

To: Infrastructure, Land & Environment Policy Board

On: 7th November 2018

Report by: Director of Finance & Resources

Heading: Robertson Centre, 16 Glasgow Road Paisley

1. Summary

- 1.1 This report advises the Board on the provisional terms and conditions agreed with the Renfrewshire Joint Valuation Board for the relinquishment of their existing lease and a grant of a new lease of the ground floor with associated car parking of the Robertson Centre, 16 Glasgow Road Paisley.
- 1.2 In addition it details the terms and conditions of the proposed lease between Renfrewshire Council and Renfrewshire Leisure for the first floor offices to be vacated by the RVJB.
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2. Recommendations

It is recommended that the Board:-

- 2.1 Authorise the relinquishment of the existing lease between Renfrewshire Council and Renfrewshire Joint Valuation Board for the Robertson Centre as a whole.
- 2.2 Approve the granting of a new lease of the Robertson Centre, 16 Glasgow Road, Paisley for the ground floor only with associated parking based upon the terms and conditions detailed below.

- 2.3 Authorise the grant of a lease to Renfrewshire Leisure of the first floor offices with associated parking at the Robertson Centre, 16 Glasgow Road, Paisley.
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3. **Background**

- 3.1 The Robertson Centre is leased to the RVJB on a 9 year lease from 1 May 2011 which is scheduled to expire on 31st March 2020 at a current rental of £141,000 pa. There is no provision for a rent review in the current lease. The current annual rent reflects the market rent of £55,000 as set in May 2011, along with the loan costs of £86,000 for the £1.4m refurbishment of the Robertson Centre, which took place at this time.
- 3.2 The Board will be aware that the RVJB consists of Renfrewshire, East Renfrewshire and Inverclyde Council's and is the body responsible for valuing properties for Council Tax purposes and Non Domestic Rates along with maintaining the Electoral Roll. Each Council makes a proportionate contribution to the running costs, with Renfrewshire Council being the lead authority.
- 3.3 In order to support the RVJB's medium term financial planning and operating arrangements, the Planning & Property Board approved an amendment to the existing leasing arrangements at its meeting on 14th March 2017, such that the RVJB would be granted a lease extension until 31 March 2024, subject to the rent being reviewed as at 31 March 2020. This would enable the RVJB to plan their service provision within the existing building, provides certainty for a further period in relation to rental charges and allow the RVJB to an extended period over which to repay existing loan charges.
- 3.4 Following further discussion with the RVJB on modernising their current work practices, it was found that additional savings could be achieved if the RVJB reduced the office space it occupies. In this regard, the RVJB asked about the opportunity to downsize by vacating the first-floor offices and possibly sub-letting this space. Their existing lease prohibited sub-letting.
- 3.5 The Council and Renfrewshire Leisure in terms of the Museum's project would require space to relocate staff for up to 4 years while the Paisley Museum & Library are being refurbished. The space which the RVJB could vacate was identified as offering a solution for both parties.
- 3.6 The Head of Property Services entered into discussions with the RVJB and Renfrewshire Leisure and the following provisional terms and conditions of lease have been reached:-

4. Proposed terms and conditions of Lease to RVJB;

- Renfrewshire Council will agree to RVJB renouncing its existing lease of the Robertson Centre as a whole.
- In exchange Renfrewshire Council will grant a new lease of the ground floor along with 17 Car parking spaces on an FRI basis until 31 March 2024.
- The current rent for the ground floor and caretakers flat plus car parking will be £32,250 per annum, which will be subject to a rent review as at 31 March 2020 to market value.
- The current loan repayment of £43, 000 per annum will remain until 31 March 2024.
- Renfrewshire Council, currently processes all of your utility and service charge costs. The Council would proportionately divide this between the RVJB and RLL (the intended occupier for the vacated space.)
- In relation to the need to find space to store 40 cabinets, while RVJB staff undertake a scanning exercise, a separate lease at a rent of £1, if asked will be agreed for space within the Council's existing portfolio. It is recognised that RVJB will require this space to assist it modernising its works practices. This lease for additional property to facilitate the requirement to vacate the first floor, will be approved by the Head of Property utilising delegated powers, once an exact property has been identified.
- the cost of the alteration works to the Robertson Centre, for the RVJB staff move, and to accommodate RLL on the first floor, the Council will absorb these costs within its Museum project, and there should be no added loan charges due to RVJB.
- RVJB has granted a licence to occupy agreement with Renfrewshire Council to enable its staff to take occupation of the necessary areas to undertake the fit-out works as from 1 October 2018, to facilitate the Museums project. Recognising this, the Council will agree to the rent reduction occurring from this date.
- Each party will meet their own professional and legal expenses in progressing the lease renunciation and the grant of a new lease

5. Proposed terms and conditions of Lease to Renfrewshire Leisure;

1. Renfrewshire Council will charge Renfrewshire Leisure a rental of £1 per annum for the first-floor offices and associated car parking occupied at the Robertson Centre. This being the same level of charge currently attributed by the Council to properties leased to RL.
2. The length of lease will be until 31 December 2022 or such other date as maybe mutually agreed.
3. Renfrewshire Leisure will occupy for the period of the refurbishment contract for the Museum project. The rent will remain at £1 per annum throughout
4. Renfrewshire Council, will process utility and service charge costs for the Robertson Centre and proportionately divide this cost between the RVJB and RLL via an appropriate service charge.
5. the Robertson Centre will become a multi-occupied building with two separate rates entries. RLL, will require to meet any budget costs for any rating liability.
6. The cost of the alteration works to the Robertson Centre, for the first floor to accommodate the RLL staff move, the Council will absorb these costs within its Museum project.
7. In respect to the grant of a lease, each party will meet their own professional and legal expenses

Implications of the Report

1. **Financial** – Reduced rental charge to RVJB of -£22750, which will benefit the RVJB service moving forward. Cost implications re the fit-out works to achieve this being met from existing budgets within the Museums project.
2. **HR & Organisational Development** – None.
3. **Community Planning** -None
4. **Legal** – Undertake a lease renunciation with RVJB and grant of new leases to RVJB and to Renfrewshire Leisure.

5. **Property/Assets** – As per this report.
 6. **Information Technology** – None.
 7. **Equality & Human Rights**
 - (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 because no groups or individuals have any involvement currently at the property. 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.
 8. **Health & Safety** – None.
 9. **Procurement** – Not applicable.
 10. **Risk** – None.
 11. **Privacy Impact** – Not applicable.
 12. **Cosla Policy Position** – Not applicable.
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List of Background Papers

- (a) Background Paper 1 – None.
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Renfrewshire
Council

Robertson Centre, Glasgow Road, Paisley

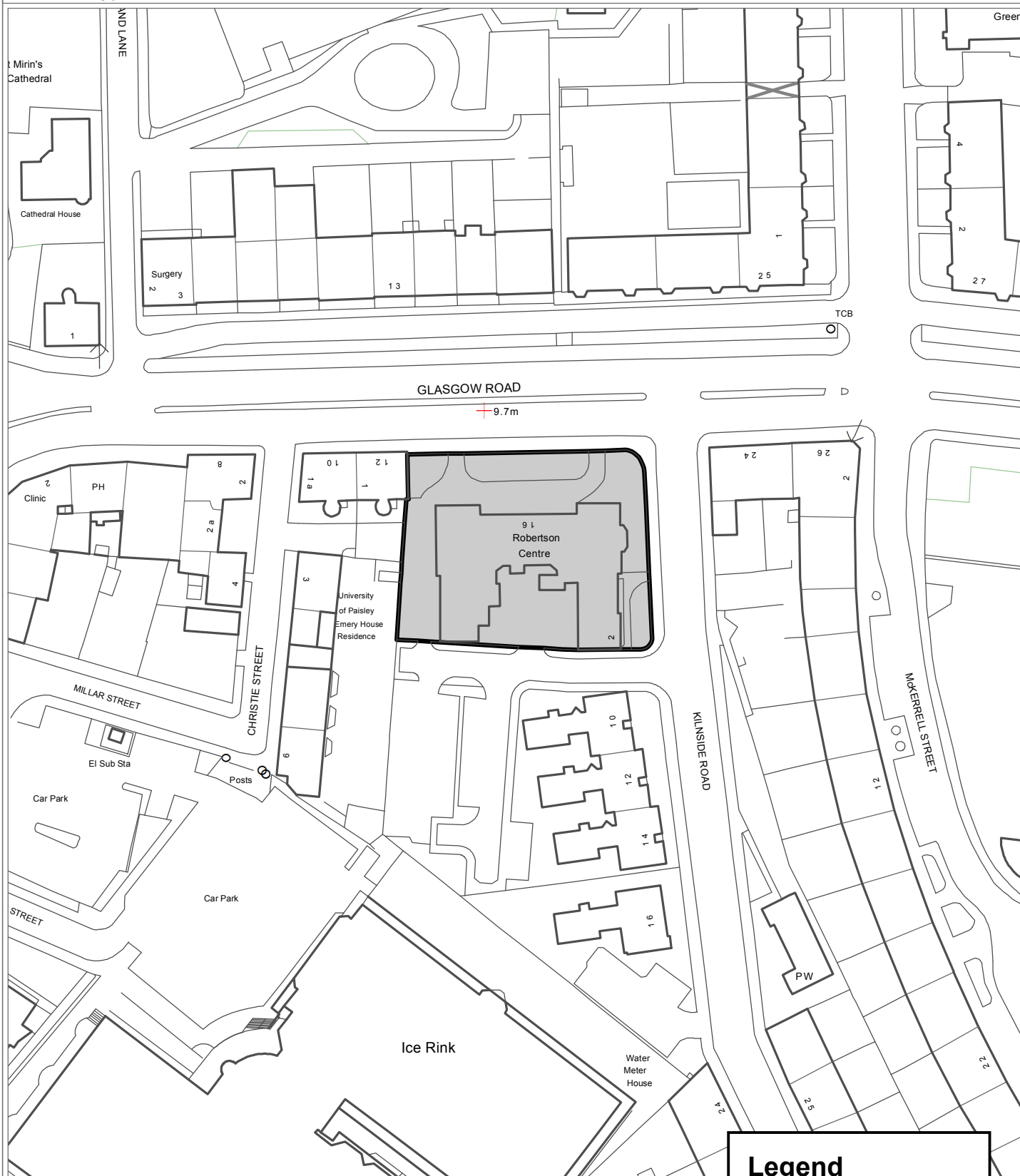
Report Plan Ref. E2588



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Notes:

Legend

 Robertson Centre

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