

The Secretary
Strontian Community School Building Limited
(sent by email)

Director of Care and Learning: Bill Alexander
Please ask for: Brian Porter
Direct Dial: 01463 702805
Our Ref:
Date: 28 October 2016
E-mail: brian.porter@highland.gov.uk

Dear Jamie

Strontian Community School Building Project

Following the recent positive discussions between the Council and SCSBL, and a recent report to the Council's Education, Children and Adult Services Committee, I am now in a position to provide you with a letter of comfort with regard to your project, and set out Heads of Terms for a lease between SCSBL and the Council.

I can confirm that the Council would in principle be willing to, subject to further detailed discussion and negotiation on specific terms, enter into a lease with SCSBL for the facility that you will develop, and the Council would then utilise for the provision of primary schooling. In relation to the Heads of Terms in relation to that lease, and the Council's expected obligations, these are set out below:-

- The Council's lease commitment would be assumed to be a lease payment in advance of £55k + VAT per annum, index linked thereafter. The frequency of payment to be biannual or annual, to be agreed, and the lease term to be 15 years with a review at year 10.
- The Council would also meet fit-out costs of up to £190k + VAT total.
- The Council would be responsible for maintenance, repairs and utility costs, exclusive of the 12-month contract defects/maintenance period.
- The Council would be willing, if required, to also be responsible for insurance of the facility. Was this to be the case, the Council would however assume that SCSBL would also have appropriate landlord insurance in place.
- The Council would expect that out of school hours the facility operates as a community facility and available for use accordingly, as happens within other Council schools. Specific arrangements and responsibilities for the management and support for out of school hours use would be a matter for further detailed discussion.

I look forward to working with SCSBL to move this exciting project forward.

Yours sincerely



Brian Porter
Head of Resources

Cc
Dorothy Gibb, Estates Officer, Highland Council