

**NORTH LANARKSHIRE COUNCIL
REPORT**

To: POLICY AND RESOURCES (REGENERATION AND INFRASTRUCTURE) SUBCOMMITTEE	Subject: NCT CENTRE, NEWMAINS PROPOSED SUB-LEASE OF LIBRARY AREA TO CULTURE NL LIMITED
From: HEAD OF CORPORATE PROPERTY AND PROCUREMENT	
Date: 19 May 2016	Ref: DMcC/WARD 19

1. INTRODUCTION

- 1.1 The purpose of this report is to seek Committee approval for the grant of a sub-lease of the library area within NCT Centre, Newmains to Culture NL

2. BACKGROUND

- 2.1 At its meeting on 27 September 2012, the Policy and Resources Committee approved the proposal that the Council progress the formation of a charitable organisation to manage and operate the Council's cultural and associated services. Subsequently the Policy and Resources (Regeneration and Infrastructure) subcommittee at its meeting on 21 February 2013 approved the proposal to grant leases of a large number of properties to the new charitable trust (Culture NL). The principles behind setting up of the Trust were to achieve efficiency savings for the Council by the establishment of a Not for Profit Distributing Organisation, effectively a Charitable Trust.
- 2.2 Committee will be aware that the report dated 8 March 2012 considered by Policy and Resources Committee advised that Newmains Community Trust (NCT) had applied for a grant to the Big Lottery for the construction of a purpose built Community Hub facility. The group have been successful in securing a significant grant of £2.34 million to create a purpose built community facility in Newmains. The development has now been built and is open to the public.
- 2.3 In support of this development, the council agreed to lease space on the ground floor for a replacement of Newmains Library and an office on the first floor for a housing office. The development also includes a café, kitchen, meeting rooms and a large multi purpose hall. In addition, the site will be extensively landscaped and improved.

3. DESCRIPTION

- 3.1 The new centre opened on the 24 August 2015 and includes (on the ground floor) space for the library, reception desk, dedicated office space for NCT, a cafe and kitchen space and a main events hall.
- 3.2 The First Floor provides 3 further community meeting rooms together with office space for Newmains Housing office and shared meeting room for office users.

4. PROPOSED SUB-LEASE

- 4.1 As Culture NL will be managing the library facility it is proposed that a sub-lease is granted to formalise this arrangement. It is therefore proposed that the sub-lease for this new facility should follow the terms and conditions in the lease between the council and Newmains Community Trust.
- 4.2 Members may recall that when the Trusts were set up it was agreed properties would be leased to the Trusts at less than market value, the terms having been designed to be flexible largely in the Council's favour but also to provide the Trust with the ability to operate and maximise the savings that can be secured.
- 4.3 It is proposed that the arrangements for this additional property are on broadly similar terms. The area to be leased is shown on the attached plan. The main lease terms are as follows:-

- a **Lease Term:** From the Date of Entry to 23 August 2040.
- b **Annual Rental:** £1 per annum, if asked. Cultural NL will also be responsible for a portion of the Service Charge.
- c **Date of Entry:** 24 August 2015
- d **Repairs/Maintenance:** Newmains Community Trust as landlord will be responsible for the maintenance and repair and, where necessary, be responsible for the reinstatement of the exterior and all structural parts of the building and to keep the subjects wind and watertight. Culture NL will be responsible for maintenance of internal parts of the building.
- e **Break Option:** Either party will have the option to terminate the sub-lease in whole or in part on giving 6 months' written notice.
- f **Other Terms:** All other terms and conditions and alterations to be in accordance with the standard lease terms for properties of this nature.

5. CORPORATE CONSIDERATIONS

- 5.1 The principle of granting the leases at less than market value was fully assessed when the council approved the main report in 2013. This sub-lease will be granted on the same terms as previously agreed. This report is in accordance with the terms of the Disposal of Land by Local Authorities (Scotland) Regulations 2010.
- 5.2 The report is consistent with current policy and is considered to return best value to the council in terms of securing operational and efficiency savings by the sub-lease of this property to Culture NL.
- 5.3 The council will retain the right at any time to regain control of the subjects in whole or in part on giving 6 months' notice, and this offers a large degree of protection for the Authority.

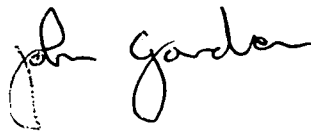
5.4 The report dated 21 February 2013 provided that the issue of state aid had been considered by the council and the proposal to transfer cultural and associated services to Culture NL formed part of an act of entrustment for a Service of General Economic Interest and did not constitute state aid. The proposed transfer from the council to Culture NL of lease for Newmains Library is considered to be an act of entrustment for a Service of General Economic Interest and does not constitute state aid.

6. RECOMMENDATIONS

6.1 It is recommended that Committee agree the terms of the sub-lease to Culture NL as detailed above.

6.2 That the report be referred to Learning and Leisure Services committee for information.

6.3 All other terms and conditions to be adjusted by the Head of Corporate Property & Procurement.

A handwritten signature in black ink, appearing to read 'John Gordon', with a stylized flourish at the end.

JOHN GORDON
Head of Corporate Property & Procurement

Members seeking further information on the contents of this report are asked to contact Mary Anne Robb, Business Manager – Estates on 01236 632667.

LOCATION PLAN - For Information Only

Title: Newmains Community Hub

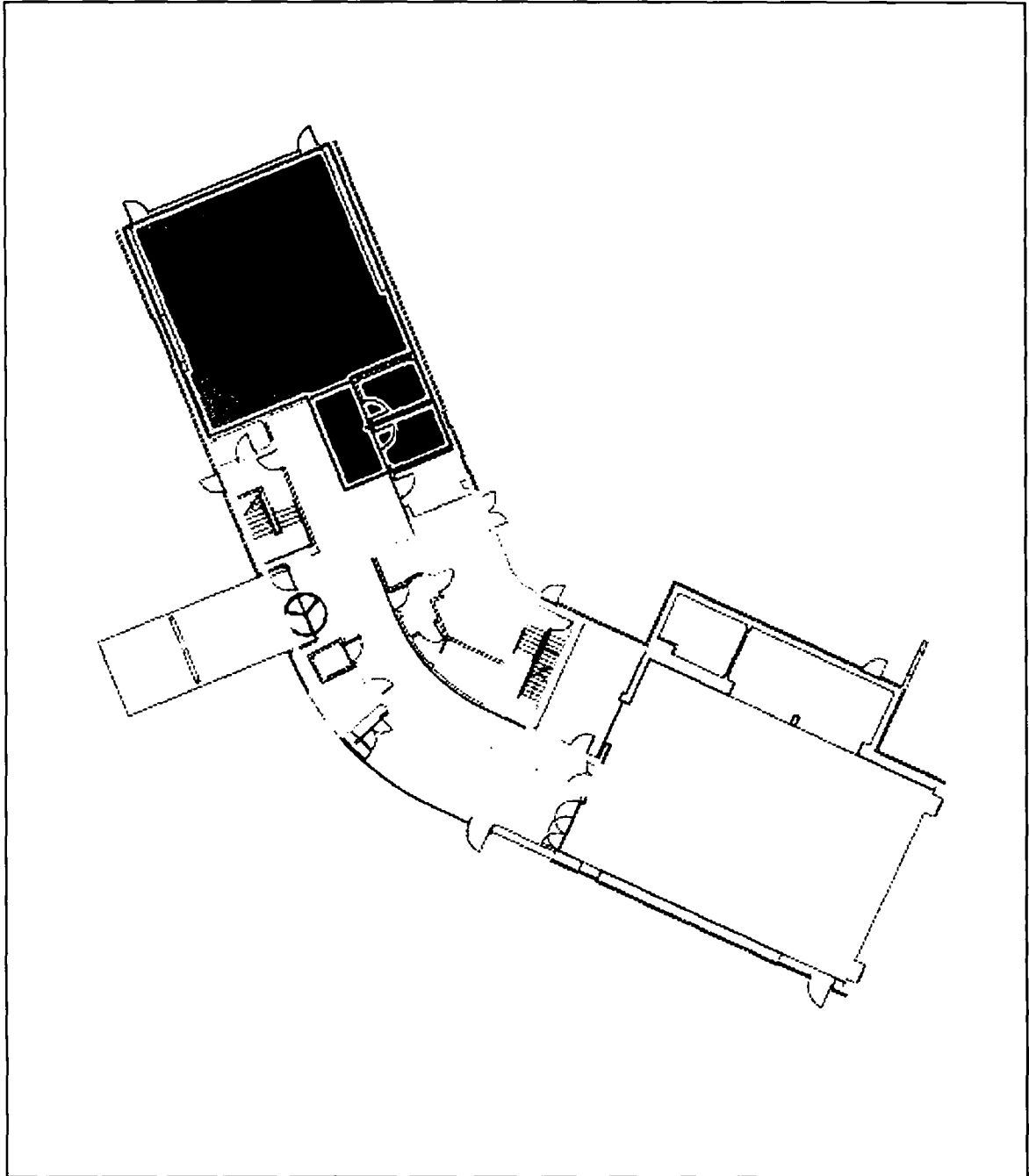
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Town: Newmains

Date: 25/04/2016

ENVIRONMENT & ESTATES



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