

North Lanarkshire Council

Report

Finance and Resources Committee

approval noting

Ref JM/IM

Date 27/11/19

Cumbernauld Indoor Bowling Club - Proposed Lease Variation

From James McKinstry, Head of Asset and Procurement Solutions

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Executive Summary

This report concerns a proposal to vary the existing lease and grant an unexpired lease term of 25 years to Cumbernauld Indoor Bowling Club to satisfy potential grant funding requirements.

The report outlines the following;

- The existing occupation and previous approval provided by the Council's Infrastructure Committee on 7 February 2018.
- The proposed heads of terms inclusive of the extended lease term.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Approves the proposed lease terms detailed within Section 2.2 of this report.
- (2) Agrees all other terms and conditions are to be adjusted by the Head of Asset & Procurement Solutions.

The Plan for North Lanarkshire

Priority Enhance participation, capacity, and empowerment across our communities

Ambition statement (15) Encourage the health and wellbeing of people through a range of social, cultural, and leisure activities

1. Background

- 1.1 The existing lease between North Lanarkshire Council and Cumbernauld Indoor Bowling Club commenced on 28 October 2016 and expires on 27th October 2021. The passing rental is £15,000 per annum exclusive of VAT.
 - 1.2 The building has suffered from water ingress in recent years. The Council recently carried out an inspection of the roof and produced a report on the condition which recommended various repairs to parts of the roof. Under the lease terms the Club are responsible for all repairs and maintenance, but due to the financial constraints the Club are not in a position to fund the repairs on their own and have requested assistance from the Council and external funders.
 - 1.3 The Council has provided details of various funding sources to the Club but it is likely that a longer term lease will be necessary to satisfy the level of funding required.
 - 1.4 The Council's Infrastructure Committee on 7 February 2018 consented to a 12 year extension from 28 October 2021 however it is understood that due to the extent of the costs involved a longer lease term of 25 years will be required by the Club.
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2. Report

2.1 Description

- 2.1.1 The property comprises a steel portal frame building with steel profile cladding and roof.
- 2.1.2 The property is located on North Carbrain Road within Cumbernauld Town Centre as shown on the attached plan.
- 2.1.3 The building extends to a gross internal area of 2,331 sq m (25,091 sq ft) or thereby.

2.2 Lease proposal

Provisional agreement has been reached with Cumbernauld Indoor Bowling Club on the following terms and conditions:

- 2.2.1 Lease
Extension: Unexpired term of 25 years from the date of variation.
- 2.2.2 Rent: The rent will remain at the current level of £15,000 per annum exclusive of VAT.
- 2.2.3 Rent Review: The rent shall be reviewed 5 yearly based upon the market rent.
- 2.2.4 Legal Fees: Both parties shall bear their own legal fees in connection with this transaction.

- 2.3 All other terms and conditions to be adjusted by the Head of Asset & Procurement Solutions.
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3. Equality and Diversity

- 3.1 Fairer Scotland Duty
There are no applicable considerations.
- 3.2 Equality Impact Assessment
There are no considerations in this regard.

4. Implications

- 4.1 Financial Impact
The proposed lease provides income over a period of 25 years for the Council.
- 4.2 HR/Policy/Legislative Impact
There are no specific impacts resulting from this proposal.
- 4.3 Environmental Impact
There are no specific impacts resulting from this proposal.
- 4.4 Risk Impact
Failure to enter into agreement with the existing tenant could result in the lease being terminated early losing the potential income stream for future years. The facility for the local community will also be lost.

5. Measures of success

- 5.1 The proposed lease may be measured upon the ability of the club to fulfil the lease terms and costs associated with the repairing and maintenance obligations as well as providing a continued service to the local community.

6. Supporting documents

- 6.1 Appendix 1 Location Plan.




James McKinstry
Head of Asset and Procurement Solutions

Appendix 1

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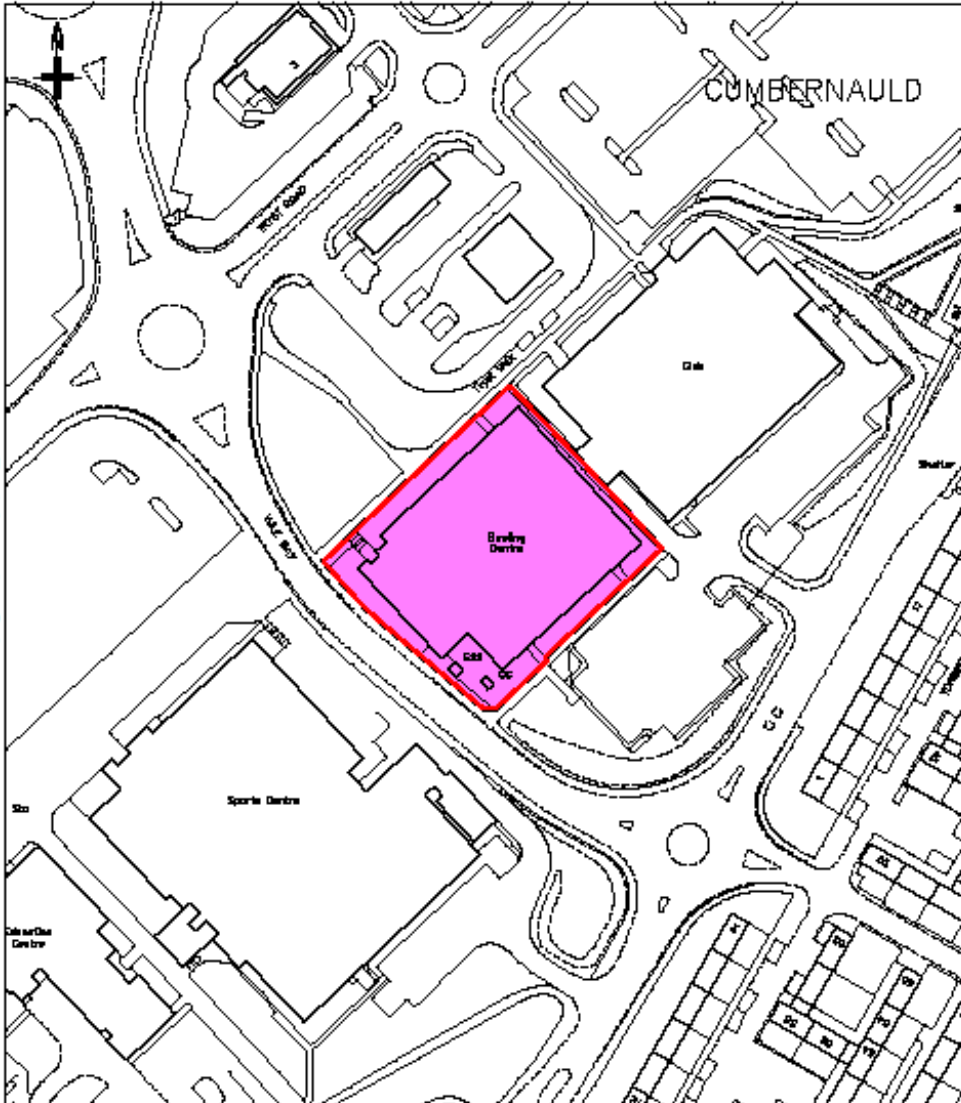
JH

LOCATION PLAN - For Information Only

Title: Cumbernauld Indoor Bowling Club Scale 1:N.T.S. 

Town: Cumbernauld Date: 16/10/2019

ENTERPRISE & COMMUNITIES



CARTOGRAPHIC & MAPPING SERVICES

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