

SUMMARY OF LEASE TERMS

This is a summary outlining the content of the lease signed by Falkirk Council (**Tenant**) and **[INSERT LANDLORD NAME (S)] (Landlord (s))**

Main terms

- 1) The lease will be on the terms set out in the attached lease (Lease) and the parties will sign the Lease before the Council takes entry to the Property.
- 2) The Council will lease the Property for a period of three years from the date of the lease.
- 3) The Landlord warrants that s/he owns the Property and has the right to give vacant possession. (See Clause TWELFTH of Lease).
- 4) The Landlord consents to the Council sub-leasing the Property and acknowledges that the Council will be seeking to meet its obligations to provide temporary accommodation under section 29(1) of the Housing (Scotland) Act 1987 (as amended) ("**the Act**".) (See Clause THIRD of Lease)
- 5) The Landlord will ensure that, at the commencement of the Lease:
 - a) the Property meets the Council's property specification
 - b) all sets of keys to the Property have been handed over to the Council; (See Clause TWELFTH of Lease)
 - c) the Property is unfurnished; and
 - d) the Property has vacant possession. (See Clause TWELFTH of Lease)
- 6) Prior to commencement of the Lease, the Landlord will comply with / provide to the Council the information detailed on page 5 of the Landlord Information Pack.

Rent

- 7) The Council will make payment of rent to the Landlord monthly in advance at the rate of 85% of the local housing allowance rate for the Property as fixed from time to time (currently fixed at **31st March 2019**). (See Clause SECOND of Lease)

For the avoidance of doubt, the Landlord will require to pay to the Council:

- a) the Annual Repair Fee (see Clause SIXTH of Lease); and
- b) the Annual Heating Repair Fee (if applicable).

The Annual Heating Repair Fee includes the cost of obtaining the Annual Gas Safety Certificate and a maintenance contract. (See Clause FOURTH of Lease)

The Annual Repair Fee and Annual Heating Repair Fee are non-refundable.

8) In the event that:

- a) the Property is below tolerable standard, as to which the Council shall be the sole judge, acting on the advice of the Council's Environmental Health Department; or
- b) the Property requires a major repair which would necessitate the Property being vacated for longer than 2 weeks, as to which the Council shall be the sole judge;

the Council will be entitled to withhold payment of rent with immediate effect until such time as the Property is fit for occupation or the Lease is terminated. (See Clauses SIXTH and FOURTEENTH of Lease)

Insurance

9) The Landlord will at all times during the course of the Lease keep the Property fully and properly insured. As a minimum, the Landlord will at all times have in place in respect of the Property:

- a) public liability insurance and / or property owner's liability of £5 million; and
- b) buildings insurance cover, including fixtures and fittings against the risks narrated in Clause ELEVENTH of the Lease (including subsidence) and full accidental damage basis (See Clause ELEVENTH of Lease)

10) Prior to the commencement of the Lease, the Landlord will provide a broker's letter or other written evidence confirming that insurance is in place and will exhibit the insurance policies to the Council if so requested. The Landlord is required to arrange the continuance of all policies of insurance annually and, where requested, to submit to the Council proof of such renewal. (See Clause ELEVENTH of Lease).

Repairs

11) The Landlord will, on a pro-rata basis for the remainder of the current financial year be responsible for paying an annual repairs fee to the Council to cover repair costs ("**Annual Repair Fee**".) The Annual Repair Fee is currently £414.72 plus VAT and will be subject to review annually. The Landlord will be given reasonable written notice of any increase. (See Clause SIXTH of Lease)

12) The Annual Repair Fee will cover:

- a) the cost of internal routine repairs necessary to maintain the Property to the standards set out in the Specification during the period of the Lease to a maximum cost of £500 per repair. The cost will be based on the Council's standard of works and schedule of rates for repairs and the Council will be the sole judge of this cost; and
- b) the cost of any internal repairs caused by accidental or malicious damage to the Property (whatever the cost per repair) (always excluding any accidental or malicious damage to the structure of the Property or the building of which it

forms part or the mains services serving the Property), together referred to as “**Council Repairs**”. Council Repairs will be arranged, and paid for, by the Council. Council Repairs will not include any Asbestos Works or Boundary Works as defined in the Lease. Asbestos Works and Boundary Works are the sole responsibility of the Landlord. (See Clause SIXTH of Lease).

- 13) All repairs which are not Council Repairs will be the responsibility of the Landlord (“**Landlord Repairs**”) including (without prejudice to the foregoing generality):
 - a) internal routine repairs necessary to bring the Property up to the standards set out in the Specification which cost in excess of £500 per repair (for the avoidance of doubt, the Council will not meet the cost of any part of such repairs);
 - b) replacement of heating systems, pipe-work and re-wiring and similar installations (either in whole or in part) through wear and tear;
 - c) repairs of a structural nature;
 - d) repairs to mains services serving the Property;
 - e) repairs to maintain the Property in a wind and watertight and/or to make the Property safe and secure; and
 - f) all other external repairs to the Property (See Clause SIXTH of Lease)
- 14) For the avoidance of doubt, the Landlord will not be responsible for any costs associated with the change-over of tenants in the Property by the Council.
- 15) The Council will notify the Landlord if a Landlord Repair is required. The Council will endeavour to (but will be under no obligation to) provide the Landlord at the same time with an estimated cost for carrying out the repair. If the Landlord does not, within the time limits set out in Clause SIXTH of the Lease (24 hours for Emergency Repairs as defined in Appendix 2 of the Landlord Information Pack and 3 Working Days for all other Landlord Repairs) consent to the Council carrying out the Landlord Repair in question at the Landlord’s cost, the Landlord will be deemed to have elected to arrange the carrying out of the Landlord Repair in question itself. In the event that the Landlord then fails to carry out and complete any Landlord Repair within the aforementioned timescales, the Council will have the right to carry out and complete the Landlord Repair in question and recover the cost of doing so from the Landlord (See Clause SIXTH of Lease).
- 16) Where the Landlord elects to arrange for a Landlord Repair to be carried out:
 - a) the repair must be completed within the timescales set out in the appendix attached [see Appendix 2 of the Landlord Information Pack]; and
 - b) the Landlord and any nominated contractor will be entitled to access the Property with the prior permission of the Council (not to be unreasonably withheld or delayed), at a mutually agreed time for the purposes of carrying out and inspecting Landlord Repairs. The Landlord will make good all damage caused to the Property, including contents, fixtures and fittings, in exercise of this right and will indemnify the Council in full against all costs, claims,

damages, and others arising as a result of the exercise by the Landlord or those authorised by the Landlord of the Landlord's right to enter the Property for this purpose. The Council reserves the right to inspect these repairs. (See Clause SIXTH of Lease)

- 17) Notwithstanding the terms of two immediately preceding paragraphs, where a Landlord Repair is reported as an emergency, urgent or out of hours repair, the Council will be responsible for responding to the repair request in so far as is required to make safe the subjects of let and prevent further damage to the subjects of let. The Landlord will in any instance reimburse the Council within 14 days of demand the Council's whole proper and reasonable costs incurred in terms of this paragraph, said costs to be based on the Council's standard of works and schedule of rates for repairs.
- 18) For information, an overview of Council Repairs and Landlord Repairs is attached as per appendix 1 of the Landlord Information Pack.
- 19) In the event of any dispute relating to repairs excluding disputes in relation to the cost of repairs (see clause 12 (a) above in relation to "sole judge"), the matter will be escalated to the Director of Corporate and Housing Services or the appointed officer of the same. Should no resolution be achieved, the matter will be referred for resolution to an independent expert appointed by the Council. Where the expert is unable to resolve the matter, either party may refer the dispute to an arbiter, as agreed by either both parties or failing agreement chosen by a Sheriff.

Gas installations

- 20) Where the Property has a gas central heating system, an annual fee will be paid by the Landlord to the Council to cover the servicing, maintenance and breakdown repair costs on a pro-rata basis for the remainder of the current financial year ("**Annual Heating Repair Fee**"). The Annual Heating Repair Fee is currently £91.00 plus VAT and will be subject to review annually. The Landlord will be given reasonable notice of any increase. (See Clause FOURTH of Lease).
- 21) Gas fires must be removed or capped and soldered under the floor and left in situ. The only exception is a fire and back boiler combination. Where this occurs, the Annual Heating Repair Fee (see 20, above) will cover the annual gas safety, maintenance and breakdown costs.

Termination

- 22) The Council will have the option to terminate the lease:-
 - a) at any time, on giving the Landlord not less than 3 calendar months written notice or such shorter notice period as may be mutually agreed among the Landlord, the Council and the occupant of the Property; or
 - b) without any notice if for whatever reason, the Property is below tolerable standard, as to which the Council shall be the sole judge, acting on the advice of the Council's Environmental Health Department; or

c) without any notice if the Property requires a major repair which would necessitate the Property being vacated for longer than 2 weeks, as to which the Council shall be the sole judge. (See Clause FIRST of Lease)

23) The Landlord will have the right to terminate the Lease on giving the Council no less than three calendar months' written notice or such shorter notice period as may be mutually agreed among the Landlord, the Council and the occupant of the Property. (See Clause FIRST of Lease)

24) The Council may, where the Landlord and occupant of the Property are in agreement, consent to the early termination of the Lease, in order that the Landlord and occupant can enter into a short assured tenancy agreement for the purposes of securing a discharge of the Council's homelessness duty under section 32A of the Act.

Landlord's Access to the Property

25) The Landlord and / or the Landlord's agent and / or those authorised by the Landlord shall have a right of access to the Property for any purpose considered by the Council (acting reasonably) to be necessary, including that of carrying out a property survey and / or valuation of the Property, subject to making good any damage caused to the Property, its contents and / or the fixtures and fittings in the exercise of this right. The Landlord will indemnify the Council in full against all costs, claims, damages, and others arising as a result of the exercise by the Landlord or those authorised by the Landlord of the Landlord's right to enter the Property. Valuation or survey visits to the Property can only be carried out at specific times agreed in advance with the Council. The Council will use all reasonable endeavours to facilitate such access within seven working days of its receipt of a request for such access. (Clause TENTH)

Electrical Systems and Appliances

26) The Council will obtain reports from approved contractors at the Date of Entry and at the intervals required by law confirming that all electrical appliances and circuits have been inspected and are satisfactory in terms of the current safety all at the Landlord's cost.

The Council is entitled to carry out annual Portable Appliance Testing in respect of electric cookers, electric fires, showers, white goods and other appliances left in the Property by the Landlord. The Council must give the Landlord reasonable prior notice before carrying out such testing and can recover the cost of the tests from the Landlord. (See Clause FOURTH of Lease)

Value Added Tax

27) VAT will (where it is chargeable on such costs) be payable by the Landlord on the cost of any works or services carried out or procured by the Council and charged back to the Landlord under the Lease. (Clause SIXTEENTH)

Administration Charge

- 28) Where the Council carries out any works for which the Landlord is responsible in terms of this Lease the Council will, in addition to the cost of the works, charge the Landlord an Administration Charge of 12.5%, capped at a maximum of £50. The only exceptions to this are the Annual Repair Fee, the Annual Heating Repair Fee and any Portable Appliance Testing carried out by the Council, which attract no Administration Charge. (See Clause SEVENTEENTH of Lease).

Statutory Guidance

- (29) The Landlord will comply at the Landlord's cost with all statutory requirements and statutory guidance in relation to private rented properties in Scotland in force from time to time during the Term (including but not limited to statutory requirements and guidance in relation to (1) the detection and warning of fires, (2) the detection of carbon monoxide and provision of carbon monoxide alarms and (3) electrical installations and appliances) (See Clause TENTY FIRST of Lease).

Miscellaneous

- (30) The Landlord will be responsible for obtaining permission from his or her mortgage lender to lease the Property to the Council. (See Clause TWELFTH of Lease)
- 31) The Landlord confirms that the Property, or any adjacent property, is not subject to any planning or repair notices. (See Clause TWELFTH of Lease)
- 32) The Landlord will remain liable for any factoring charges for the Property. (See Clause FIFTH of Lease)
- 33) The Council will be responsible for all utility bills and Council Tax relative to the Property arising during the lease term. (See Clause FIFTH)
- 34) At the end of the Lease, the Property, and all sets of keys, will be returned by the Council to the Landlord in a reasonable condition. (See Clause THIRTEENTH of Lease)
- 35) In the event of any dispute as to the terms of this Agreement, excluding any dispute as to repairs, the matter will be handled in line with the Council's Corporate Complaints Procedure. (See Clause FIFTEENTH of Lease)
- 36) The terms of Clause TWENTIETH of the Lease will apply to all notices served by the Landlord to the Council or vice versa. All such notices must be served in accordance with the terms of Clause TWENTIETH.