

Finance and Resources Committee

2.00p.m, Thursday, 18 August 2016

Proposed Ground Lease at Port Edgar

Item number	8.11
Report number	
Executive/routine	Routine
Wards	1 – Almond

Executive summary

The Marine Society and Sea Cadets (MSSC) is a charity whose main supporter is the Royal Navy and whose aim is to be the leading maritime charity for youth development and lifelong learning.

Through various reorganisations the MSSC has had a presence and occupied various premises at Port Edgar since before WW2 and has now approached the Council to lease land at Port Edgar on which to develop a purpose built facility to continue and extend its work into the future.

This report seeks authority to grant an 84 year ground lease to the Marine Society and Sea Cadets on the terms set out in the report.

Links

Coalition pledges	P15 , P17 , P42
Council priorities	CP5 , CP7 , CP8
Single Outcome Agreement	SO1

Proposed Ground Lease at Port Edgar

Recommendations

- 1.1 That Committee:
 - 1.1.1 Approves the lease of land, extending to 0.295 ha (0.73 acre) or thereby, to the Marine Society and Sea Cadets in accordance with the terms set out in this report and on such other terms and conditions to be agreed by the Acting Executive Director of Resources.

Background

- 2.1 Sea Cadet training has been provided at Port Edgar for many years. The MSSC continues this work with significant support from the Royal Navy following the amalgamation of the Marine Society and The Sea Cadet Association in 2004.
- 2.2 The MSSC currently occupies premises at Port Edgar, shown shaded pink on the attached plan, leased from the Council on a three year lease due to terminate in March 2018. The current rent is £3,000 per annum.
- 2.3 The organisation has been developing plans to provide a new purpose built boat station on the site of its existing premises from which to develop and extend its services into the future.

Main report

- 3.1 MSSC has prepared initial studies for the provision of a purpose built boat station at Port Edgar. The initial phase would provide an accommodation and administration block with associated boat storage at an estimated cost in excess of £500,000. However until the MSSC has secured the longer term occupation of the site it is reluctant to undertake further site investigation.
- 3.2 MSSC has approached the Council to lease the site which it currently occupies together with additional areas of land, shown shaded blue on the attached plan, on a long term basis. This would enable it to fund this significant investment and allow it to continue to provide and expand training and learning opportunities for cadets from across the country into the future. The current lease would be terminated.

3.3 Consultation has been undertaken with the main stakeholders in Port Edgar including tenants, other occupiers and the community council, all of whom are supportive of the proposal.

3.4 Following negotiation between MSSC and the Council, Heads of Terms have been provisionally agreed which are as follows:-

- Subjects: Two areas of ground totalling 0.295ha (0.73 acres) or thereby;
- Tenant: The Marine Society and Sea Cadets;
- Method of Disposal: 84 year ground lease subject to development obligations;
- Rent: £7,500 p.a. subject to five yearly reviews based on CPI increase;
- Site Use: To be used for the construction of a Boat Station and associated boat storage;
- Conditionality: The lease will be subject to the tenant obtaining planning and all other necessary consents;
- Tenant Break Option: The tenant will have the right to terminate the lease subject to the issue of 12 months notice; and
- Fees: The tenant will pay the Council's reasonably incurred legal and surveyor's fees.

Measures of success

4.1 Existing buildings in poor condition will be replaced with new purpose built premises compliant with current standards, the use of which will bring social, health and welfare benefits.

4.2 The proposed investment would contribute to the ongoing revitalisation of Port Edgar.

Financial impact

5.1 Increased rental income of £4,500 per annum which will rise in line with Consumer Price Index (CPI) at each five yearly rent review for the duration of the lease.

5.2 There are no revenue or capital impacts to the Council arising from the proposed lease.

Risk, policy, compliance and governance impact

- 6.1 The proposals do not seek to change any policy currently in place. There is minimal risk to the Council as the project will be entirely funded managed and undertaken by the tenant.

Equalities impact

- 7.1 Approving the requested lease will have a positive impact on the rights to health, education and learning, productive and valued and individual, family and social life.

Sustainability impact

- 8.1 The impacts of this report in relation to the three elements of Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered and the outcomes summarised below.
- The proposal has limited impact on carbon emission as existing inefficient buildings will be replaced with new premises constructed to current standards.
 - The proposal will increase the city's resilience to climate change impacts by redeveloping on previously developed land.
 - The proposal will help achieve a sustainable Edinburgh by promoting personal wellbeing and meeting diverse needs of current and future communities.

Consultation and engagement

- 9.1 The Council and MSSC have consulted with key stakeholders in Port Edgar Marina including the major lease holder Port Edgar Holdings Limited, Port Edgar Yacht Club, other lease holders and the local community council all of whom are supportive of the proposed development.

Background reading/external references

N/A

Hugh Dunn

Acting Executive Director of Resources

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Links

Coalition pledges	<p>P15 - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors.</p> <p>P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.</p> <p>P42 – Continue to support and invest in our sporting infrastructure.</p>
Council priorities	<p>CP 5 - Business growth and investment.</p> <p>CP 7 - Access to work and learning.</p> <p>CP 8 - A vibrant, sustainable local economy.</p>
Single Outcome Agreement	<p>SO1 – Edinburgh’s Economy delivers increased investment, jobs and opportunities for all.</p>
Appendices	<p>Appendix 1 - Location Plan</p>



Mean Low Water Springs

Port Edgar
(Water Sports Centre)

Slipway

Shingle

Mean High Water Springs

Boulders

Mud
Shingle and Boulders

Mud

Mud

Bollard

PCs

AREA = 0.127Ha
(or thereby)

5.2m

FS

Car Pk

Shingle and Boulders

AREA = 0.117Ha
(or thereby)

The Cottage

8.2m

7.3m

7.9m

El Sub Sta

7.6m

7.6m

Path

7.6m

Recreation Ground

Dismantled Railway

23.5m

63
64

53
54

Farouhar Terrace

22.6m

SITE PLAN

SCALE 1:1250

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL
SERVICES FOR COMMUNITIES
EDINBURGH

LAND AT PORT EDGAR MARINA
SHORE ROAD, SOUTH QUEENSFERRY

DATE	30/3/16
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1564

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