Item 11

16th June 2022

Glasgow City Council

Contracts and Property Committee

Report by Executive Director of Neighbourhoods, Regeneration and Sustainability

Contact: George Gillespie Ext: 79106

Proposed Lease of office accommodation on the 5th Floor, Commonwealth House, 48 Albion Street on behalf of the Health & Social Care Partnership

Purpose of Report:
To seek Committee's approval for the proposed lease of office accommodation comprising the 5th floor of Commonwealth House, 48 Albion Street on the terms as outlined in this report.

Recommendations:
It is recommended that the committee:

1. Notes the content of this report.

2. Approves the Council taking a lease of office accommodation comprising part of the 5th floor, Commonwealth House, 48 Albion Street as shown on the attached plan and on the terms contained within this report, and

3. Approves that the Director of City Development 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): 10 – Anderson/City/Yorkhill

Citywide:

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

***PLEASE NOTE THE FOLLOWING**:*

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1 Introduction

1.1 This report relates to the proposed lease of office accommodation on the 5th Floor of Commonwealth House, 48 Albion Street on behalf of the Health & Social Care Partnership (HSCP).

2 Background

2.1 Commonwealth House is owned and managed by City Property Glasgow (Investments) LLP. The Council currently leases extensive office space within the property including part of the ground, first and second floors which are leased on behalf of Social Work/HSCP. The rent and running costs for this accommodation is met out of the HSCP budget.

2.2 Due to challenges caused by the COVID pandemic, HSCP have recruited additional staff which in turn has resulted in increased demands on their existing office space at Commonwealth House.

2.3 Additional space on the 5th floor extending to 2,214 sqft has recently become available and terms have provisionally been agreed with City Property to lease the space to the Council, with the lease to be coterminous to the other Council held leases in the building.

2.4 The additional office space will enable HSCP to accommodate the additional staff recruited during the pandemic; will allow the co-location of existing teams currently utilising meeting rooms as touch down space elsewhere in Commonwealth House thereby freeing up the meeting rooms for their intended use; and will also enable the development of breakout rooms and private space to facilitate and support the move towards new ways of working as we emerge from the pandemic.

2.5 Specifically, the new space will allow staff to join virtual meetings out with the open plan office environment elsewhere in the building which does not afford the privacy that many of the services require for the discussions that occur.

2.6 The principal terms are outlined below;

3 Provisionally Agreed Heads of Terms

Landlord	City Property Glasgow (Investments) LLP.
Tenant	Glasgow City Council
Subjects of Let	The subjects comprises offices on the 5th floor of Commonwealth House, 48 Albion Street extending to 2,214 sqft measured on a net internal area basis and as shown on the attached plan.
Date of Entry	Upon conclusion of the legal agreement.

Expiry Date	9th August 2030.
Rent	£22,140 per annum exclusive of VAT.
Rent Review	The rent will be subject to review to open market rental value on 10th August 2025.
Tenant Break Option	The tenant to have a break option at 10th August 2025 subject to at least 6 months prior written notice.
Maintenance	The lease will be on tenant Full Repairing and Insuring terms.
Other Charges	The tenant will be responsible for all other occupational charges such as utilities and rates.

4 Policy and Resource Implications

Resource Implications:

Financial:	Occupational property costs will be met from HSCP budgets.
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 procurement issues.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.	N/A
What are the potential equality impacts as a result of this report?	No significant impact
Please highlight if the policy/proposal will	N/A

help address socio-economic disadvantage.	

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:	No
What are the potential climate impacts as a result of this proposal?	None
Will the proposal contribute to Glasgow's net zero carbon target?	No
Privacy and Data Protection Impacts:	None

3 Recommendations

It is recommended that the committee:

1. Notes the content of this report.

2. Approves the Council taking a lease of office accommodation comprising part of the 5th floor, Commonwealth House, 48 Albion Street as shown on the attached plan and on the terms contained within this report, and

3. Approves that the Director of City Development 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.