

To: Infrastructure, Land & Environment Policy Board

On: 9 November 2022

Report by: Chief Executive

Heading: 15 Year Lease Renewal – JW Grant and Son Ltd, 70 Love Street Paisley

1. Summary

- 1.1 The purpose of this Report is to seek authority to renew the lease of the land and buildings at 70 Love Street, Paisley as shown on the attached plan E3268, to the existing tenant JW Grant and Son Ltd.
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2. Recommendation

The Board is asked to:-

- 2.1 Authorise the Head of Corporate Governance to renew the lease of 70 Love Street, Paisley to the exiting tenant for a 15 year period on the provisional terms and conditions outlined in this report.
- 2.2 This is 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 JW Grant and Sons Ltd currently lease the property at 70 Love Street, Paisley for use as a builder's merchants.
- 3.2 The current lease commenced on the 12th of November 2006 for a 15 year term. The lease has been running on tacit relocation/annually since the 11th of November 2021. The current rent is £41,000 per annum and there have been no reviews implemented since the start of the current lease.
- 3.3 The tenant approached the Council looking to extend the lease for a further 15 year period on a reduced rent of £40,000.

- 3.4 After a period of negotiation, the tenant has agreed to an increased rent of £52,000 which is in line with current market rates for similar properties and is reflective of the length of time since the rent was reviewed.
- 3.5 Provisional terms have been agreed by the tenant and are detailed below and notice has been served to bring the existing lease to an end.

4. Provisional Terms and Conditions

- Term – 15 years
 - Commencement Date – 12th November 2022 coinciding with the expiry of the existing lease.
 - Rent - £52,000 per annum from the commencement date exclusive of VAT, service charge, insurance, business rates and other outgoings payable as per the existing Lease.
 - Rent Review – Every 5 years from the commencement of the lease
 - Break Option – Mutual on the 10th anniversary of the commencement of the lease.
 - Each party is responsible for their own legal costs incurred in this transaction.
 - The tenant is responsible for any LBTT, VAT and registration dues payable.
 - The above terms are subject to the Landlord's formal board approval and conclusion of formal missives.
 - The lease transaction shall include such other terms and conditions as may be considered necessary by the Head of Economy and Development 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 £52,000 +VAT, Service Charge and Insurance per annum.
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** – Lease extension to be concluded.
5. **Property/Assets Implications** – As per this report.
6. **Information Technology Implications** - None
7. **Health and Safety Implications** – None.

- 8. **Procurement Implications** – None.
- 9. **Risk Implications** – None.
- 10. **Privacy Impact** – None.
- 11. **Cosla Policy Position** – Not Applicable.

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Ground at 70 Love Street, Paisley

Report Plan Ref. E3268

JW

Date: 04/08/2022



Legend



Area to be leased to JW Grant & Son Ltd

Notes: