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# Appendix 1

## Instructions

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Phone direct: [REDACTED]  
Email: [REDACTED]  
Date: 11<sup>th</sup> November 2013



[REDACTED]  
Director  
Savills  
183 West George Street  
Glasgow  
G2 2JJ

Dear [REDACTED]

**Valuation of Glasgow City Council Properties  
Ground at Celtic Triangle, London Road School, Barrowfield Street, Westthorn Recreational  
Ground and NISA Coach Park (Emirates Arena)**

I refer to my previous verbal instruction requesting various valuations in the East end of Glasgow.

Glasgow City Council has a requirement for independent valuations of the above properties, plans previously provided showing the extent of the areas in question. I require retrospective valuation for the years April 2005 and April 2009 for each of the subjects along with a current market valuation of Westthorn Recreational Ground.

- (i) Market value of the five plots of ground known as the Celtic Triangle as at 2005 & 2009 (plan 2.2).
- (ii) Market value for ground at Barrowfield Street as at 2005 & 2009 (Plan 2.5A).
- (iii) Market value of the grade B listed building at London Road again as at 2005 & 2009 (Plot 2.5B)
- (iv) A valuation of the licence of the NISA Coach Park, between the City Council and Celtic Plc. Culture and Sport Glasgow currently lease the coach park at the Arena under the terms of the lease, (previously provided to you) to Celtic Plc. As can be seen from the lease, the agreement only allows parking on match days with the Arena having precedent should there be events at both venues on the same day. The valuation required would be An independent assessment of the market rent under the terms of the above mentioned lease, with a valuation date of 2013
- (v) A valuation of the licence to use the ancillary land at London Road Primary School less the footprint of the building as car parking on match days, part of NISA licence previously provided as at 2005 and 2009.
- (vi) Westthorn Recreational Ground a requirement for a retrospective valuation, based on residential values, as at 2005 and 2009, in addition A valuation of the current market value of the land in its existing use with a valuation date at 2013

I would therefore be grateful if you could give consideration to this request and provide me with your Terms of Engagement, which should include your fees in respect of this work. It is likely that additional information will be available, however, clarification of your requirements in respect of additional information would be helpful.

I look forward to hearing from you.

Yours sincerely

A large black rectangular redaction box covers the signature and name of the sender. The redaction consists of two stacked rectangular blocks: a larger one on top and a smaller one extending further to the right below it.

11<sup>th</sup> November 2013  
EDVA LRGCC

savills

[REDACTED]  
City Property Glasgow LLP  
Exchange House  
229 West George Street  
Glasgow G1 1QU

[REDACTED]  
163 West George Street  
Glasgow G2 2JJ

Tel: [REDACTED]  
Fax: [REDACTED]  
Mobile: [REDACTED]

Dear Sirs

**Valuation of Glasgow City Council Properties  
Ground at Celtic Triangle, London Road School, Barrowfield Street, Westthorn Recreational Ground  
and NISA (Emirates Arena) Car Park**

Thank you for your letter of 11 November requesting that we carry out valuations of the above properties.. We confirm that we would be pleased to carry out this work in accordance with the RICS Valuation – Professional Standards Incorporating the International Valuation Standards (the “Red Book”) effective from 30 March 2012 as set out below.

We are not aware of any conflict of interest, either with the Owner or with the Property, preventing us from providing independent valuation advice, and therefore we are pleased to accept your instructions. We will be acting as External Valuers, as defined in the Red Book.

We confirm the following:-

(a) The valuations are:

- (i) For the purpose of auditing land transactions.
- (ii) Of the heritable (Scottish equivalent of English freehold) and leasehold interests in the Properties.
- (iii) The properties comprise open space, car parking, empty school, recreational ground and a coach park
- (iv) At the dates of 2005, 2009 (adopting 15<sup>th</sup> April) and 11<sup>th</sup> November 2013.
- (v) Adopting the RICS definitions of Market Value and Market Rent.
- (vi) On the bases specified below.

Valuation Standard VS 3.2 of the Red Book defines Market Value (MV) as:

*“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

Valuation Standard VS 3.3 of the Red Book defines Market Rent (MR) as:

*“The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*



(b) We are being supplied with the following information, upon which we will be relying:

Re Celtic Triangle and Barrowfield Street

- Copies of title plans with measured areas based on Ordnance Survey

Re London Road School

- Copy of title plan based on Ordnance Survey
- Copy of Licence to occupy ancillary ground
- Floor area of building

Re Westthorn Recreational Ground

- Report on Ground Conditions with estimated costs prepared by URS 22/10/2004
- Copy of title plan based on Ordnance Survey
- Details of HSE Consultation Zone

Re NISA (Emirates Arena) Coach Park

- Extract terms of Licence to occupy land for coach parking

We do not accept responsibility for any errors or omissions in information and documentation provided to us.

(c) We would comment further on your instructions as follows:

- (i) The due diligence enquiries and report preparation will be undertaken by FRICS.
- (ii) We will calculate the site areas based upon the title plans provided.
- (iii) We accept responsibility for our Report to you only and to no one else.
- (iv) We confirm that we hold sufficient Professional Indemnity Insurance Cover for the purpose of this valuation, subject to the liability cap referred to in this letter.

(d) This will be a valuation in accordance with the principles of the Red Book, and for this purpose we attach the following **Appendices**:-

1. Formal confirmation of the terms of engagement stated in the Red Book under VS 2.1 and following their format of paragraphs listed (a) to (t) and which are mandatory upon us.
2. The format of our Standard General Assumptions and Conditions and Confidentiality Clause, which we will be adopting for the purpose of our valuation.
3. Our Standard Terms and Conditions of Business for Valuations, of which we would highlight the following:



- (i) They set out **the agreed limit to the level of liability that we may incur** for our advice. This is calculated by reference to the level of agreed fee and the level of value of the Property and is an integral part of the overall package of terms and conditions upon which we are prepared to act.
  - (ii) In relation to payment of our fees, these Terms shall prevail in the event of any inconsistency between them and any terms specified in your instructions.
- (e) The agreed budget for providing the services specified in this letter will not [REDACTED] and inclusive of reasonable out-of-pocket expenses. Our invoice will be submitted with our report. Please note the terms for its payment set out at **Appendix 3**.
- (f) We have already inspected the land and undertake to provide our formal reports in draft by 12th November.

This complete package constitutes our Terms of Engagement. We trust they meet with your approval. We would be grateful if you could please sign, date and return to us the enclosed copy of this letter confirming your acceptance of its contents.

Yours sincerely

[REDACTED]

[REDACTED]

RICS Registered valuer  
Director

Encs

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I confirm our agreement to the contents of this letter, including fees for which we are liable.

FOR AND ON BEHALF OF .....

Name \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_\_\_



### RED BOOK CONFIRMATION OF INSTRUCTIONS

Confirmation of Instructions in compliance with paragraph VS 2.1 of the Valuation Standards of the Red Book, using the same numbering, is listed below.

The covering letter forming part of these Terms of Engagement states

- (a) The identification of the client and any other intended users;
- (b) The purpose of the valuation;
- (c) The subject of the valuation;  

The valuation will include all fixtures and fittings and plant and machinery that are normally regarded as part of the land and buildings.
- (d) The interest to be valued;
- (e) The type of asset or liability and how it is used or classified by the client;
- (f) The basis, or bases, of value;
- (g) The valuation date;
- (h) Disclosure of any material involvement, or a statement that there has not been any previous material involvement;
- (i) The status of the valuer;
- (j) Our valuation will be expressed in £ sterling.
- (k) We will be adopting our standard General Assumptions which are attached. We reserve the right to revert to you during the course of our instructions to seek your agreement to any additional assumptions;
- (l) The extent of the valuer's investigations is as stated in the covering letter forming part of these Terms of Engagement;
- (m) The nature of information provided by the Client/his advisors and the extent to which we are to rely upon that information are as stated in the covering letter forming part of these Terms of Engagement;
- (n) Our standard requirements of consent to publication shall apply, as set out in our standard Confidentiality Clause, as attached;
- (o) Our standard limits/exclusion of liability to parties other than the Client shall apply, as set out in our standard Confidentiality Clause, as attached;
- (p) We confirm that the valuation will be undertaken in accordance with these Standards and the IVS, where appropriate;
- (q) We confirm that the valuer has the knowledge, skills and understanding to undertake the valuation competently;
- (r) The agreed fee and associated charges are as set out in the covering letter forming part of these Terms of Engagement. The circumstances in which these are payable are as set out in our Standard Terms and Conditions of Business for Commercial Valuations, as attached;





- (s) Savills Commercial Limited is registered at 20 Grosvenor Hill, London W1K 3HQ. We further confirm that a complaints handling procedure is in place, a copy of which is available on request;
- (t) The valuation may be subject to monitoring under the Institution's conduct and disciplinary regulations.

APPENDIX 2(a)

**FORMAT OF STANDARD GENERAL ASSUMPTIONS AND CONDITIONS  
AND CONFIDENTIALITY AND RESPONSIBILITY CLAUSE**

**GENERAL ASSUMPTIONS AND CONDITIONS**

**General Assumptions**

Our valuation has been carried out on the basis of the following General Assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuation(s), as there may be an impact on it/them.

1. That the Property(ies) is/are not subject to any unusual or especially onerous restrictions, encumbrances or outgoing contained in the Freehold Title. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificate.
2. That we have been supplied with all information likely to have an effect on the value of the property(ies), and that the information supplied to us and summarised in this report is both complete and correct.
3. That the building(s) has/have been constructed and is/are used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful (other than those points referred to above).
4. That the property(ies) is/are not adversely affected, nor is/are likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
5. That the building(s) is/are structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building(s) we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the property and this report do not constitute a building survey.
6. That the property(ies) is/are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
7. That in the construction or alteration of the building(s) no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.
8. That the property(ies) has/have not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
9. [Where a property is tenanted.] - That the tenant(s) is/are capable of meeting its/their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.



10. That there are no adverse site or soil conditions, that the property(ies) is/are not adversely affected by the Town and Country Planning (Assessment of Environmental Effects) Regulations 1988, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our valuation.

#### **General Conditions**

Our valuation(s) has/have been carried out on the basis of the following general conditions:

1. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property(ies).
2. Our valuation(s) is/are exclusive of VAT (if applicable).
3. No allowance has been made for any expenses of realisation.
4. Excluded from our valuation(s) is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
5. Our valuation(s) is/are based on market evidence which has come into our possession from numerous sources. That from other agents and valuers is given in good faith but without liability. It is often provided in verbal form. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions, we are unable to warrant that the information on which we have relied is correct although we believe it to be so.

#### **CONFIDENTIALITY AND RESPONSIBILITY**

In accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed, and no responsibility is accepted to any third party for the whole or any part of its contents. Any third parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

## STANDARD TERMS AND CONDITIONS OF BUSINESS FOR VALUATIONS

1. VAT will be added at the prevailing rate to all fees and expenses payable.
2. Unless otherwise agreed, all reasonable expenses incurred during the provision of our valuation will be added to the agreed fee. Such expenses shall include the cost of travelling, photography, plans, artwork for preparation of report appendices, town planning documents, copying charges, faxes, couriers, international phone calls and subsistence. This is not an exhaustive list.
3. The agreed fee and expenses become due for payment upon submission of our report (or if no report, upon completion of the service). Our invoice will be submitted at that time, and becomes due for payment in full, in sterling immediately upon its receipt.
4. Invoices unpaid for [redacted] days or more will incur interest at a rate of [redacted] above Barclays Bank base rate from the date of invoice. Fees unpaid for [redacted] days or more after the date of invoice will incur interest at a higher rate of [redacted] per annum from the date of invoice.
5. In the event of our instructions being terminated at any time prior to completion of the instruction, a fee will become payable on a time basis (at our prevailing rates) for work carried out up to the moment of termination, subject to a minimum of [redacted] of the agreed fee, plus all expenses incurred and VAT.
6. In the event of our incurring any expenditure on solicitors or other third parties in order to recover the fee due, this expenditure will be payable by the Client.
7. The Client is responsible for the payment of all fees and expenses, unless it is expressly agreed in writing that another party is responsible.
8. Should we be asked to provide any additional services, these will be charged at fees to be agreed with the Client, subject to a minimum fee equal to our time charges (at our prevailing rates) expended thereon.
9. We reserve the right to charge an additional fee should the amount of work involved be greater than expected.
10. Where appropriate, we may sub-contract the provision of certain services to firms or companies that are affiliated with us, including any other Savills group companies. If we choose to do so:-
  - (a) we will remain responsible to the Client for provision of those services;
  - (b) the relevant affiliate may invoice the Client or (subject always to paragraph 7 above) the Borrower directly for those of our fees which relate to work carried out by the affiliate. In these circumstances, the fees in question are to be paid directly to the affiliate and we will be entitled to assign to the affiliate any rights that we have in respect of those fees.
11. So far as items 1 to 10 above are concerned, should there be any inconsistency between them and any prior letter or other communication from the Client, these Terms of Business shall prevail.
12. We will be providing the services as specified in these Terms of Engagement. No variation of these terms shall be binding unless agreed in writing between Savills and the Client.
13. These Terms of Engagement are subject to English law.



14. **Liability Cap.** Unless otherwise varied by agreement with your central procurement department and in the absence of express agreement to the contrary in writing and signed on behalf of each party, any liability to any other party which we would otherwise incur shall be limited (a) [REDACTED]

with the table appearing immediately below:

VALUE <sup>(b)</sup>	OUR FEE (a)					
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

**NOTES**

(a) "Fee" means the agreed fee stated in the covering letter forming part of these Terms of Engagement excluding expenses and VAT.

(b) "Value" means the value of the Property stated in our formal report. Where more than one value is stated for the same property on different bases, Value means the highest valuation figure reported.

(c) In the case of valuations of portfolios, estates, shopping centres and other multi-unit properties within one formal report, "Value" means the aggregate of our valuations included in the one report.

(d) [REDACTED]

(e) [REDACTED]

(f) [REDACTED]  
of this level of cover, unless we hear from the Client or Borrower by return.

15. We accept responsibility for our valuation only to the party(ies) identified in clause c(iv) of the covering letter and as set out in the Confidentiality and Responsibility Clause forming part of these Terms of Engagement. Should we be asked to extend the responsibility that we are prepared to accept for our valuation to another party or parties, we will give consideration to doing so to named parties [REDACTED]

**First Extended Party**

**Second & Subsequent Extended parties**


The stated percentages are to be applied to the Value of the property as defined at 13(b) above. The fees stated are exclusive of VAT and expenses, again as defined. [REDACTED]

The above scale applies where we agree to readdress our report to another party or parties. Should additional work be involved, we reserve the right to make a further charge, subject to a minimum of our time-based costs incurred at our usual charge-out rates.

If we agree to accept responsibility to a named party or parties, it will be on terms that Clause 14 above applies to any liability that we would otherwise incur to that party or parties.

16. In these Terms of Engagement the following expressions have the meaning stated:

- (a) "Red Book" means the Royal Institution of Chartered Surveyors' Valuation – Professional Standards (effective 30 March 2012).
- (b) "Savills" means Savills Commercial Limited. The words "we" and "our" shall be construed accordingly.
- (c) "Client" means the addressee of the covering letter forming part of these Terms of Engagement. The words "you" and "your" shall be construed accordingly.
- (d) The "Property" means the land and buildings (if applicable) at the address stated in the heading of the covering letter forming part of these Terms of Engagement.
- (e) The "Borrower" (if applicable) means the party stated in the heading of the covering letter forming part of these Terms of Engagement.

17. In accordance with the RICS Code of Conduct for Firms, Savills Commercial Ltd operates a formal procedure for dealing with complaints from clients and others. Details of this procedure are available from the Company Secretary, 25 Finsbury Circus, London EC2M 7EE. The procedure does not apply to fee disputes. If the complaint cannot be resolved between the parties, the procedure allows for ultimate reference to The Surveyors and Valuers Arbitration Scheme, which provides for such matters to be settled by an independent party appointed by the President of the Chartered Institute of Arbitrators.

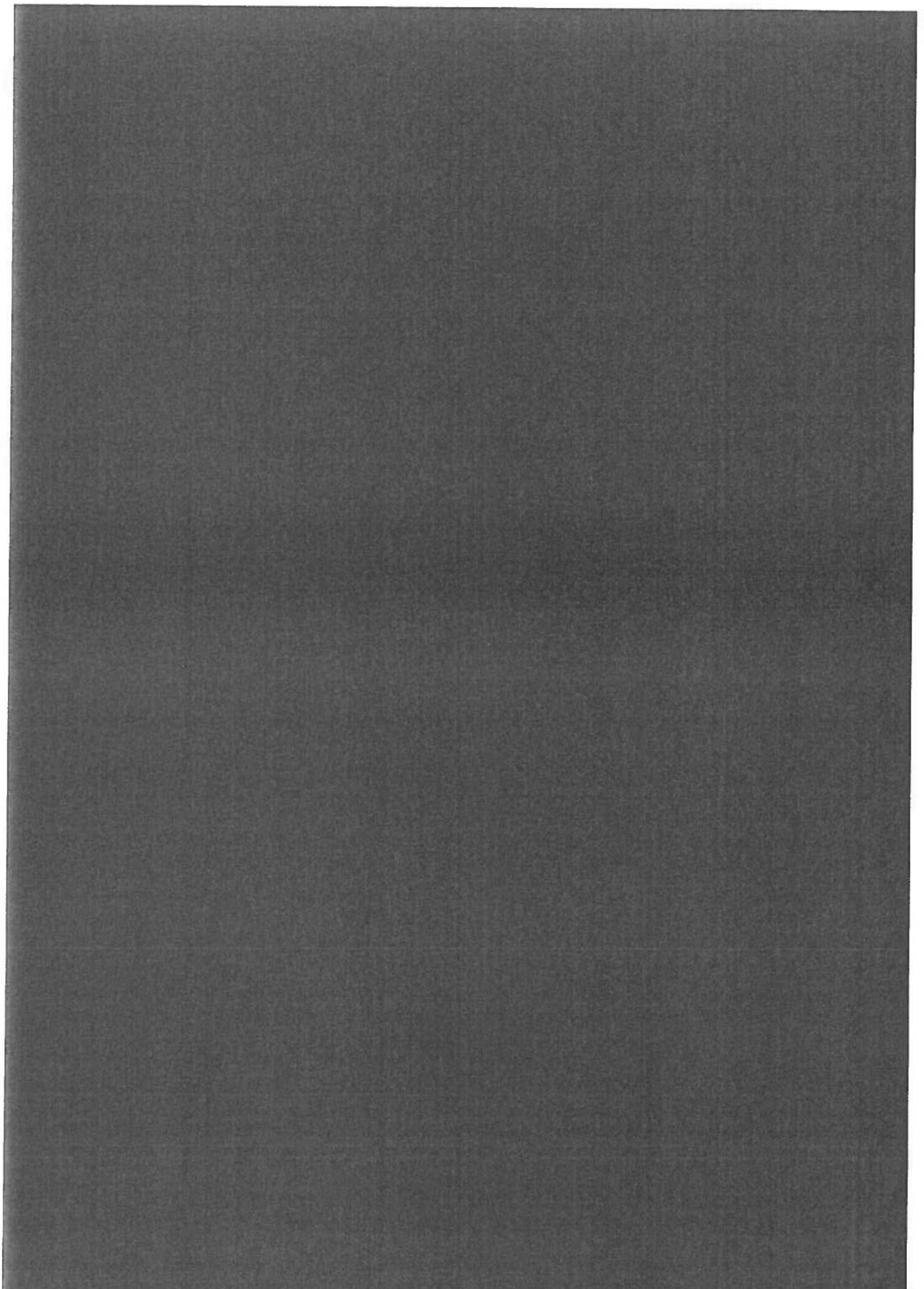
18. Savills does not accept responsibility for any health, safety and welfare matters. We will be undertaking these instructions on the basis that, in accordance with the Health Safety at Work etc Act 1974, these responsibilities are retained in full by the owner/occupier of the relevant property. It will be that party's responsibility to advise Savills of any hazards to which its staff may be exposed. Site visits should be hosted by a representative of the owner/occupier of the property, where possible.

19. Money Laundering Regulations 2007

- (a) We are obliged to identify our clients in accordance with the requirements of the Money Laundering Regulations 2007. We are likely to request from you, and retain, some information and documentation for these purposes and/or make searches of appropriate databases electronically. For the avoidance of doubt, searches may also be conducted on directors and "beneficial owners" of the client as is required by the legislation. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which we are not able to proceed with the instruction.



- (b) The provision of our services is a business in the regulated sector under the Proceeds of Crime Act 2002 and, as such, we are required to comply with this legislation which includes provisions that may require us to make a money laundering disclosure in relation to information we obtain as part of our normal work. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the 'tipping off' provisions of the legislation.





[savills.co.uk](http://savills.co.uk)

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