
Report To:	Policy and Resources Committee	Date:	22nd March 2016
Report By:	Corporate Director Environment, Regeneration and Resources	Report No:	P+R/16/03/01/SJ
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Subject:	Leasing Arrangements – Commercial and Industrial Property Portfolio		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Members' endorsement of the current criteria applied when considering a new lease or a lease renewal.

2.0 SUMMARY

- 2.1 The Commercial and Industrial Property portfolio is made up of one hundred and thirty two properties or sites which include the cinema, the boat club, industrial units and one hundred and five shops. The majority of these properties are covered by leases on a full repairing and insuring basis.
- 2.2 The occupancy levels within the portfolio have tended to remain consistently high and are currently eighty eight percent. Moves and changes within the portfolio are generally low at an average of under ten per annum and a number of void premises fall into the difficult to let category. The movement in the portfolio is reported to the Environment and Regeneration Committee on an annual basis.
- 2.3 The Management of the Commercial and Industrial Property Portfolio - Policy and Procedures Manual was created in 2007 and the management of the portfolio is based on that document. When considering a new lease or lease renewal, officers from the Economic Development Service consider the existing approved use of the premises; the likelihood of change of use if required; the mix of offer immediately adjacent to the premises or in the terrace; the length of lease and any potential redevelopment considerations.
- 2.4 The Policy and Resources Committee remitted to Officers to bring forward a report on a policy for ethical letting, however following consideration it is felt that the existing management arrangements available to Officers ensure appropriate control of the mix of Council tenants in the Commercial and Industrial Property portfolio and an additional policy document is not required.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee endorse the existing arrangement for new leases or lease renewals within the Commercial and Industrial Property portfolio.

Aubrey Fawcett
Corporate Director, Environment, Regeneration and Resources

4.0 BACKGROUND

- 4.1 The management of the Council's Commercial and Industrial Property portfolio (Non Operational Property) is carried out by the Regeneration and Planning Service.
- 4.2 The portfolio contains a total of one hundred and thirty two properties or sites which include the cinema, the boat club, industrial units and one hundred and five shops. The majority of these properties are covered by leases on a full repairing and insuring basis.
- 4.3 The occupancy levels within the portfolio have tended to remain consistently high and are currently eighty eight percent. Moves and changes within the portfolio are generally low at an average of under ten per annum and a number of void premises fall into the difficult to let category. The movement in the portfolio is reported to the Environment and Regeneration Committee on an annual basis.
- 4.4 In Port Glasgow the Council has fifty one shop premises in Bay Street, Bridgend Avenue, Church Street, Dubbs Road, Fore Street, John Wood Street, King Street and Moss Road. Of the fifty one properties forty four are let with the majority to retail clients in Classes 1 and 3 use, there are two chip shops (sui generis) and one bookmaker (Class 2).
- 4.5 In Greenock the Council has forty seven shop premises of which thirty nine are let and are located in Angus Road, Belville Street, Bow Road, Brigend Road, Broomhill Way, Cathcart Street, Cumberland Walk, East Hamilton Street, Fancy Farm Road, Grieve Road, Inverkip Street, Lynedoch Street, Nairn Road and Sir Michael Street. The majority are let to retail clients in Classes 1 and 3 use, there are six takeaways and one chip shop (sui generis) and one bookmaker (Class 2).
- 4.6 In Gourock the Council has seven shop premises of which five are let. All of the premises are Class 1 use.
- 4.7 It is clear that the types of use and the distribution of Council premises across the three town centres offers shoppers appropriate variety and does not give cause for concern,
- 4.8 Both Council and the Policy and Resources Committee have considered questions on ethical letting and this report addresses the outstanding remit from the Policy and Resources Committee. Any new policy in this subject area would be subject of an equalities assessment which would be rigorously scrutinised by any sector which may feel aggrieved. The adoption of such a policy would be at risk of challenge – no doubt by way of a judicial review and possibly on the grounds that the policy is unreasonable, irrational and unfair.
- 4.9 When considering a new lease or lease renewal, officers from the Economic Development Service consider the existing approved use of the premises; the likelihood of change of use if required; the mix of offer immediately adjacent to the premises or in the terrace; the length of lease and any potential redevelopment considerations. It is felt that the existing management arrangements provide appropriate control over the mix of offer of Council premises and any additional policy or amendment to the existing policy is not required. In respect of non Council owned premises, the vehicle to address ethical use of land/premises should be covered in the emerging planning legislation.

5.0 PROPOSALS

- 5.1 The Council as property owner is free to deal with its property as it sees fit.
- 5.2 Any new policy or amendment to the existing policy would be subject to an equalities impact assessment which would be rigorously scrutinised by any sector and could be the subject of legal challenge.
- 5.3 It is clear from the existing mix of retail offer that the existing policy is fit for purpose.
- 5.4 It is proposed not to introduce an ethical letting policy for the reasons highlighted above.

6.0 IMPLICATIONS

Finance

6.1 There are no direct financial implications arising from this report.

Financial Implications

One-off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a	n/a	n/a	n/a	n/a	n/a

Annually Recurring Costs/Savings

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From	Other Comments
n/a	n/a	n/a	n/a	n/a	n/a

Legal

6.2 There are no direct legal implications arising from this report.

An equalities assessment would be required for the introduction of any new policy together with relevant, substantive evidence and a process of thorough consultation with any relevant sectors.

Human Resources

6.3 There are no direct human resource implications arising from this report.

Equalities

6.4 There are no direct equalities implications arising from this report.

Repopulation

6.5 There are no direct repopulation implications arising from this report.

7.0 CONSULTATION

7.1 **Chief Financial Officer:** no requirement to comment.

7.2 **Head of Legal and Property Services:** has commented on the report.

8.0 BACKGROUND PAPERS

8.1 None.