

# Finance and Resources Committee

2.00 p.m, Wednesday 13 May 2015

## Summary Report on Property Transactions concluded under Delegated Authority

Item number	8.1
Report number	
Executive/routine	Routine
Wards	City-wide

### Executive summary

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To advise the Committee of all lease agreements, etc, concluded in terms of the Council's 'Scheme of Delegation to Chief Officials'.

This delegated authority currently extends to the conclusion of all new leases of up to five years in length where the rental is no greater than £50,000 per annum and rent reviews where the rental is no greater than £50,000 per annum. The authority also includes the sale of property which has been declared surplus to the requirements of the Council and sold on the open market to the highest bidder. Any transactions outwith these parameters are reported separately to Committee.

### Links

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Coalition pledges	<a href="#">P30</a>
Council outcomes	<a href="#">CO7</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Summary Report on Property Transactions concluded under Delegated Authority

### Recommendations

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- 1.1 The Committee is asked to note that the 19 transactions detailed in the attached Appendix have been concluded in terms of the Council's 'Scheme of Delegation to Chief Officials.'

### Background

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- 2.1 Under the Council's Scheme of Delegation to Officers it is the responsibility of the Chief Executive or relevant Director to keep the elected members appropriately informed about activity arising within the scope of the delegated authority under the Scheme. Reporting on a quarterly basis is considered the appropriate manner and frequency of keeping members advised.

### Main report

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- 3.1 Appendix 1 provides details of 19 transactions completed under delegated authority since the last quarterly report. These transactions comprise 6 new leases, 1 event leases, 1 new licence for work leases, 2 lease renewals/extensions, 5 rent reviews, 3 disposals and 1 miscellaneous transaction.

### Measures of success

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- 4.1 n/a

### Financial impact

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- 5.1 There are no financial implications as a result of this report.

### Risk, policy, compliance and governance impact

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- 6.1 There are no risk, policy, compliance or governance impacts as a result of this report.

### Equalities impact

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- 7.1 Equalities and Rights Impact Assessments have been carried out on all of the enclosed transactions.

### Sustainability impact

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8.1 There are no sustainability impacts as a result of this report.

## Consultation and engagement

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9.1 n/a

## Background reading/external references

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N/a

### John Bury

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## Links

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<b>Coalition pledges</b>	P30 - Continue to maintain a sound financial position including long-term financial planning.
<b>Council outcomes</b>	CO7 - Edinburgh draws new investment in development and regeneration.
<b>Single Outcome Agreement</b>	SO1 - Edinburgh's economy delivers increased investment, jobs, and opportunities for all.
<b>Appendices</b>	Appendix 1.

## APPENDIX 1

**NEW LEASES**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
1. 12558/6 JAS	10 – Meadows / Morningside	Services for Communities HRA	137 Lauriston Place Edinburgh EH3 9JN	Mr. Chris Doonan t/a Electron Wheels Limited	Servicing and sale of electric mobility equipment and associated accessories	<b>Old Rent:</b> £13,000 per annum <b>New Rent:</b> £4,000 per annum, rising to £8,000 after 2 years <b>Lease Period:</b> 15 Dec 2014 – 31 Dec 2019 <b>Payable:</b> Monthly in advance from 15 December 2014
<input checked="" type="checkbox"/> <b>ERIA received?</b>						
<b>REMARKS:</b> <i>Rent from date of entry £4,000 per annum (exclusive) for initial 2 year period, thereafter reverts to £8,000 per annum (exclusive). Lower rental reflects that the basement is excluded from the lease.</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
2. 17426/4 JAS	13 – Leith	Services for Communities General Property	Unit 4 Bonnington Business Centre	Ramsay Cornish Auctioneers and Valuers Limited	Storage and ancillary office and sales use	<b>Old Rent:</b> £14,900 per annum <b>New Rent:</b> £16,335 per annum <b>Lease Period:</b> 30 Oct 2014 – 30 Apr 2015 and month to month thereafter <b>Payable:</b> Monthly in advance
<input checked="" type="checkbox"/> <b>ERIA received?</b>						
<b>REMARKS:</b> <i>Short term let</i>						

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
3. 21264/ JAS	7 – Sighthill / Gorgie	Services for Communities General Property	1 Murrayburn Gate Edinburgh EH14 3BL	Ms. Iscah NG'onomo	Grocery store	<b>Old Rent:</b> £9,340 per annum <b>New Rent:</b> £9,000 per annum <b>Lease Period:</b> 10 Mar 2015 – 9 Mar 2020 <b>Payable:</b> Quarterly in advance from 5 <sup>th</sup> May 2015

ERIA received?

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
4. 21289 JW	4 – Forth	Services for Communities General Property	Unit 12 9 Pennywell Court Edinburgh EH4 4TZ	T Chengeta	Hairdressing salon	<b>Old Rent:</b> £0 per annum <b>New Rent:</b> £6,000 per annum <b>Lease Period:</b> 5 years from 16 Mar 2015, with tenant break options at the end of year 1 and 3 <b>Payable:</b> Monthly in advance

ERIA received?

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
5. 8335 MB	11 – City Centre	Services for Communities HRA	98 West Bow Edinburgh	Calzeat and Company Limited	Retail	<b>Old Rent:</b> £17,000 per annum <b>New Rent:</b> £20,000 per annum <b>Lease Period:</b> 5 years from 20 Feb 2015 – 19 Feb 2020 <b>Payable:</b> Quarterly in advance

ERIA received?

REMARKS: *Tenant break option on 20/02/2017 on three months written notice. Annual rent of £20,000 on reduced floor area of 378 sq ft provides Zone A rate of £52.91. Tenant granted two months rent free to fit out.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
6. 35/W380N/9 MB	9 – Fountainbridge / Craiglockhart	Services for Communities General Property	Unit 9 West Gorgie Park Edinburgh	Brand Impact Merchandising Limited	Warehouse	<b>Old Rent:</b> £6,360 per annum <b>New Rent:</b> £7,000 per annum <b>Lease Period:</b> 5 years from 1 Apr 2015 to 31 Mar 2020 <b>Payable:</b> Quarterly in advance
<input checked="" type="checkbox"/> <b>ERIA received?</b> <b>REMARKS:</b> <i>New FRI lease. Annual rent of £7,000 on gross internal area of 775 sq ft provides rate of £9.03 per sq ft. Tenant granted three months rent free to fit out.</i>						

**NEW LEASES – EVENTS**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
7. 42/1391/6 JS	11 – City Centre	Children & Families	Hall, Rm 1, Conference Rm 1, Cupboard & Rm 3, at South Bridge Resource Centre, 6 Infirmary St, EH1 1LT	Greenside Venues Ltd	Festival space	<b>Old Rent:</b> £ NA <b>New Rent:</b> £11,880 for the period <b>Lease Period:</b> 25 Jul – 2 Sept 2015 <b>Payable:</b> In advance
<input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b>						

**NEW LEASES – LICENCE FOR WORKS**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
8. 5646 ROD	11 – City Centre	Services for Communities General Property	Car Park, 5-6 Marshall's Court	Trendy Celt (Baxter Place) Limited	Site Compound Licence	<b>Old Rent:</b> n/a <b>New Rent:</b> £35,000 per annum <b>Lease Period:</b> 20 Oct 2014 – 19 Aug 2016
<input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b>						

**LEASE RENEWALS/EXTENSIONS**

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
9. ES779/12 IL	17 – Portobello/ Craigmillar	Services for Communities General Property	31 Peffer Place, Edinburgh, EH16 4BB	Hotfrost Limited	Office/ Distribution (Class 4,5,6)  Distribution of heat and ventilation equipment	<b>Old Rent:</b> £15,900 per annum <b>New Rent:</b> £19,200 per annum <b>From:</b> 19 Mar 2015 to 20 Mar 2020 <b>Payable:</b> Quarterly, in Advance

 ERIA received?

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	TENANT	USE	TERMS
10. IL	4 – Forth	Services for Communities General Property	32 West Shore Road, Edinburgh, EH5 1QD	Biffa Waste Services Ltd	Ground Lease  (The site is used for car parking and skip store)	<b>Old Rent:</b> £15,000 per annum <b>New Rent:</b> £27,000 per annum <b>From:</b> 1 Mar 2015 to 28 Feb 2020 <b>Payable:</b> Quarterly, in Advance

 ERIA received?

REMARKS:

**RENT REVIEW**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
11. CLO-U05 IL	3 – Drum Brae /Gyle	Services for Communities General Property	Clocktower Unit 6 Flassches Yard Edinburgh EH12 9LB	Pulsant (South Gyle) Limited	Business Use (Class 4,5)  Data Centre	<b>Old Rent:</b> £32,100 per annum <b>New Rent:</b> £32,500 per annum <b>From:</b> 25 Aug 2014 – 24 Aug 2019 <b>Payable:</b> Quarterly, in Advance

 ERIA received?**REMARKS:** *Limited evidence to substantiate an increase and review agreed on a nominal uplift basis.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
12. IL	4 – Forth	Services for Communities General Property	26/30 West Shore Road Edinburgh EH5 1QD	UK Waste Management Ltd	Ground Lease  (The subject has been developed into a waste transfer depot)	<b>Old Rent:</b> £23,600 per annum <b>New Rent:</b> £54,000 per annum <b>From:</b> 1 Oct 2013 to 30 Sept 2018 <b>Payable:</b> Quarterly, in Advance

 ERIA received?**REMARKS:**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
13. PEF01 – U02 IL	17 – Portobello /Craigmillar	Services for Communities General Property	Block 2, Units 1 & 2 Peffermill Industrial Estate Edinburgh EH16 5UY	Mrs Unis Spicy Foods	Business/ General Industrial (Class 4)  Food Production	<b>Old Rent:</b> £24,000 per annum <b>New Rent:</b> £27,600 per annum <b>From:</b> 9 Nov 2013 to 8 Nov 2018 <b>Payable:</b> Quarterly, in Advance

 ERIA received?**REMARKS:**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
14. IL	3 – Drum Brae /Gyle	Services for Communities General Property	Base Rent – Phase 2 Ratho Park 3 Ratho Park, Edinburgh EH28 8PP	Travelodge Hotels Ltd	Hotel (Class 7)  Hotel, bar & restaurant	<b>Old Rent:</b> £390,525 per annum <b>New Rent:</b> £465,870 per annum <b>From:</b> 15 Jan 2015 to 14 Oct 2019 <b>Payable:</b> Quarterly, in Advance

ERIA received?

REMARKS:

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
15. IL	3 – Drum Brae /Gyle	Services for Communities General Property	Fixtures & Fittings – Phase 2, Ratho Park, 3 Ratho Park, Edinburgh, EH28 8PP	Travelodge Hotels Ltd	Hotel (Class 7)  Hotel, bar & restaurant.	<b>Old Rent:</b> £18,970 per annum <b>New Rent:</b> £22,630 per annum <b>From:</b> 15 Oct 2014 to 14 Oct 2019 <b>Payable:</b> Quarterly in Advance

ERIA received?

REMARKS:

**DISPOSALS**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
16. 21007B LT	3 – Drum Brae/Gyle	Services for Communities General Property	First tranche of land at South Gyle Wynd	Persimmon Homes	Residential Development	<b>Purchase price:</b> £2,938,117 <b>Date of entry:</b> 18 Dec 2014 <b>Sale concluded:</b> 18 Dec 2014

 **ERIA received?**

**REMARKS:** *Highest Offer following open market tender. The site is being sold in three tranches – the second will be sold on 18 December 2015 and the final tranche on 18 December 2016.*

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
17. 5646/D1 ROD	11 – City Centre	Services for Communities General Property	Unadopted Road, 5-6 Marshall's Court	Trendy Celt (Baxter Place) Limited	Servitude Right of Access (Servicing to Hotel)	<b>Purchase Price:</b> £45,000 <b>Date of Entry:</b> 26 Aug 2014 <b>Sale concluded:</b> 26 Aug 2014

 **ERIA received?**

**REMARKS:**

ITEM & REF NO.	WARD	OWNING DEPT/ ACCOUNT	SUBJECTS	PURCHASER	USE	TERMS
18. 5646/D1 ROD	11 – City Centre	Services for Communities (General Property)	Unadopted Road, 5-6 Marshall's Court	Trendy Celt (Baxter Place 2) Limited	Servitude Right of Access (Servicing to Hotel)	<b>Purchase Price:</b> £45,000 <b>Date of Entry:</b> 26 Aug 2014 <b>Sale Completed:</b> 26 Aug 2014
<input checked="" type="checkbox"/> ERIA received? <b>REMARKS:</b>						

**MICELLANEOUS**

ITEM & REF NO.	WARD	OWNING DEPT/ACCOUNT	SUBJECTS	TENANT	USE	TERMS
19. 21315 PW	6 – Corstorphine/ Murrayfield	Services for Communities	Site at Balbirnie Place, Edinburgh	83 S LTD (Company Number SC148181), Registered Office, 14 Rutland Square, Edinburgh, EH1 2BD	a) Servitude for disabled access serving residential development  b) Temporary lease for contractor's compound and carrying out landscaping works required under Planning Consent.	a) <b>Price:</b> £1, if asked <b>Route:</b> The Council will be entitled to modify the route of the Servitude in order to accommodate works required for the Trams  b) <b>Temporary Lease:</b> <b>Rent:</b> £15,000 for period of let <b>Lease Period:</b> 2 Jul 2014 – 31 May 2016 <b>Payable:</b> On date of entry
<input checked="" type="checkbox"/> <b>ERIA received?</b> <b>REMARKS:</b> a) <i>Council Legal and Surveyors fees: Tenant to meet subject to a cap of £1,500</i>						