Item 7

25th August 2022

Glasgow City Council

Contracts and Property Committee

Report by Executive Director of Neighbourhoods, Regeneration and Sustainability

Contact: George Gillespie Ext: 79106

Proposed variation to various leases between City Property Glasgow (Investments) LLP (CPGI) Glasgow City Council (GCC) all relating to the City Halls, 100 Candleriggs, G1 1NQ

Purpose of Report:

To outline the background and seek authority to vary the leases between City Property Glasgow (Investments) LLP (CPGI) and Glasgow City Council (GCC) in respect of the City Halls, the sub-lease between GCC and Culture and Sport Glasgow (GL) and approve the variation to the sub-lease from GL to British Broadcasting Corporation (BBC).

Recommendations:

That the Committee:

I. Notes the content of this report.

II. Grants authority for a variation to the Leases between between City Property Glasgow (Investments) LLP (CPGI) and Glasgow City Council (GCC) in respect of the City Halls, the sub-lease between GCC and Culture and Sport Glasgow (trading as Glasgow Life) and that to the British Broadcasting Corporation (BBC) on the basis of the terms outlined within this report and otherwise on terms satisfactory to the Director of Legal and Administration.

Ward No(s): 10 Citywide:

Local member(s) advised: Yes √ consulted: Yes√ No

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1.0 Introduction

The purpose of this report is to seek approval for variation of the leases firstly between City Property Glasgow (Investments) LLP (CPGI) and Glasgow City Council (GCC) in respect of the City Halls secondly, approval for variation to the various other City Hall lease interests between GCC and Culture and Sport Glasgow (trading as Glasgow Life) and British Broadcasting Association (BBC), all to reflect the revised Deed of Conditions referenced in those leases..

2.0 Background

2.1 CPGI acquired the City Halls from GCC in June 2019. Subsequently they acquired an additional piece of ground in October 2020. These acquisitions consolidated ownership of the entire site under one CPGI title as shown hatched and cross-hatched on the attached plan.

2.2 At the time of purchase (June 2019) CPGI reserved a right in favour of the adjacent City Halls which were at the time in GCC ownership. The extent of the City Halls is shown cross hatched on the attached plan. The right was reserved to take access over a maintenance strip which runs along the southern boundary of the Subjects, adjacent and parallel to the City Halls gable end wall and extending to a depth of approximately 1.2 metres. The maintenance strip is shown hatched and shaded grey on the attached plan. The purpose of the maintenance strip was to provide access to the City Halls gable wall (shown marked A, B, C and D on attached plan) for the purpose of inspecting, repairing maintaining and carryout out any other works reasonably required to the gable end wall.

2.3 At the end of January 2020 City Property (Glasgow) LLP (CPG) commenced marketing of the vacant site on behalf of CPGI as a mixed-use development opportunity. The marketing material provided that the right over the maintenance strip referenced in paragraph 2.2 above should only remain to the extent that it remained possible to access the strip following development of the site. Where this was not achievable, bidders were asked to provide alternative maintenance arrangements.

2.4 A closing date was set for 28 August 2020. The highest compliant bid was received from Artisan Real Estate Ltd who submitted a scheme for a residential development with a commercial use on the ground floor. The proposed sale to an SPV of Artisan Real Estate Ltd (Artisan Glasgow Ingram Ltd) was approved by CPGI in March 2021.

2.5 Missives were concluded on 14 January 2022 conditional only upon Artisan obtaining a satisfactory planning consent. The longstop date for purification of the planning condition is 14 January 2023. The planning application has been lodged.

2.6 The concluded contract incorporates an agreed revised Deed of Conditions setting out a maintenance plan for the gable end wall of the City Halls. The missives permit adjustment to the Deed if changes were made to the proposed scheme as it progressed through the planning process.

2.7 The various leases from CGPI to GCC and thence in the sub-leases all refer to the original Deed of Conditions and it is required that the leases reflect the new Deed of Conditions. The new agreed Deed of Conditions gives a greater level of rights to enable repairs and maintenance to the City Halls' gable.

3.0 Policy and Resource Implications

Resource Implications:

Financial:	No impact
Legal:	All transactions will be subject to review and conclusion by Glasgow City Council's Corporate and Property Law Section.
Personnel:	There are no direct personnel implications.
Procurement:	There are no relevant procurement issues.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.	No equality related outcome.
What are the potential equality impacts as a result of this report?	No impact.
Please highlight if the policy/proposal will help address socio-economic disadvantage.	No impact.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:	No significant Impact.
What are the potential climate impacts as a result of this proposal?	No significant Impact.
Will the proposal contribute to Glasgow's net zero carbon target?	No significant Impact.
Privacy and Data Protection Impacts:	No Privacy and Data Protection impacts identified.

4.0 Recommendations

That the Committee:

I Notes the content of this report.

II Grants authority for a variation to the Leases between between City Property Glasgow (Investments) LLP (CPGI) and Glasgow City Council (GCC) in respect of the City Halls, the sub-lease between GCC and Culture and Sport Glasgow (trading as Glasgow Life) and that to the British Broadcasting Corporation (BBC), on the basis of the terms outlined within this report and otherwise on terms satisfactory to the Director of Legal and Administration.