Item 8

16th June 2022

Glasgow City Council

Contracts and Property Committee

Report by Executive Director of Neighbourhoods, Regeneration & Sustainability

Contact: George Gillespie Ext: 79106

PROPOSED LEASE EXTENSION OF GORBALS LIBRARY AT 180 CROWN STREET, G5 9XD.

Purpose of Report:
To seek authority to conclude negotiations for the proposed lease extension of Gorbals Library 180 Crown Street, G5 9XD.

Recommendations:

The Committee is asked to:

1. Note the content of this report.

2. Approve the terms of the proposed lease extension of Gorbals Library on the terms contained within this report and

3. Approves that the Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration be authorised to conclude all other matters pertaining to the lease of the subjects and to enter into necessary legal agreements on terms which are in the best interest of the Council.

Ward No(s): 8 Southside Central	Citywide:
Local member(s) advised: Yes √	consulted: Yes √

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1 Introduction

1.1 The accommodation comprising Gorbals Library is let by landlords Crowngate Investments Limited to Glasgow City Council (GCC) on a lease due to expire on 23rd November 2023.

1.2 With the consent of the landlords GCC sub-let the accommodation to Glasgow Life (GL) who operate the library on behalf of GCC.

1.3 GL approached GCC Corporate Asset Management (CAM) to conduct an appraisal to identify the best solution to retain library provision within the Gorbals following the expiry of the current lease arrangements.

2 The Subjects

2.1 Gorbals Library occupies part of the ground floor of Lipton House situated on Crown Street at its junction with Hospital Street and Errol Gardens.

2.2 Lipton House comprises a modern purpose steel framed office and retail development constructed in 2003.

2.3 The library which extends to approximately 635 sq m (6,835 sq ft) was let as a developer's shell and subsequently fitted out by GCC to comprise modern office style accommodation with raised access floors and suspended acoustic tiled ceiling system.

2.4 This accommodation has been subdivided to form main library and internet access areas as well as staff and toilet accommodation

3 Current Position

3.1 GCC let the accommodation from landlords Crowngate Investments Limited and in turn sub-let the library to GL to run on behalf of GCC.

3.2 The existing lease is due to expire on 23rd November 2023.

3.3 Having completed an options appraisal for the retention of a library facility within the Gorbals area, Corporate Asset Management (CAM) established that there are no suitable alternative premises.

3.4 Consequently CAM entered into negotiations with the landlords and their agents to investigate the possibility of an extension to the existing lease.

3.5 In principle agreement has been reached to extend the lease until 31st March 2032. Across the city where GL operate facilities on behalf of GCC that lease arrangement expires on 31st March 2032.

3.6 Effectively the lease extension will be at the passing rent of £74,780 per annum and on the same terms and conditions as the existing agreement

with the exception of a rent review in November 2028 coincidental with a tenant option to break.

4 Provisionally Agreed Heads of Terms

- **Landlords –** Crowngate Investments Limited
- **Tenants –** Glasgow City Council
- **Sub-Tenants –** Glasgow Life
- **Lease Term** – to be extended from 23rd November 2023 until 31st March 2032
- **Rent –** to remain at **£74,780 per annum**
- **Rent Review –** 23rd November 2028
- **Break Option -** the tenants will have an option to break the lease by 23rd November 2028 upon giving not less than 4 months prior written notice.

5 Resource Implications:

Financial:	A continuing obligation to pay a rent of at least £74,780 per annum
Legal:	None
Personnel:	Protects existing staff deployment
Procurement:	None
Equality and Socio-Economic Impacts:	
Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.	No change
	N/A

What are the potential equality impacts as a result of this report?	N/A
Please highlight if the policy/proposal will help address socio-economic disadvantage.	N/A
Climate Impacts:	
Does the proposal support any Climate Plan actions? Please specify:	No change
What are the potential climate impacts as a result of this proposal?	No change
Will the proposal contribute to Glasgow's net zero carbon target?	None
Privacy and Data Protection Impacts:	No change

6 Recommendations

It is recommended that the committee:

1. Note the content of this report.

2. Approve the terms of the proposed lease extension of Gorbals Library on the terms contained within this report and

3. Approves that the Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration be authorised to conclude all other matters pertaining to the lease of the subjects and to enter into necessary legal agreements on terms which are in the best interest of the Council.