

# Finance and Resources Committee

10.00a.m, Thursday, 29 September 2016

## Proposed Lease Extension at Unit 2, 72 – 78 Niddrie Mains Road, Edinburgh

Item number	8.1
Report number	
Executive/routine	Routine
Wards	17 – Portobello/Craigmillar

### Executive summary

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The retail unit at Unit 2, 72 – 78 Niddrie Mains Road is let to William Hill (Scotland) Limited.

The lease is due to expire, on 14 December 2017, and the tenant has requested a 10 year lease extension.

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

### Links

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Coalition pledges	<a href="#">P15</a> , <a href="#">P28</a>
Council priorities	<a href="#">CP5</a> , <a href="#">CP7</a> , <a href="#">CP8</a>
Single Outcome Agreement	<a href="#">SO1</a>

## Proposed Lease Extension at Unit 2, 72 – 78 Niddrie Mains Road, Edinburgh

### Recommendations

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That Committee:

- 1.1 Approves a 10 year lease extension to William Hill (Scotland) Limited of retail premises at Unit 2, 72 – 78 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 Unit 2, 72 – 78 Niddrie Mains Road extends to 146.30m<sup>2</sup> (1,575sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since December 1997, William Hill (Scotland) Ltd has been the tenant at the property operating a bookmaking business. The current rent is £12,750pa excluding VAT.

### Main report

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- 3.1 The existing lease expires on 14 December 2017, and William Hill (Scotland) Limited has requested that the Council grant a 10 year lease extension, from 15 December 2017.
- 3.2 The tenant has fulfilled all its legal and financial obligations in terms of the existing lease.
- 3.3 The following terms have been provisionally agreed:
  - Subjects: Retail shop at Unit 2, 72 – 78 Niddrie Mains Road, Edinburgh;
  - Lease Extension: 10 years from 15 December 2017 until 14 December 2027;
  - Break Option: Tenant only break option on the fifth anniversary;
  - Rent: £19,000 per annum;
  - Rent Reviews: Reviewed on each fifth anniversary of the term to open market value;
  - Use: Bookmaker; and

- Repairs: Full repairing and maintaining obligation.

## Measures of success

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- 4.1 Granting a 10 year lease extension will allow William Hill (Scotland) Limited to continue their long term financial planning of the business and, in turn, sustain employment for their workers.

## Financial impact

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- 5.1 An increase in rent of £6,250 per annum to the General Property Account effective from 15 December 2017.

## Risk, policy, compliance and governance impact

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- 6.1 This is a 10 year lease extension to the existing tenant who has been trading from the property since December 1997. 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 enhancement of rights has been identified as through a lease extension, it will ensure that William Hill (Scotland) 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.
- 7.2 A possible infringement has been identified in that by offering a lease extension to the current tenant 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 a lease extension is not granted, 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 the property has been leased out as a retail shop for many years and this is set to continue.

## 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

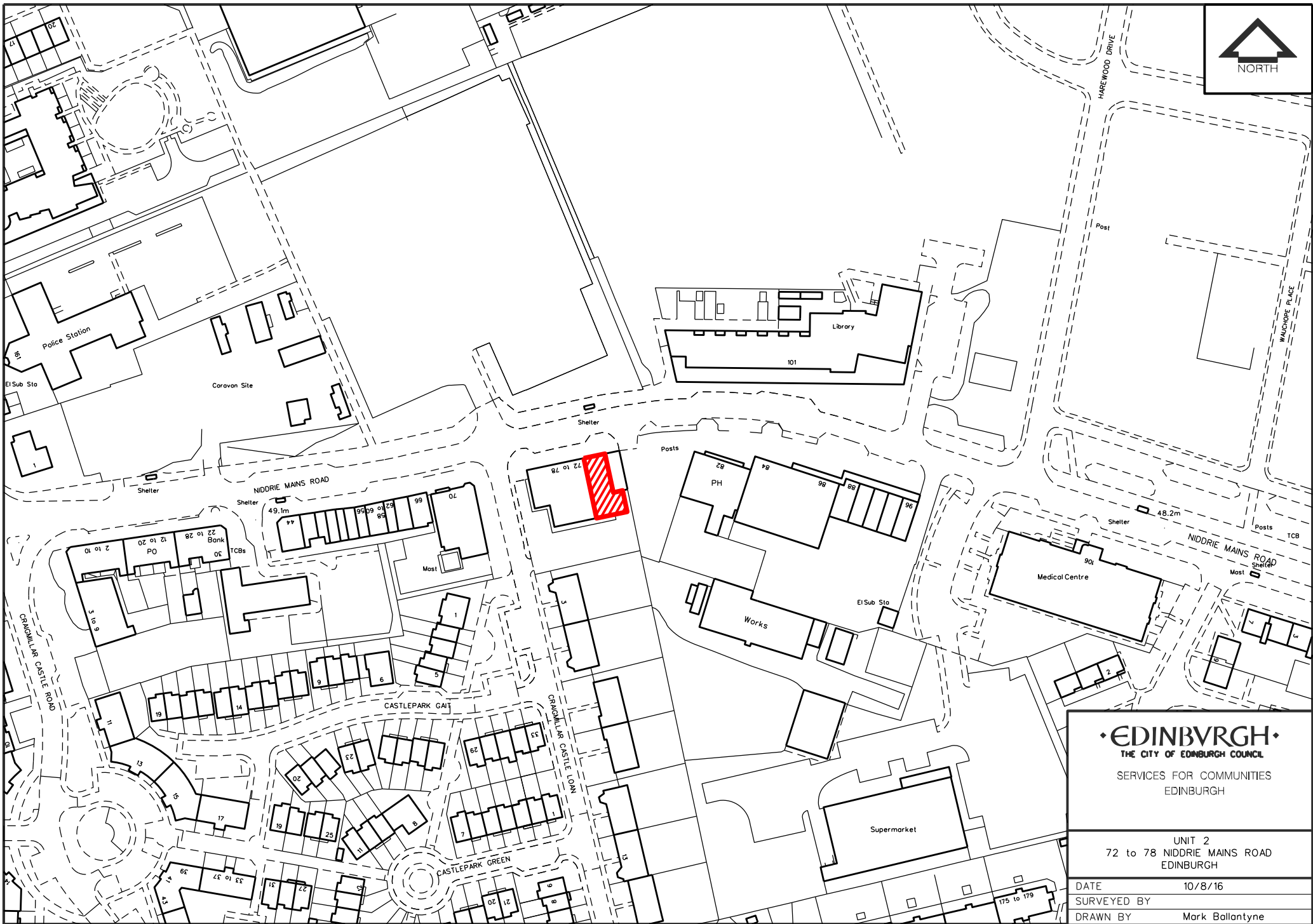
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## Links

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<b>Coalition pledges</b>	P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors. 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.
<b>Council priorities</b>	CP5 – Business growth and investment. CP7 – Access to work and learning. CP8 – A vibrant sustainable local economy.
<b>Single Outcome Agreement</b>	SO1 – Edinburgh’s Economy Delivers increased investment, jobs and opportunities for all.
<b>Appendices</b>	Appendix 1 - Location plan.



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

UNIT 2 72 to 78 NIDDRIE MAINS ROAD EDINBURGH	
DATE	10/8/16
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1684a

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

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