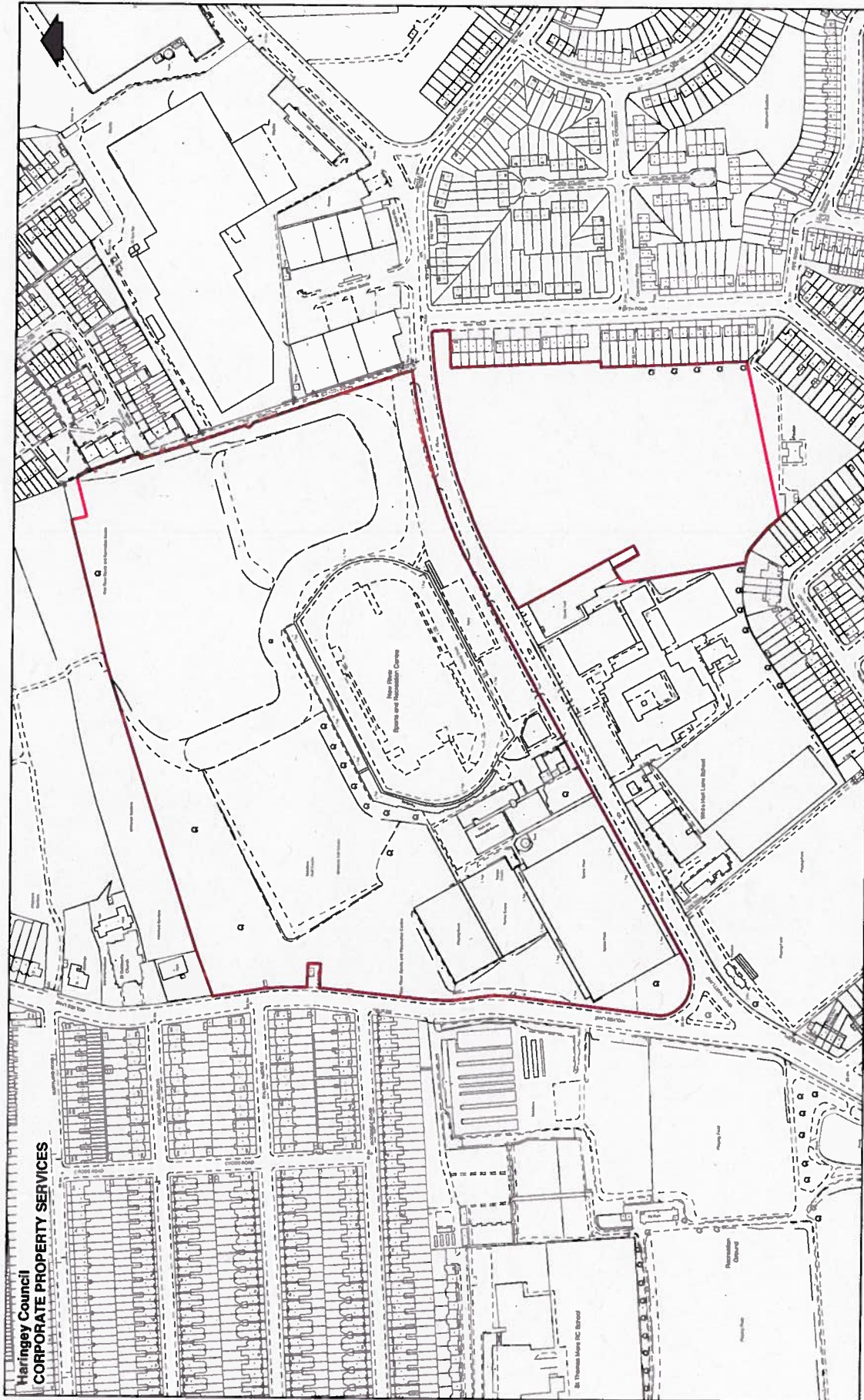
Appendix 2 – Heads of Terms

	<p>withheld or delayed.</p> <p>Subletting of part subject to a maximum of 500 sq m shall be permitted provided that it is excluded from the relevant provisions of the Landlord & Tenant Act 1954. Any subletting above this threshold shall be subject to Landlord's consent, not to be unreasonably withheld.</p>
Works	<p>A schedule of works (the "Initial Redevelopment Works") and all associated costs including, for the avoidance of doubt, design, project management, surveys and statutory fees is to be agreed and appended to the Agreement for Lease and Lease.</p> <p>The Tenant's ability to draw down funds under The Loan, will be dependent on the carrying out of the Initial Redevelopment Works as per the agreed schedule.</p> <p>The Tenant will serve notice on the Landlord no less than four weeks prior to the commencement of the Initial Redevelopment Works specifying the date that these will commence.</p> <p>For the avoidance of doubt:</p> <ul style="list-style-type: none"> - the Tenant is not under obligation to undertake the Initial Redevelopment Works. - the Tenant will provide the Landlord with collateral warranties in respect of the Initial Redevelopment Works
Existing Agreements	<p>The Lease will be granted subject to existing tenancies, Management Agreements and Service Level Agreements that are itemised in an Appendix to the Lease.</p> <p>The Tenant will indemnify the Landlord against any costs arising from the Grant Agreements itemised in the Appendix as a result of actions of the Tenant.</p> <p>For the avoidance of doubt, in agreeing to this clause in the heads of terms, the Tenant is not providing a binding commitment to take on the liabilities arising from Agreements other than those already provided through the marketing process.</p>
Termination Provisions	<p>The Council will have the ability to terminate the Lease under the following circumstances:</p> <ul style="list-style-type: none"> - The Works not being completed to the Landlord's reasonable satisfaction by the third anniversary of the lease. - Insolvency of the Tenant - Failure of the Tenant to comply with the Loan repayment provisions - The Tenant failing to provide any leisure facilities available to the public for a continuous period of 12 months

Appendix 2 – Heads of Terms

	- Any other substantial breach of the lease
Compensation Provisions	In the event that the Lease terminates arising from a Tenant breach, then the lease shall immediately be forfeited and the Tenant shall be liable to repay the balance of the loan in accordance with an agreed repayment schedule.
Costs	Each party shall bear its own costs in association with the transaction.

Appendix 4 – WHLCS Site Plan



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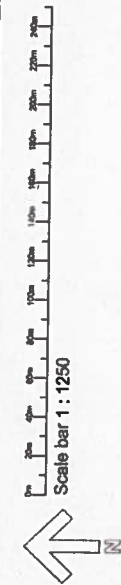
White Hart Lane Community Sports Centre
 (including Perth Road Playing Field)
 White Hart Lane
 Wood Green
 N22

Red verge - Boundary of site

Deed document no. WGLUDC 286 & WGLUDC 181
 Title no. freehold AGL201176, AGL200220
 CPM no. 0850 & 0891
 Overlay : Env. - Leisure
 Plan produced by Janice Dabinett on 07/06/2013

Site area in hectares : Total sites = 15.1070 ha (main site 11.932 ha, Perth Fd field 3.1750 ha)
 Scale 1:2500 @ A3
 BVES Drawing No. A3 0240I

White Hart Lane Community Sports Centre



100 x 64m Natural grass football pitch FA standard

100 x 64m Natural grass football pitch FA standard

Stadium infield area to be converted 3G synthetic surface for rugby league / union / Football (white lines show current pitch size)

Existing 400m athletics track refurbished

Existing grass rugby pitch

Existing cricket square

Existing football mini pitches

10 block 18.29 x 36.57m Tennis / 5-e-side football floodlit courts

New changing room block with function room & offices

Refurbish existing 3 court macadam tennis courts

Tennis 4 court air dome

Existing changing room demolished

youth centre / cafe

Resurface existing synthetic pitch with 3G synthetic carpet system for Football / mini soccer



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Project Title:	White Hart Lane Community Sports Centre
Project Number:	813-013
Drawing Title:	Master Plan
Drawing Number:	813-013/01/0001
Drawn By:	Josh Handrick
Date Drawn:	18/09/2013
Sheet Size:	A1
Scale:	1:1250

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