



Glasgow City Council

Contracts and Property Committee

Report by Director of City Development

Contact: Ian Robertson Ext: 74570

Item 3

24th February 2022

SUB-LEASE OF PROVAN HALL 11 AUCHINLEA ROAD G34 9PQ

Purpose of Report:

To outline the background and seek authority for Glasgow City Council (GCC) to grant a sub-lease of the subjects as shown hatched on the attached Plan 1 to Provan Hall Community Management Trust (The Trust)

Recommendations:

It is recommended that the committee:

1. Notes the content of this report.
2. Grants authority for GCC to enter into a sub-lease to The Trust of the subject premises, on the basis of the terms outlined within this report and otherwise on terms satisfactory to the Director of Legal and Administration.

Ward No(s): 21 North East

Citywide:

Local member(s) advised: Yes No

consulted: Yes No

PLEASE NOTE THE FOLLOWING:

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1.0 Introduction

- 1.1 This report seeks to obtain Authority to grant a sub-lease of premises known as Provan Hall, 11 Auchinlea Road, Glasgow G34 9PQ including areas for a storage container and a bin store, all as identified and shown hatched on the attached Plan 1 and on the basis of the terms and conditions outlined below.
- 1.2 GCC has a Full Repairing and Insuring head lease for a term of 25 years of Provan Hall and the surrounding land as shown hatched on the attached Plan 2. GCC retains responsibilities for the entire area.

1.0 Background

- 2.1 This proposal forms a significant part of the Seven Lochs Project which is a 5-year programme of investment in the Seven Lochs Wetland Park and green network. The Project will –
- Develop the Seven Lochs Wetland Park as a new heritage and nature visitor attraction of national significance;
 - Deliver the Seven Lochs Heritage Project, a £6.8 million partnership project;
 - Drive forward the creation of the Seven Lochs Green Network, a high quality, multi-functional network of open spaces and green corridors, which includes the £4.5million Greater Easterhouse Green Infrastructure Project.
- 2.2 The Seven Lochs Partnership was formed in April 2014 to lead development and delivery of the Seven Lochs Project. The Partnership brings together GCC, North Lanarkshire Council (NLC), Forestry Commission Scotland, The Conservation Volunteers Scotland (TCV), Nature Scot (formerly SNH), Glenboig Development Trust and the Trust. GCC chairs the partnership and is the lead partner in the delivery of the project. National Lottery Heritage Fund (NLHF) announced an award of £4.5million for the Seven Lochs Heritage Project in July 2016.
- 2.3 The principal heritage project output for GCC is the comprehensive repair and restoration of Provan Hall, a Category A listed medieval building at Auchinlea Park. That work is well under way, due to complete in May 2022, and all funding is in place. Provan Hall is owned by the National Trust for Scotland (NTS) and leased for 25 years by GCC on a Full Repairing and Insuring basis. GCC therefore has an ongoing commitment to the entire property.
- 2.4 In August 2012, the Sustainability and the Environment Policy Development Committees instructed the then Executive Director of Land and Environmental Services to bring together a range of organisations forming a new body which would have the ability to raise funds and subsequently manage Provan Hall as a community facility. The structure and membership of the Trust were determined by GCC at that point.

- 2.5 The Trust shadow board was established by GCC following instruction, and the Trust was incorporated on 6th December 2017 as a Scottish Charitable Incorporated Organisation (SCIO).

3.0 Composition of the Trust's board:

The current Board members are:

Ian Montague –	FARE (Chair)
James Dean –	co-opted (Secretary)
Peter Mortimer –	co-opted (Treasurer)
Ruairi Kelly –	GCC (Vice-chair)
Maureen Burke –	GCC
Phil Goodman –	British Land
Samuel Gallagher –	NTS
Tom Barclay –	Wheatley Group
Sean McGivern –	co-opted

There are vacant places on the Board for the Trust and Glasgow East Arts Company.

- 3.1 In September 2016, the then Executive Committee approved the allocation of £500,000 to Land and Environmental Services to help deliver visitor facilities at Provan Hall, which would provide community assets and deliver community activities in line with Heritage Lottery's funding requirements.
- 3.2 The establishment of a sub-lease to the trust will enable them to source further external funding directly. In addition to the lease, there will be a Maintenance and Management agreement, and a detailed funding agreement, which, together, will regulate the Trust's occupation and use of the building. The details of the latter two documents are being finalised.

4.0 Current position

- 4.1 In the time between the submission and award of the original NLHF funding bid and the award of the refurbishment works contract, costs had risen significantly, additional funding was secured and with the project fully funded, work started on 11th January 2021 and is expected to complete in May/June 2022.
- 4.2 Considerable work has been carried out with the Trust, including the development of a business plan and an operational plan. These have been progressed alongside the finalisation of the design work and have determined what activities can be carried out and the likely income generating capacity.
- 4.3 Through the development of the business plan and carrying out due diligence, the Trust concluded that it was not financially viable to take on the full cost of

building maintenance and operation alongside the provision of community activities in the short term and identified a shortfall of approximately £20,000 per annum for the first five years of operation.

- 4.4 A funding agreement is currently being drafted between GCC/Seven Lochs/PHCMT to cover the estimated shortfall for the first five years. This time will allow the Trust to develop a range of income generating activities, and in subsequent years they hope to show a modest operating surplus as their capacity to generate income increases.
- 4.5 GCC will continue to meet utility costs and to cover their responsibilities under both the head lease and the management and maintenance plan for the first 5 years.
- 4.6 All funding will be subject to an annual review.
- 4.7 Given that the refurbishment project is nearing completion with an estimated handover planned for end May/Early June this year, we are seeking this authority at this time enabling formal lease negotiations to commence on a legal level to ensure an agreed lease is in place for handover. It is appreciated that some of the details may require finalising during the negotiation period but the fundamentals for which we are seeking authority at this time will not vary.

5.0 TERMS AND CONDITIONS

- **Head Landlord – National Trust for Scotland**
- **Mid Landlord - Glasgow City Council (GCC)**
- **Tenant – Provan Hall Community Management Trust**
- **Subjects – Provan Hall and associated areas as identified on the attached plan.**
- **Rent – Nil**
- **Term – 10 years from entry with a break option at year 5 in favour of the tenant.**
- **Date of Entry – on conclusion of refurbishment and legal formalities.**
- **Works – none as refurbishment to be completed before entry.**
- **Costs – GCC will be responsible for both parties' costs.**

6.0 Policy and Resource Implications

Resource Implications:

Financial:

The project costs and annual financial support will be met from funding already allocated.

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

Personnel: No implications

Procurement: No implications

Council Strategic Plan: This transaction relates largely to the undernoted aspect of the Council's Strategic Plan. It also relates to Heritage.

Resilient and Empowered Neighbourhoods which fully satisfies the stated outcomes namely:

Citizens and neighbourhoods can influence how services are developed and budgets spent.

In particular, this report will support and assist in achieving the following Council priorities.

74. Develop a more integrated approach to how we use our policies, assets and resources to improve community empowerment, neighbourhoods and delivering equality.

75. Extend participatory budgeting, giving local people a say in how local budgets are spent and services delivered and examine options to establish a new community and equalities unit to support communities in this process.

78. Deliver a programme of investment in new or refurbished community facilities.

79. Encourage the development of trusts, social and community enterprises to support community ownership and management of assets.

Common Good:

As the subjects are not within the ownership GCC, there is no common good aspect to consider.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.

An equality impact assessment (EQIA) is not required for this project.

What are the potential equality impacts as a result of this report?

As this is a new community facility, there will be a significantly positive impact as a contribution to equality.

Please highlight if the policy/proposal will help address socio-economic disadvantage.

As a range of community services are to be provided from this facility, it will make a positive contribution to Socio-economic disadvantage.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

Re-use and refurbishment of existing buildings is recognised as making a positive impact on climate change.

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

No direct impact on climate change but see above.

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

Re-use of existing buildings also makes a positive impact on net zero carbon targets. As part of the refurbishment, improvements will be made to energy efficiency within the building.

Privacy and Data Protection Impacts:

No impact.

7.0 Recommendations

It is recommended that the committee:

- 1 Notes the content of this report.
2. Grants authority for GCC to enter into a sub-lease to The Trust of the subject premises, on the basis of the terms outlined within this report and otherwise on terms satisfactory to the Director of Legal and Administration.