

To: Infrastructure, Land & Environment Policy Board

On: 24 January 2024

Report by: Chief Executive

Heading: Two Lease Renewals (Renfrewshire Council as Tenant), Tannahill Centre, Blackstoun Road, Ferguslie, Paisley

1. Summary

- 1.1 Renfrewshire Council is the tenant of The New Tannahill Centre Limited in two premises at the Tannahill Centre. The purpose of this report is to seek approval for the renewal of these leases on provisionally agreed terms.
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2. Recommendations

It is recommended that the Board:

- 2.1 Authorises the Head of Corporate Governance to renew the leases of the nursery and library premises at the Tannahill Centre, Paisley on terms outlined in this report.
- 2.2 This is subject to such other conditions as may be considered necessary to protect the interests of Renfrewshire Council.
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3. Background

- 3.1 Renfrewshire Council has two leases at The Tannahill Centre, Blackstoun Road, Ferguslie, Paisley from landlord The New Tannahill Centre Limited. These are premises for Ferguslie pre-five Nursery and Ferguslie Library.
- 3.2 The lease for both premises commenced on 30 October 2014 running until 29 October 2022. They have continued on tacit relocation (rolled over) since then.

The current rent for the library is £22,374 and for the nursery £31,931. Both rents were set in 2014 and have not increased since.

- 3.3 The landlord served a notice to quit on 20 July 2023 which had the effect of ending the leases on 29 October 2023. Short term extensions to facilitate negotiations were agreed by the ILE Board in August 2023.
- 3.4 Both the nursery and the library services have been consulted and wish to remain in the Tannahill Centre.
- 3.5 Following negotiations the following provisional terms and conditions have been agreed. It should be noted that although the increases seem significant there was no increase for nine years. The proposed new rents are in line with current market rents. The increase has also been limited in the first year to mitigate the effect.

4. Provisional Terms and Conditions

- Term – 10 years
- Commencement Date – 30 October 2023 coinciding with the expiry of the previous lease.
- Rent -
Nursery - £44,000 per annum from the commencement date until 29 October 2024 then £50,000 per annum until the first rent review, exclusive of VAT, service charge, insurance, business rates and other outgoings.
Library - £30,000 per annum from the commencement date until 29 October 2024 then £40,000 per annum until the first rent review, exclusive of VAT, service charge, insurance, business rates and other outgoings.
- Rent Review – Upwards only market review every 5 years from the commencement date of the lease.
- Break Option – At year 5, it is hoped that more frequent options can be negotiated.
- Service Charge – Proportional service charge based on floor areas.
- The tenant is responsible for any LBTT, VAT and registration dues payable.
- 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.

Implications of the Report

1. **Financial** – Rent Payments of £74,000 per annum rising to £90,000 per annum in October 2024.
2. **HR & Organisational Development** – None.

3. **Community Planning –**
Children and Young People – Continued childcare and library provision.
Empowering our Communities – Library provision.
4. **Legal** – Lease renewal will be required.
5. **Property/Assets** – As per 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. 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** - None.
10. **Risk** – None.
11. **Privacy Impact** – None.
12. **Cosla Policy Position** – Not Applicable.

List of Background Papers

(a) N/A.

Author: Aileen Johnston, Principal Estates Surveyor,
aileen.johnston@renfrewshire.gov.uk