

# Finance and Resources Committee

10.00 a.m, Thursday, 14 January 2016

## Proposed Lease Extension at 62 Niddrie Mains Road, Edinburgh

<b>Item number</b>	8.1
<b>Report number</b>	
<b>Executive/routine</b>	Routine
<b>Wards</b>	17 - Portobello/Craigmillar

### Executive summary

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The retail unit at 62 Niddrie Mains Road is let to Firstform (162) Limited, who trades as iSee Opticians.

The lease is due to expire on 22 February 2016 and the tenant has requested a 10 year extension to the lease.

This report seeks approval to the grant of a 10 year lease extension to Firstform (162) Limited on the terms and conditions outlined in the report.

### Links

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<b>Coalition pledges</b>	<a href="#">P15</a> , <a href="#">P28</a>
<b>Council outcomes</b>	<a href="#">CO8</a> , <a href="#">CO9</a>
<b>Single Outcome Agreement</b>	<a href="#">SO1</a>

## Proposed Lease Extension at 62 Niddrie Mains Road, Edinburgh

### Recommendations

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That Committee:

- 1.1 Approves a 10 year lease extension to Firstform (162) Limited of retail premises at 62 Niddrie Mains Road, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

### Background

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- 2.1 The shop premises at 62 Niddrie Mains Road extends to 39.20m<sup>2</sup> (422sq ft) or thereby, as shown hatched in red on the attached plan.
- 2.2 Since February 2007, the property has been let to Firstform (162) Limited an optometry business trading as iSee Opticians. The current rent is £4,750pa excl VAT.

### Main report

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- 3.1 The existing lease expires on 22 February 2016 and Firstform (162) Limited has requested that the Council grant a 10 year lease extension from 23 February 2016.
- 3.2 The tenant has fulfilled all its legal and financial obligations in terms of the existing lease.

The following terms have been provisionally agreed:

- Subjects: Retail shop at 62 Niddrie Mains Road, Edinburgh.
- Lease Extension: 10 years from 23 February 2016 until 22 February 2026.
- Rent: £6,150 per annum (current market rental value).
- Rent Reviews: Reviewed on each 5<sup>th</sup> anniversary of the term to open market value.
- Use: Optician.
- Repairs: Full repairing and maintaining obligation.
- Break Option: Tenant can break the lease on the 23 February 2021, subject to providing a minimum of 3 months prior written notice to the Council.

## Measures of success

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- 4.1 Granting a 10 year lease extension will allow the company to continue their long term financial planning of the business and, in turn, sustain employment for their workers and provide a continued optometry service to the local community.

## Financial impact

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- 5.1 An increase in rent of £1,400 per annum payable to the General Property Account.

## Risk, policy, compliance and governance impact

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- 6.1 This is an extension of a lease that commenced in February 2007, and the same tenant has been in occupation at the property since this date. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

## Equalities impact

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- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified as through a lease extension, it will ensure that Firstform (162) Limited can continue to plan both financially and in terms of developing their business. This will allow them to continue to provide a high level of service and experience to their employees and customers. This directly links to an enhancement of the following rights namely (i) Legal Security, (ii) Education and Learning and (iii) Productive and Valued Activities.
- 7.3 A possible infringement has been identified in that by extending the current lease, rather than placing the retail premises on the open market, there is the potential impact on others who may want to lease the shop. However, given the established nature of the tenants business and the possible effect on it if the lease is not extended, the impact is considered to be proportionate and justifiable.

## Sustainability impact

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- 8.1 There are no sustainability issues arising from this report as it is a lease renewal whereby the original lease commenced in February 2007 and the current tenant has been in occupation at the property since this date also.

## Consultation and engagement

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- 9.1 N/A

## Background reading/external references

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N/A

## Hugh Dunn

Acting Executive Director of Resources

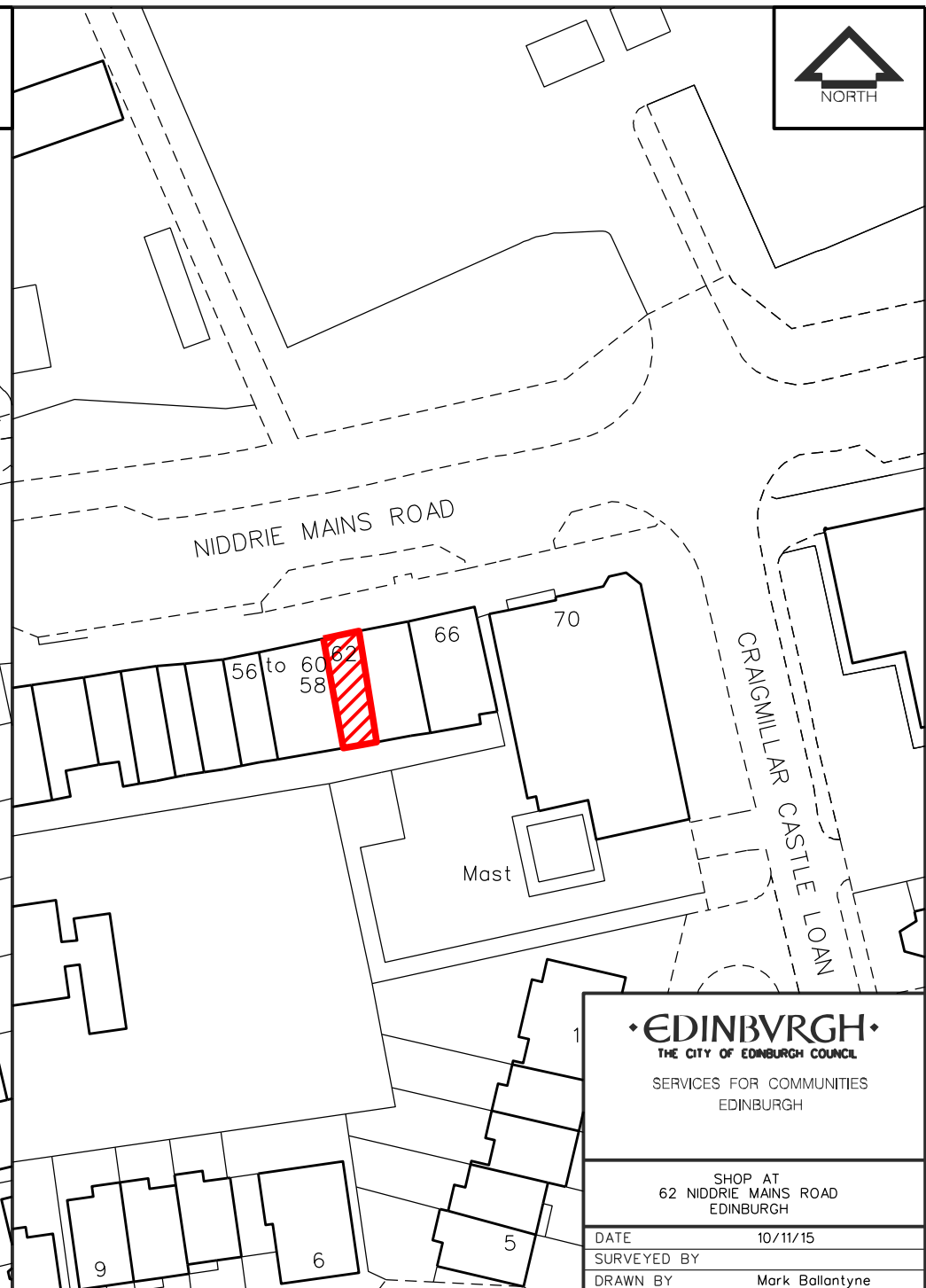
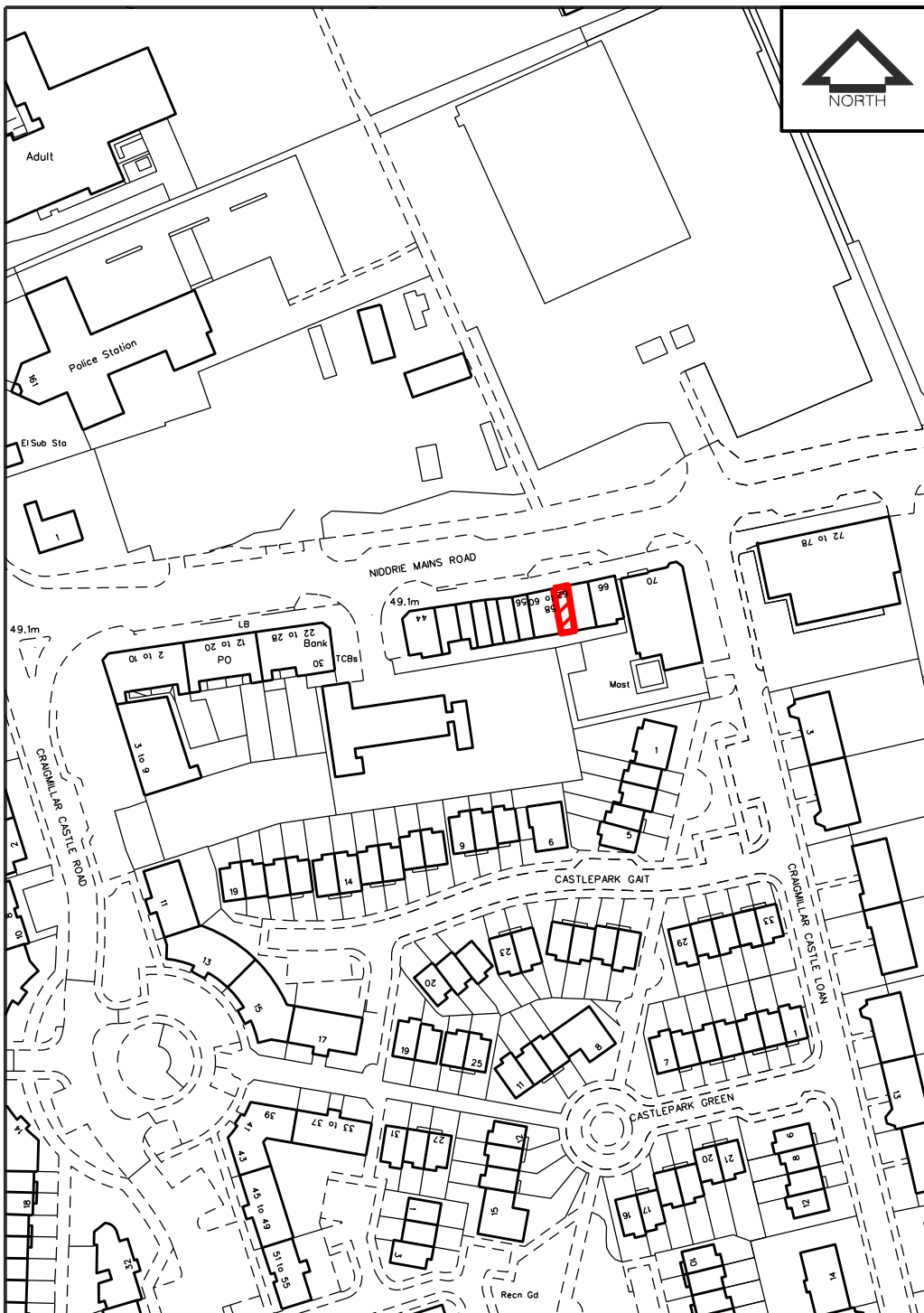
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## Links

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<b>Coalition pledges</b>	<p>P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors.</p> <p>P28 – Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city.</p>
<b>Council outcomes</b>	<p>CO8 – Edinburgh’s economy creates and sustains job opportunities.</p> <p>CO9 – Edinburgh’s residents are able to access job opportunities.</p>
<b>Single Outcome Agreement</b>	<p>SO1 – Edinburgh’s Economy delivers increased investment, jobs and opportunities for all.</p>
<b>Appendices</b>	<p>Location Plan.</p>



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
SERVICES FOR COMMUNITIES EDINBURGH	
SHOP AT 62 NIDDRIE MAINS ROAD EDINBURGH	
DATE	10/11/15
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1628

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