

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – Supply, Distribution and Property

Infrastructure Regeneration and Economic Development Committee:

12 May 2021

Subject: Sub lease of 2nd and 3rd Floors, Aurora House, Clydebank

1. Purpose

1.1 The purpose of this report is to recommend to the Committee the sublease of 2nd and 3rd Floor, Aurora House, Clydebank to NHS24.

2. Recommendations

2.1 It is recommended that the Committee:

- (i) Approve the proposal for a sub lease of 2nd and 3rd Floors, Aurora House, Clydebank to NHS24.
- (ii) Authorise the Chief Officer, Supply, Distribution and Property to conclude negotiations.
- (iii) Authorise the Chief Officer, Regulatory to complete the sale on such conditions as considered appropriate.

3. Background

3.1 Aurora House is currently leased to West Dunbartonshire Council by Clydebank Property Company.

3.2 The current lease comprises of ground and three upper floors and associated parking spaces.

4. Main Issues

4.1 West Dunbartonshire Council were approached by NHS24 following the expansion at the Golden Jubilee Hospital and Asset Management have been working with them to find alternative accommodation.

4.2 The proposed sub lease for the 2nd and 3rd Floor of Aurora will reduce running costs for the Council on an ongoing basis.

4.3 It is proposed that there will be two separate leases for the 2nd and 3rd Floor which will allow NHS24 flexibility for staff returning to office accommodation post COVID-19.

- 4.4 The lease for the 2nd Floor will be on a 5 year basis with the proposed Tenant benefitting from a break clause after the first 12 months but by serving a 12 months written notice.
- 4.5 The lease for the 3rd Floor will be on a 5 year basis with no break clause.
- 4.6 The proposed tenant will be responsible for payment of all utility costs relative to both floors with a service charge being payable for the communal areas.
- 4.7 The proposed tenant will benefit from a 5 months rent free period to allow an internal fit out to meet with their service requirements.
- 4.8 The proposed tenant will benefit the exclusive use of 20 parking spaces per sub lease.

5. People Implications

- 5.1 There are no significant people implications on this report other than the resources required by the Asset Management and Legal Services to conclude the proposed lease.
- 5.2 Additional people implications will be impacted as the office accommodation reduces in size but this will form part of future workstyle return and processes for wider return to office accommodation post COVID-19 restrictions.

6. Financial and Procurement Implications

- 6.1 The Council will benefit from reduced revenue outlays for non-occupation of these floor the value of which equates to around £200,000 per annum.
- 6.3 There are no procurement implications arising from this report.

7. Risk Analysis

- 7.1 The deal is subject to legal and technical due diligence and NHS24 Ministerial approval.

8. Environmental Sustainability

- 8.1 An Environmental Sustainability is not applicable

9. Equalities Impact Assessment (EIA)

- 9.1 An Equality Impact Assessment is not applicable.

10. Strategic Assessment

- 10.1** By agreeing to this proposal the Council will benefit in terms of receiving a significant rental income.
- 10.2** The proposed sub lease ensures that jobs previously located at Golden Jubilee Hospital are retained within West Dunbartonshire Council.

Angela Wilson

Chief Officer

Date: 19 April 2021

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Appendices: None

Background Papers: None

Wards Affected: Ward 6