

SCOTTISH POLICE
AUTHORITY

Meeting	Finance and Investment Committee
Date and Time	Monday 8 February 2016
Location	Pacific Quay, Glasgow
Title of Paper	Radio Mast Licence at Baird Street and Lease of Radio Mast Site at Strathyre
Item Number	7.2
Presented By	Ch Supt Billy Gordon, Head of Physical Resources
For Approval / For Information	FOR APPROVAL
Appendix Attached:	None

PURPOSE

To invite members to:

1. Note the terms of a proposed licence granting telecommunications equipment rights at Baird Street and the lease of a radio mast site at Strathyre.
2. Instruct the Head of Legal Services of PSoS to conclude the licence and lease agreements based on the provisionally agreed terms.

This paper is being submitted to the Committee in accordance with Section 9 of the Scheme of Administration.

1. BACKGROUND

- 1.1 As identified in a report to the SPA Finance and Investment Committee at its meeting on 16 March 2015, the SPA has a radio tower network covering Scotland. This network is on a variety of stand-alone hill sites (on sites/masts which are out-right owned, owned masts with associated ground leases from third parties, or on leased sites/masts) and also masts within existing police premises
- 1.2 Requests have been made by a proposed licensee to install equipment at Baird Street and a request has been made by proposed tenant to enter into a Lease at the Strathyre Mast.

2. FURTHER DETAIL ON REPORT TOPIC

- 2.1 Subject to SPA approval, the principal terms for the following Licence and Lease agreements are proposed:

(A) Baird Street Mast - Proposed Licencee - Hutchison 3G Limited and EE Limited)

NOT PROTECTIVELY MARKED

- i) Initial Licence Fee £11,000, plus VAT thereon.
- ii) Date of Entry -to be agreed for a licence term of 15 years.
- iii) Licence Fee Reviews at every three years to open market value or RPI, whichever is the higher.
- iv) Equipment Rights - 3 antenna together with 2 microwave dishes and 3 equipment cabinets.
- v) The Licensee will pay £1,000 plus VAT thereon towards Police Service of Scotland's reasonable surveyor's fees, plus a further £1,000, plus VAT thereon towards legal fees and the outlays in respect of conclusion and registration of the Licence.

(B) Sgiath-a- Chaise, Strathyre Mast-Proposed Tenant - Arqiva Limited

- i) Initial Annual Rent £4,375 plus VAT thereon.
- ii) Date of Entry - 6 February, 2013 for a licence term of 20 years to 5 February 2033.
- iii) Rent Reviews at 5 year anniversaries from the Date of Entry, commencing on the fifth anniversary of the Date of Entry and the same date in every fifth year thereafter during the Term upwards only and increased by the greater of Market Value or RPI increase over this period.
- iv) Equipment Rights reserved to Scottish Police Authority as Landlord - four individual items of mast equipment (item being defined as a single antennae or a single dish not exceeding 0.6 metres in diameter); two racks of shelved equipment space within an equipment cabin; together with any equipment, cabling and ducting ancillary thereto.
- v) The Tenant will pay £1,000, plus VAT thereon towards the Police Service of Scotland's reasonable surveyor's fees plus a further £1,000, plus VAT thereon towards legal fees and the outlay in respect of registration of the Lease, together with an Administration Fee (in respect of vetting, technical services and access assistance) of £300, together with VAT payable thereon.
- vi) The Tenant shall have the right to install, operate and maintain and renew the telecommunications/electronic communications equipment as required to undertake its business.
- vii) The Tenant may assign its rights to a group company without consent but subject to notification to the Landlord within 28 days of assignation and may share its rights with third parties, subject to payment by the Tenant to the Landlord of 30% of the Licence Fee received from each sharer.
- viii) The Landlord has an option to break effective no earlier than the fifth anniversary of the date of entry on demonstrating an intention to demolish, develop or to redevelop the site on not less than 18 months' notice to the Tenant.
- ix) The Tenant has an option to break at any time on not less than 12 months' notice if it loses its operating licences or on the 10th or 15th anniversaries of the date of entry.

NOT PROTECTIVELY MARKED

Arqiva are already in occupation of the Site under an Early Access Agreement with Central Scotland Joint Police Board dated 21 January 2013 and 6 February 2013, on the basis that this would be followed by a Lease in the above terms.

3. FINANCIAL IMPLICATIONS

3.1 The proposed licence and lease agreements will see a rental income of £15,375 per annum.

4. PERSONNEL IMPLICATIONS

4.1 There are no personnel implications as a consequence of this report.

5. LEGAL IMPLICATIONS

5.1 If the Finance and Investment Committee agree to the new licence/lease agreements, the Head of Legal Services for PSoS will be required to conclude a licence agreement on the terms as detailed.

6. REPUTATIONAL IMPLICATIONS

6.1 There are no reputational implications as a consequence of this report.

7. SOCIAL IMPLICATIONS

7.1 There are no social implications as a consequence of this report.

8. COMMUNITY IMPACT

8.1 There are no community impact implications as a consequence of this report.

9.1 EQUALITIES IMPLICATIONS

9.1 There are no equality implications as a consequence of this report.

10. ENVIRONMENTAL IMPLICATIONS

10.1 There are no environmental implications associated with this report.

RECOMMENDATIONS

To invite members to:

1. Note the terms of a proposed licence granting telecommunications equipment rights at Baird Street and the lease of a radio mast site at Strathyre.
2. Instruct the Head of Legal Services of PSoS to conclude the licence and lease agreements based on the provisionally agreed terms.