



Glasgow City Council

Contracts & Property Committee

Report by Executive Director of Neighbourhoods, Regeneration and Sustainability

Item 4

13th June 2024

Contact: David McEwan

25-YEAR LEASE OF EASTERHOUSE SPORTS CENTRE, 47 AUCHINLEA ROAD, G34 9HQ TO EASTERHOUSE HENOSIS

Purpose of Report:

To seek authority to grant a 25-year lease of Easterhouse Sports Centre at 47 Auchinlea Road, Glasgow G34 9HQ to Easterhouse Henosis through the People Make Glasgow Communities programme.

Recommendations:

It is recommended that Committee:

1. Notes the content of this report.
2. Approves the terms provisionally agreed for an off-market letting of Easterhouse Sports Centre to Easterhouse Henosis, through the People Make Glasgow programme.
3. Grants authority for the Executive Director of Neighbourhoods, Regeneration and Sustainability to approve a 25-year lease to Easterhouse Henosis. Easterhouse Sports Centre is currently leased to Glasgow Life until 31st March 2032, therefore the authority is required to cover:
 - The consenting of a sub-lease from Glasgow Life up to 31st March 2032.
 - The granting of a lease beyond 31st March 2032, for the remainder of the 25-year term.

The lease will include as appropriate, terms and conditions that: (i) maintain a high level of public and democratic scrutiny over the operation of the council-owned facility, (ii) maintain close alignment with all relevant council policies, including mechanisms for 'keeping pace' with future policy changes, and (iii) provide options for recourse should either of these things cease to be maintained or if any actions are taken by the leaseholder which the Council considers detrimental to its reputation or to the wider public interest.

Ward No(s): 21 – North East

Citywide:

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

1.0 Introduction

- 1.1 The purpose of this report is to seek approval to grant a lease of Easterhouse Sports Centre to Easterhouse Henosis. The premises are identified on the attached plan.
- 1.2 The People Make Glasgow Communities programme is a mechanism by which local people, community groups, third sector and other organisations can express an interest in having a greater involvement in the management of local venues.
- 1.3 This report follows up on the report to the Contracts and Property Committee of 15 September 2022, which approved the commencement of negotiations with the Easterhouse Community Sports Hub Partnership for a lease of Easterhouse Sports Centre. The Partnership was a consortium comprising of three SCIO organisations: Basketball Scotland, The Phoenix and Easterhouse Community Sport Hub. It has since changed its name and is now known as Easterhouse Henosis.

2.0 The Subjects

- 2.1 The facilities at Easterhouse Sports Centre extend to 1.07 hectares (2.644 acres) overall as shown in the red line boundary on the attached plan and comprises of two sports halls, a general-purpose meeting room, changing facilities, toilets, gym and various office spaces. The Centre is accessed off Auchinlea Road and includes car parking.

3.0 Background

- 3.1 Easterhouse Sports Centre (the Centre) was built in 1990. It is a single storey metal framed building with masonry and pre-finished panels forming the external envelope. The Centre is owned by Glasgow City Council and leased to Glasgow Life.
- 3.2 Easterhouse Henosis (The Club) is a registered charity (SC052539), established in May 2023 to benefit the people of Easterhouse and neighbouring areas. Its objects are stated as being:
 - The prevention and relief of poverty by providing opportunities, training and education based on the needs of the community.
 - The advancement of education by delivering education, training and development programmes accessible to the community.
 - The advancement of health by providing a range of activities that promote improved physical, social and mental health.
 - The advancement of public participation in sport by providing a range of inclusive and accessible sporting activities.
 - The provision and organisation of recreational facilities and activities, with the object of improving conditions of life for the people of Easterhouse and neighbouring areas by reopening the sports centre in a way that engages and is accessible to the community.

- The relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage by providing a range of programmes to engage and benefit those most at need.

3.3 The Club has operated the Centre under a Licence to Occupy since August 2023, and now wishes to secure a long-term lease of the premises.

4.0 Evaluation of Application

4.1 The granting of a long lease of the Centre to The Club will help to ensure that the community continues to benefit from the facilities as detailed above.

4.2 The Club's application has been assessed by the PMGC project working group as well as the Community Asset Working Group consisting of officers from GCC and Glasgow Life. Both groups consider it a good application and recommend that the proposal for a 25-year lease is accepted based on the terms outlined below.

5.0 Terms

5.1 The following terms have been provisionally agreed with The Club:

Head Landlord: Glasgow City Council

Landlord: Glasgow Life

Tenant: Easterhouse Henosis

Rent: £750 per annum in line with the Council's Concessionary Rental Policy, subject to the annual submission to the Landlord of evidence of compliance with the Tenant's Obligations listed below. The rent shall be paid to the Landlord.

Rent Review: At the end of every 5th year, in accordance with the Concessionary Rental Policy prevailing at the time.

Date of Entry: 12 weeks after conclusion of missives.

Term: 25 years

Use: The Tenant will ensure that the Subjects remain a community asset used for the benefit of the community and will allow access to local clubs as well as teams and groups from Easterhouse Henosis.

The use is restricted to the playing of sport and physical activities, or other activity which makes best use of the Subjects. Complementary activities such as fairs, events

and community larders will also be permitted subject to obtaining any necessary permissions.

Break Options: The Tenant will have the option to break the Lease on the 2nd, 5th, 10th, 15th and 20th anniversary of the Date of Entry, upon providing the Landlord with a minimum of 6 months' written notice.

Repairing Obligations: The Tenant will have Full Repairing and Insuring liabilities, based on the Subjects being in a wind and watertight condition at the Date of Entry. The Head Landlord will support the Tenant in its efforts to secure investment for its future proposals.

Alterations: Structural alterations will not be permitted without the Head Landlord's prior written consent.

Non-structural alterations may be permitted with the Head Landlord's written consent, not to be unreasonably withheld.

Alienation: The Tenant will not be permitted to assign its interest in whole or in part.

Sub-letting of space within the Subjects may be permitted with the Landlord's prior written consent, not to be unreasonably withheld. Space within the Subjects may be made available for short-term hire.

Insurance: The Head Landlord will be responsible for the building insurance of the Subjects but does reserve the right to re-charge the costs to the Tenant.

For the Term of the Lease, the Tenant will maintain Public Liability cover for a minimum of Five Million Pounds Sterling (£5,000,000) and Employer Liability Insurance cover for a minimum of Ten Million Pounds Sterling (£10,000,000) and shall provide evidence of such cover to the Head Landlord upon request.

Dilapidations: The Tenant will be liable for its own contents insurance. At the termination of the Lease, a photographic Schedule of Condition prepared prior to entry will form the basis of the minimum condition in which the Subjects will be returned to the Landlord.

Rates and Utilities: The Tenant will be liable for payment of all costs.

Statutory

Compliance: The Tenant will be responsible for statutory checks and maintenance.

Tenant's Obligations: On each anniversary of the Date of Entry, the Tenant shall provide to the Head Landlord evidence of its compliance with the Use Clause in these Terms.

The Tenant understands that there will be a high level of public and democratic scrutiny over the operation of the Subjects as a Council owned facility and shall comply with any reasonable request from the Head Landlord.

Failure to comply may result in a significant increase in the annual rent in line with the open market rent at that time, or in the Tenant being served with written notice to terminate the Lease.

Legal Costs: Each party is responsible for its own costs in the preparation of the Lease.

6.0 Policy and Resource Implications

Resource Implications:

Financial: There are no financial implications.

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

Personnel: There are no personnel implications.

Procurement: There are no procurement implications.

Council Strategic Plan: The proposal supports:
Grand Challenge 1, Mission 3: Work with partners to promote and support people in Glasgow to achieve improved physical, mental and emotional health and wellbeing.

Grand Challenge 1, Mission 4: Maximise the impact of the 2023 UCI Cycling World Championships and Glasgow's year as European Capital of Sport, by increasing participation in sport for marginalised ground and assessing provision of indoor and outdoor sports facilities.

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 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 impact.

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

No impact.

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

No impact.

Privacy and Data Protection Impacts:

Are there any potential data protection impacts as a result of this report
Y/N

No

7.0 Recommendations

It is recommended that Committee:

1. Notes the content of this report.

2. Approves the terms provisionally agreed for a 25-year lease of Easterhouse Sports Centre to Easterhouse Henosis through the People Make Glasgow Communities programme.
3. Grants authority for the Executive Director of Neighbourhoods, Regeneration and Sustainability to approve a 25-year lease to Easterhouse Henosis. Easterhouse Sports Centre is currently leased to Glasgow Life until 31st March 2032, therefore the authority is required to cover:
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The lease will include as appropriate, terms and conditions that: (i) maintain a high level of public and democratic scrutiny over the operation of the council-owned facility, (ii) maintain close alignment with all relevant council policies, including mechanisms for 'keeping pace' with future policy changes, and (iii) provide options for recourse should either of these things cease to be maintained or if any actions are taken by the leaseholder which the Council considers detrimental to its reputation or to the wider public interest.