

To: Infrastructure, Land and Environment Policy Board

On: 21 March 2018

Report by: Director of Finance and Resources

Heading: Document Solution Centre and Legal Store – Lease Renewal

1. Summary

- 1.1 The purpose of this Report is to seek authority from Members to renew the lease of premises at Units 8-11, Abbeymill Business Centre, Seedhill, Paisley for continued use by the Document Solution Centre and Legal Services Store.
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2. Recommendations

The Board is asked to:-

- 2.1 Authorise the Head of Property and the Head of Corporate Governance to conclude new leases of the premises at Units 8-11, Abbeymill Business Centre, Seedhill, Paisley, on the provisional terms and conditions outlined in this report.
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3. Background

- 3.1 The Head of Customer and Business Services has advised of the need to continue the lease of the current premises in Units 8-10 of Abbeymill Business Centre, occupied by the Document Solution Centre, in line with operational requirements and equipment hiring schedules.

- 3.2 Unit 11 of Abbeymill Business Centre, currently under the same lease with Units 8-10, is occupied by Legal Services and used as their store for Legal Documents. The Head of Corporate Governance has confirmed that for the time being, Legal Services require to continue the lease of those premises also, but for a shorter term, pending possible future relocation. Accordingly, agreement has been reached with the Landlord to split the leasing of both units going forward.
- 3.3 Renfrewshire Council currently lease the premises at Units 8-11, Abbeymill Business Centre, Seedhill, Paisley, which lease originally commenced on 15/5/2005, and was due to expire on 6/3/2018, albeit occupation has been maintained with the landlords agreement while the Board considers this request. The current passing annual rental is £19,443.75 plus VAT.
- 3.4 The Head of Customer and Business Services has reviewed the operational and property requirements of continuing the services provided by the Document Solution Centre, which procures and maintains its printing equipment etc. under medium term leasing contracts. These current contracts extend beyond the current property lease expiry date, thus confirming the immediate need for lease extension to continue to accommodate the equipment to avoid service disruption. The location and suitable nature of the current leased premises for the printing equipment, with a current lack of appropriate and available relocation options within the Council's operational property portfolio for the service, confirms a need for continuation of the service under a longer term lease at this location.
- 3.5 The Head of Corporate Governance is reviewing storage options within the Council's operational property portfolio. Options to relocate from Unit 11, currently used as the Legal Document Store, are not available at the present time. That may change in the short to medium term. Accordingly, it is appropriate to take a short term lease extension for these premises, separately from Units 8-10 occupied by the Document Solution Centre.
- 3.6 Discussions for a lease extension / new leases have been concluded with the Landlord, with the outcomes noted in part 4.

4. Provisional Terms and Conditions

- 4.1 The current lease has been in place since 15/5/2005 with the current passing rent of £19,443.75 + VAT per annum, payable quarterly in advance. It is on a full repairing and insuring basis. Following

discussions with the Landlord, we sought and provisionally agreed to split liability for the current premises under 2 new leases.

4.2 Units 8-10

The existing lease terms including the current passing rental, apportioned at £16,443.96 + VAT per annum, will be replicated under a new lease expiring 31/3/2024. To correspond with optional equipment hire contract scheduling. A tenant only option to extend the lease for 1 further year to 31/3/2025 will also be included. There are no rent reviews as the rent is fixed for the term. Service charge is currently fixed and will be replicated under the new lease apportioned at £9,604.67 + VAT per annum subject to Landlord review periodically as per the current lease.

4.3 Unit 11

The existing lease terms including the current passing rental, apportioned at £2,999.79 + VAT per annum, will be replicated under a new lease expiring 31/3/2019. This lease will be annually renewable after the initial term by the Tenant with minimum 3 months prior written notice to the Landlord. Service charge is currently fixed and will be replicated under the new lease apportioned at £1,752.13 + VAT per annum subject to Landlord review periodically as per the current lease.

4.4 The lease transaction shall include such other terms and conditions as may be considered necessary by the Head of Property and the Head of Corporate Governance to protect the interests of the Council.

Implications of the Report

1. **Financial** – Annual rentals of £16,444 + VAT and £2,999.79 + VAT payable going forward, with additional service charges and insurance payments.

2. **HR & Organisational Development** - None

3. **Community Planning** –

Our Renfrewshire is thriving – Continuation of essential services for operational requirements.

Our Renfrewshire is well – N/A.

Our Renfrewshire is fair – N/A

Our Renfrewshire is safe – N/A

4. **Legal** – Lease extension to be concluded.
5. **Property/Assets** – As per this report.
6. **Information Technology** – None.
7. **Equality & Human Rights** - *(Please select the statement applicable to the recommendations contained within this board report and delete remaining statements)*
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the **report as this covers continuation of an existing service only**. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website. *(Report author to arrange this).*
8. **Health & Safety** – None.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** – None.
12. **Cosla Policy Position** – None.

List of Background Papers

- (a) Background Paper 1 – N/A

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