

To: Planning and Property Policy Board

On: 23rd August 2016

Report by: Director of Finance and Resources

Heading: Lease Renewal – Glasgow and The Clyde Valley Strategic
Development Planning Authority (Clydeplan)

1. Summary

- 1.1 Renfrewshire Council, as lead authority for Glasgow and The Clyde Valley Strategic Development Planning Authority (**Clydeplan**), maintains a lease of premises at 125 West Regent Street, Glasgow, extending to 242 sqm or thereby with 1 car parking space (the **Premises**), as operational offices for that group.
 - 1.2 For continuation of the service, the lease is proposed to be extended for a term of 3 years, with the Tenant only ability to terminate the extended lease at the end of the first year of the extended lease period.
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2. Recommendations

- 2.1 It is recommended that the Board authorise the Head of Corporate Governance to conclude a lease extension for the Premises noted above, based on the provisional terms and conditions outlined in this report, and subject to such other conditions as may be considered necessary by the Head of Corporate Governance and the Head of Property Services.
- 2.2 Note that the Glasgow and the Clyde Valley Strategic Development Joint Committee will be asked to approve the continuation of the Service at this location at its Board meeting on the 12 September 2016.

3. **Background.**

- 3.1 Renfrewshire Council has maintained a lease of the Premises since 27th October 2006, with that lease due to end on 26/10/2016. The current lease is on a Full Repairing and Insuring basis, with a current passing rent of £39,000 exclusive of VAT set at the last rent review on 27/10/2011. A service charge is payable in addition for maintenance of common parts of what is a multi-occupied building, as is the Landlord's insurance, all typical of such commercial arrangements.
- 3.2 Current Renfrewshire Council Asset Management Strategy, in seeking Best Value, encourages relocation of services out of existing privately leased premises where practicable and into Renfrewshire Council or other appropriate publicly owned premises, or premises under longer existing leases, which are underutilised, to seek savings to the public purse. Clydeplan however is set apart, in consideration from normal Renfrewshire Council services, in that it is funded jointly by all 8 of the Clyde Valley Constituent Authorities. In consultation with Principal Officers of the Clydeplan Steering Group representing the Constituent Authorities, it is considered that Glasgow City Centre is the most appropriate solution for continuation of the service given its central location, for ongoing operational requirements and to ensure effective service delivery. Renfrewshire Council acts as lead authority to provide administrative backup and as the legal entity for formal procurement requirements such as entering into legal agreements.
- 3.3 Accordingly, Glasgow City Council and the Scottish Government (Scottish Futures Trust) provided for consideration and review a number of property options for relocation into publicly owned (or long leased) premises in Central Glasgow. All options were however either unsuitable, for reasons such as timing of availability, lack of suitable DDA access, cost etc., or there were competing public sector interests which required to be prioritised.
- 3.4 Time has passed and it has become apparent that no alternative option will be available in time for the current lease end, hence the need to continue with the current lease. Accordingly, discussions have been concluded with the Landlord of the Premises over provisional options, dependent upon what length of lease extension term is required. Deemed an operational matter by the Clydeplan Steering Group and delegated to the Management Team for the continuation of the service, a 3 year term has been settled upon with a Tenant only Break Option, which allows the proposed extended lease to be terminated without penalty 1 year after the date of the commencement of the lease extension period (i.e. on 26th October 2017), rather than remaining under lease for the full 3 years. This option is intended to allow flexibility should Scottish Futures Trust or other public body identify a future suitable public sector relocation option. The proposed lease extension will be reported to the Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee due to meet on 12th September 2016 seeking its approval, prior to Renfrewshire Council concluding the legal agreement..

4 Provisional Terms and Conditions

- 4.1 The existing lease terms and conditions (including the rental payments and all other monetary payment provisions) will remain the same, other than the lease term which will be extended until 26th October 2019, but with a Tenant only Break Option on 26th October 2017, exercisable with 3 months prior written notice from the Tenant.

Implications of the Report

1. **Financial** – The Tenant will remain liable for the current lease outgoings. In the case of rent, this will remain fixed for the remaining lease term at £39,000.
2. **HR & Organisational Development** – Continuation under the current lease option for the service will ensure staffing continuity and a central location for meeting of the constituent authorities.
3. **Community Planning –**
Children and Young People – N/A
Community Care, Health & Well-being – N/A
Empowering our Communities – N/A
Greener – N/A
Jobs and the Economy – N/A
Safer and Stronger – N/A
4. **Legal** – completion of lease extension / lease variation missives.
5. **Property/Assets** – as per the report.
6. **Information Technology** – N/A.
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** – Only in that the Landlord decides to end the current leasing arrangement.
11. **Privacy Impact** – None.

List of Background Papers

(a) Background Paper 1 None

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