

**To: Infrastructure, Land and Environment Policy Board**

**On: 7 June 2017**

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**Report by: Director of Finance & Resources**

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**Heading: Renfrewshire Community Meals Service – Lease Renewal**

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## **1. Summary**

- 1.1 The purpose of this Report is to seek authority from Members to renew the lease of premises at Unit 11 Baltic Business Park Paisley for the Community Meals Services as part of the Renfrewshire Community Health Partnership.
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## **2. Recommendation**

The Board is asked to:-

- 2.1 Authorise the Head of Property and the Head of Corporate Governance to conclude a new lease of the premises at Unit 11, Baltic Business Park, Murray Street, Paisley, as shown on the attached report plan, on the provisional terms and conditions outlined in this report, and subject to such other conditions as may be considered necessary to protect the interests of the Council.
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## **3. Background**

- 3.1 The Head of Health and Social Care Services of Renfrewshire Community Health Partnership has advised of the need to continue the Renfrewshire Community Meals Service, initially looking to extend the current lease. The Head of Property was instructed accordingly.
- 3.2 Renfrewshire Council currently lease premises at Unit 11 Baltic Business Park, Murray Street Paisley in terms of a 10 year lease from 29 September 2007, for the Community Meals Service at an annual rent of £17,826 plus VAT.

- 3.3 In terms of the existing lease, there was scope for the landlord to seek to review the rent at the end of year 5, however when the review was scheduled in 2011 the rent was not increased due to the then market conditions. This current lease also provided the Council with an opportunity to extend the lease for a further 10 year period, subject to the rent being reviewed to current market value levels. Following clarification with the Head of Health and Social Care, it became apparent that it would not be in the Council's interest to implement the option for the 10 year extension, and the Head of Property requested that the landlord offer terms for a 5 year lease to continue the service at this locality.
- 3.4 The Head of Property also considered options for a suitable relocation for the service within the Council's property portfolio, in seeking to end the current leasing obligations. Whilst potential alternative premises had been identified and will remain under consideration, the practicalities and timing of any potential move meant that this cannot be completed in time for the current lease end date. Accordingly, for service continuity, there is a need to continue occupying the current leased premises.
- 3.5 Discussions for a lease extension / new lease have been concluded with the Landlord, with an improvement in the market for this type of property resulting in the terms noted in part 4.
- 3.6 The potential for relocation will remain under consideration during the lease extension period. If that does indeed progress, a suitable replacement occupier will be sought.
- 4. Provisional Terms and Conditions**
- 4.1 The current lease has been in place since 28/9/2007 with the current passing rent of £17,826 + VAT per annum, payable quarterly in advance. It is on a full repairing and insuring basis. Following discussions with the Landlord he has offered a new lease / lease extension under a 5 year term only at a revised rental of £22,275 + VAT per annum, with all other lease terms generally remaining the same albeit the Landlord will provide a 3 month rent free period as an incentive for renewing the lease. It is anticipated however that the existing cap on the service charge in place under the current lease will be ended under a new lease.
- 4.2 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
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## **Implications of this report**

1. **Financial Implications** – Annual rental of £22,275 payable per annum over 5 years, with additional service charges and insurance payments.
2. **HR and Organisational Development Implications** - None

**3. Community Plan/Council Plan Implications**

Wealthier and Fairer – continuation of a popular and well used service.

Smarter - None.

Healthier – beneficial nutrition to client users.

**4. Legal Implications – New lease / lease extension to be concluded.**

**5. Property/Assets Implications – As per this report.**

**6. Information Technology Implications - None**

**7. Equality and Human Rights Implications**

(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 membership of both groups is open to all members of the community. 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 and Safety Implications – None.**

**9. Procurement Implications – None.**

**10. Risk Implications – None.**

**11. Privacy Impact – None.**

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**List of Background Papers**

Report to Council on 14<sup>th</sup> December 2006 entitled "Lease of Premises at Baltic Business Park, Murray Street, Paisley for Renfrewshire Community Meals Service".

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# FINANCE & RESOURCES

## ASSET & ESTATES SECTION



Renfrewshire  
Council

TITLE	REPORT PLAN BALTIC BUSINESS PARK MURRAY STREET / MACDOWALL STREET, PAISLEY	DRAWING No.	E2616	SCALE	NTS
		DRAWN BY	JW	DATE	MAY 2017

