



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

Contact: Richard McIndoe, Ext: 77383

**Item 5**

19th March 2024

## SPFO Lease – Proposed Extension

### Purpose of Report:

To seek approval for a proposed 5-year extension to SPFO's current lease of office accommodation at Capella Building, York St., Glasgow.

### Recommendations:

The Committee is asked to **APPROVE** the proposed 5-year lease extension.

Ward No(s):

Citywide: ✓

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

### PLEASE NOTE THE FOLLOWING:

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## 1 Background

The Strathclyde Pension Fund Office (SPFO) has been based in the Capella Building within Glasgow's International Financial Services District (IFSD) since 2010, having signed up to a 15-year lease. The rent set out at the beginning of the lease was £282,850 (this included 4 car parking spaces at £2,500 per space). Since then, the rent has not moved. Passing rent is currently £25.01/sq. ft.

## 2 Lease Renewal

Given the fairly imminent expiry of the current lease, the Property and Consultancy Services team within GCC's Neighbourhoods, Regeneration and Sustainability department have been discussing terms of an extension with the landlord. Heads of terms have been provisionally agreed as summarised below.

## 3 Heads of Terms Provisionally Agreed with Landlord

<b>Landlord</b>	Wirefox
<b>Tenant</b>	Glasgow City Council (as Administering Authority for Strathclyde Pension Fund)
<b>Subjects of Let</b>	6 <sup>th</sup> Floor, Capella Building, 60 York Street, Glasgow, G2 8JX and associated car park spaces
<b>Date of Entry</b>	The effective date of the extension will be from 16 <sup>th</sup> July 2025
<b>Term</b>	5 years to 15 <sup>th</sup> July 2030
<b>Rent</b>	Passing rent of £316,100 per annum with an initial rent-free period of 9 months. (A net effective rent of £26.01 /sq. ft.)

## 4 Policy and Resource Implications

### Resource Implications:

*Financial:* All costs including service charge and any legal costs will be met by Strathclyde Pension Fund from its agreed annual budget.

*Legal:* All transactions will be subject to review and conclusion by Glasgow City Council's Corporate and Property Law Section..

*Personnel:* None.

*Procurement:* None.

**Council Strategic Plan:** SPF supports all Missions within the Grand Challenge of: ***Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.*** The LGPS

is one of the key benefits which enables the Council to recruit and retain staff.

**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?* 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:* N/a.  
Strathclyde Pension Fund's Climate Change strategy is being developed in line with Item 34 of the Council's Climate Action Plan. Appendices 6 and 7 of the business plan address climate change priorities. SPF's stewardship activity addresses all of the SDGs to some degree. This is reported regularly to the SPF Committee in a quarterly Investment Update.

*What are the potential climate impacts as a result of this proposal?*

*Will the proposal contribute to Glasgow's net zero carbon target?*

**Privacy and Data Protection Impacts:**

Are there any potential data protection impacts as a result of this report  
Y/N No.

If Yes, please confirm that  
a Data Protection Impact  
Assessment (DPIA) has  
been carried out N/a.

**5 Recommendation**

The Committee is asked **to APPROVE** the proposed 5-year lease extension.