

Finance and Resources Committee

2.00p.m, Thursday, 18 August 2016

Proposed 10 year lease at 86/88 Niddrie Mains Road, Edinburgh

Item number	8.4
Report number	
Executive/routine	Routine
Wards	17 – Portobello/Craigmillar

Executive summary

The former east neighbourhood office at 86/88 Niddrie Mains Road has been vacant since Council staff relocated to the new neighbourhood office.

The property has been fully and openly marketed for lease since May 2013 with very little interest. The property currently costs the Council approximately £25,000 per annum in void property expenses (vacant rates and utilities).

This report seeks approval to the grant of a new 10 year lease to Co-operative Funeral Services Limited on the terms and conditions outlined in the report.

Links

Coalition pledges	P15 , P28
Council priorities	CP5 , CP8 , CP9 , CP12
Single Outcome Agreement	SO1

Proposed 10 year lease at 86/88 Niddrie Mains Road, Edinburgh

Recommendations

1.1 That Committee:

- 1.1.1 Approves a new 10 year lease to Co-operative Funeral Services Limited of the former east neighbourhood office at 86/88 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

- 2.1 The premises at 86/88 Niddrie Mains Road extends to 660.63 sqm (7,111sqft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Following construction of the new east neighbourhood office and library hub the property became vacant and was placed on the open market for lease in May 2013. There has been very little genuine interest in the building due to its large size and location.

Main report

- 3.1 Interest has been shown by Co-operative Funeral Services Limited for use as a funeral parlour and ancillary accommodation. Following negotiations, the following terms have been provisionally agreed:
 - Subjects: 86/88 Niddrie Mains Road, Edinburgh;
 - Lease term: 10 years from date of entry with tenant break option on fifth anniversary on six months notice;
 - Rent: £45,000 per annum;
 - Rent Reviews: Reviewed on fifth anniversary of the term to open market value;
 - Use: Funeral parlour and uses ancillary thereto including chapel of rest;
 - Repairs: Full repairing and maintaining obligation; and
 - Other terms: As contained in a standard commercial lease.

Measures of success

- 4.1 Granting a new 10 year lease of the premises will bring a longstanding vacant unit back into commercial use thus reducing the Council's vacant property costs and generating a rental income.

Financial impact

- 5.1 Removal of approximately £25,000 per annum ongoing financial liability to Council on vacant property costs, plus £45,000 per annum rental income to the General Property Account.

Risk, policy, compliance and governance impact

- 6.1 This is new 10 year lease on a property which has been vacant and fully marketed for over three years. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

Equalities impact

- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 It considered that the main enhancement of rights is through physical security with a vacant unit that could be seen as a target for vandalism and anti social behaviour being leased out and occupied. Furthermore, the letting of the property would bring a vacant unit back into commercial use, providing a service to the local community and enhancing the right of productive and valued activities.
- 7.3 In a commercial property letting the main infringement of rights can often be claims by parties who were not given the opportunity to lease or make an offer for the property. It is not considered to be the case in this instance. The property was fully and openly marketed for more than three years, providing the best possible opportunity for every interested party to submit and offer.

Sustainability impact

- 8.1 There are no sustainability issues arising from this report.

Consultation and engagement

- 9.1 N/A.

Background reading/external references

N/A.

Hugh Dunn

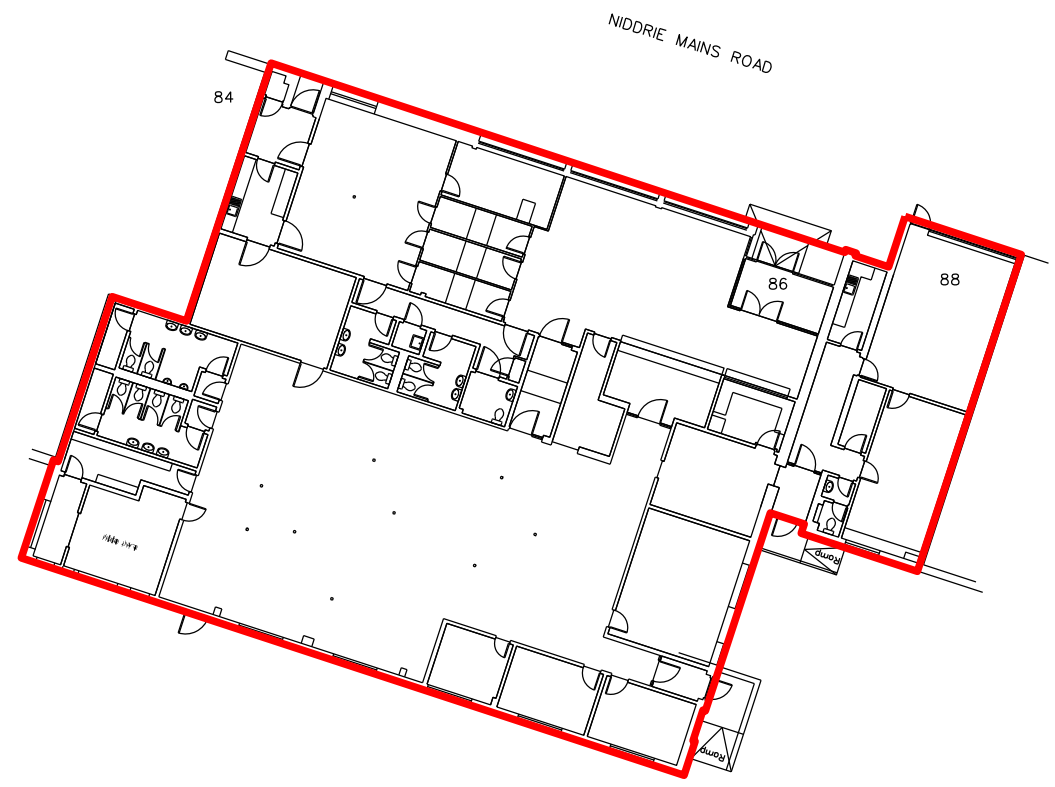
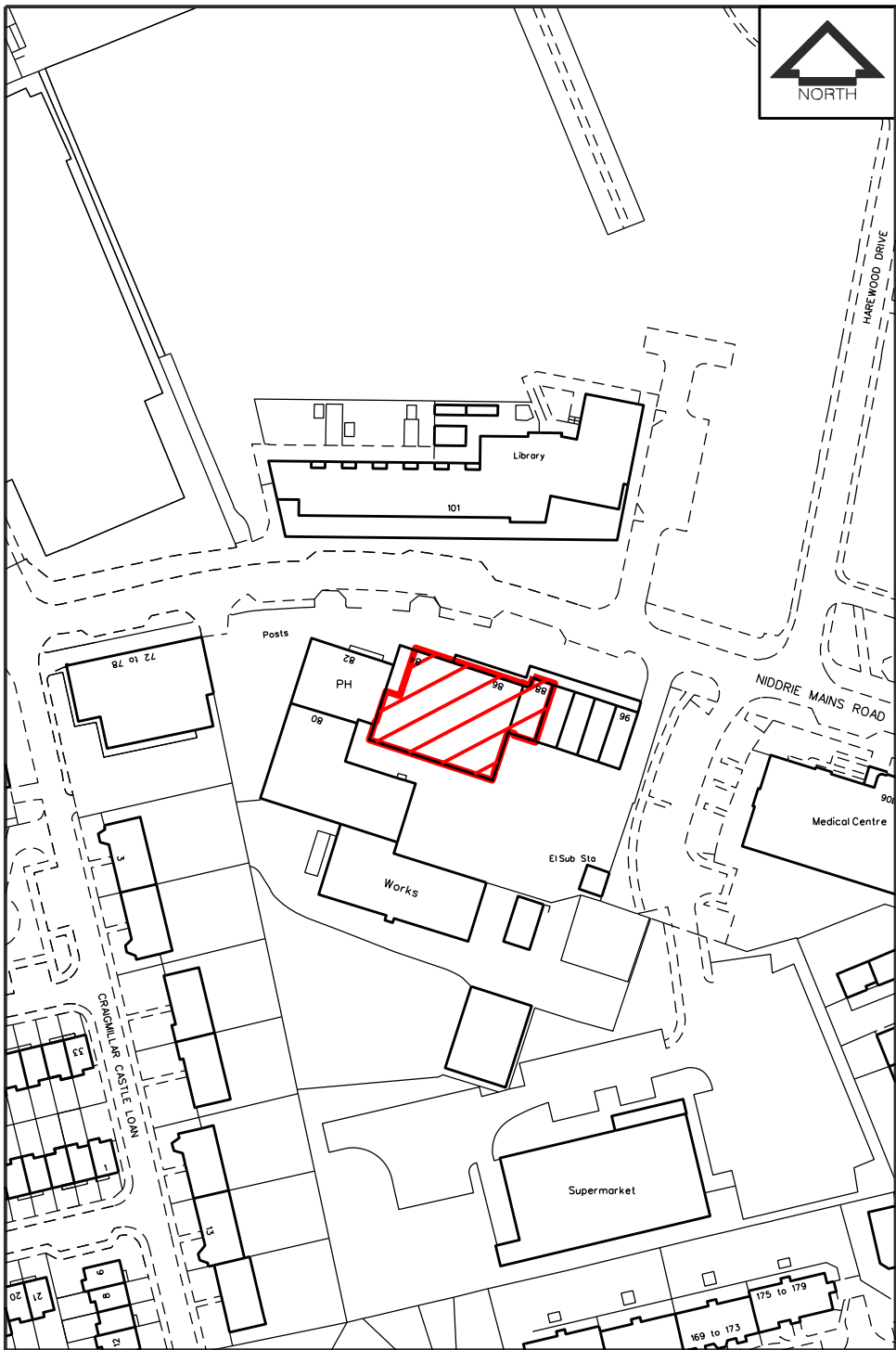
Acting Executive Director of Resources

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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>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>
Council priorities	<p>CP5 – Business growth and investment.</p> <p>CP8 – A vibrant, sustainable local economy.</p> <p>CP9 – An attractive city.</p> <p>CP12 – A built environment to match our ambition.</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>



• EDINBURGH • THE CITY OF EDINBURGH COUNCIL SERVICES FOR COMMUNITIES EDINBURGH	
86 to 88 NIDDRIE MAINS ROAD EDINBURGH	
DATE	17/6/15
SURVEYED BY	MB
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1367

LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

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