

# Finance and Resources Committee

10.00a.m, Thursday, 29 September 2016

## Proposed New Lease at Unit 3 West Shore Business Centre, Long Craig Rigg, Edinburgh

Item number	8.2
Report number	
Executive/routine	Routine
Wards	4 - Forth

### Executive summary

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The business unit at 3, West Shore Business Centre is let to Fire Prevention Works Limited.

The current lease does not expire until November 2019, however the tenant has requested a new 15 year lease in order it can carry out a running programme of upgrading works to its unit and provide long term security of tenure.

This report seeks approval to the grant of a new 15 year lease to Fire Prevention Works Limited 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 New Lease at Unit 3 West Shore Business Centre, Long Craig Rigg, Edinburgh

### Recommendations

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That Committee:

- 1.1 Approves a new 15 year lease to Fire Prevention Works Limited of business premises at Unit 3 West Shore Business Centre, Long Craig Rigg, 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 business premises at Unit 3 West Shore Business Centre extends to 241.63m<sup>2</sup> (2,601sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since December 2014, Fire Prevention Works Limited has been the tenant at the property operating a fire prevention consultancy and maintenance of fire protection systems business. The current rent is £11,000pa excl VAT.

### Main report

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- 3.1 The tenants existing lease does not expire until November 2019, however it plans to invest significant capital in upgrading works to the interior of the property and accordingly wishes a longer term lease. To achieve long term security of tenure, the tenant has requested the Council grant a new 15 year lease from November 2016. The existing lease will be renounced by mutual consent on a back to back basis with the signing of the requested longer term lease.
- 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: Business unit at 3 West Shore Business Centre, Edinburgh;
  - New Lease: 15 years from 1 November 2016 until 31 October 2031;
  - Break Option: Tenant only break option on the fifth and 10<sup>th</sup> anniversary;
  - Rent: £11,700 per annum (current market rental value);

- Rent Reviews: Reviewed on each fifth anniversary of the term to open market value;
- Use: Fire prevention consultancy and maintenance of fire protection systems;
- Repairs: Full repairing and maintaining obligation; and
- Other terms As contained in a standard commercial lease.

## Measures of success

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- 4.1 Granting a new 15 year lease will allow the tenant to invest capital into the business premises and also continue its long term financial planning of the business and, in turn, sustain employment for its workers.

## Financial impact

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- 5.1 An increase in rent of £700 per annum to the General Property Account effective from 1 November 2016.

## Risk, policy, compliance and governance impact

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- 6.1 This is a new 15 year lease to the existing tenant. The tenant has been trading from the property since December 2014 and the actual business has been trading for many years prior to this. 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 new lease, it will ensure that the tenant 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. Additionally, due to the nature of the tenants business in fire protection they can develop and improve their service which may enhance the rights of life and health of the occupiers and users of the buildings they work on. This directly links to an enhancement of the following rights namely (i) Life, (ii) Health, (iii) Legal Security, (iv) Education and Learning and (v) Productive and Valued Activities.
- 7.3 A possible infringement has been identified in that by offering a new lease to the current tenant rather than placing the business premises on the open market at the end of their existing tenancy in December 2019, there is a potential impact on others who may want to lease the unit. However, given the established

nature of the tenants business and the possible effect on it if a new lease 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 business unit 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

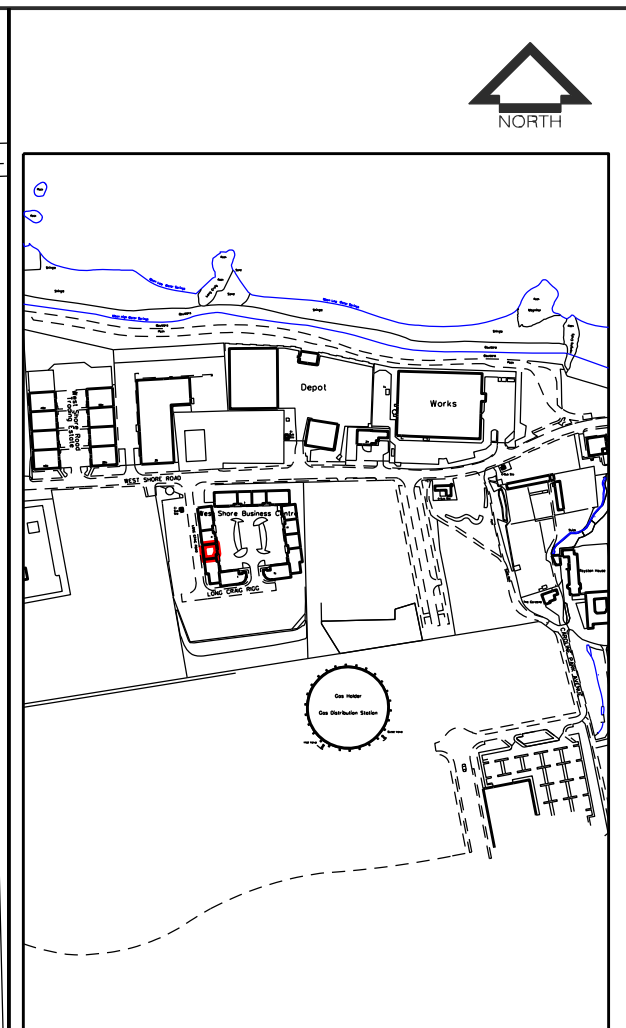
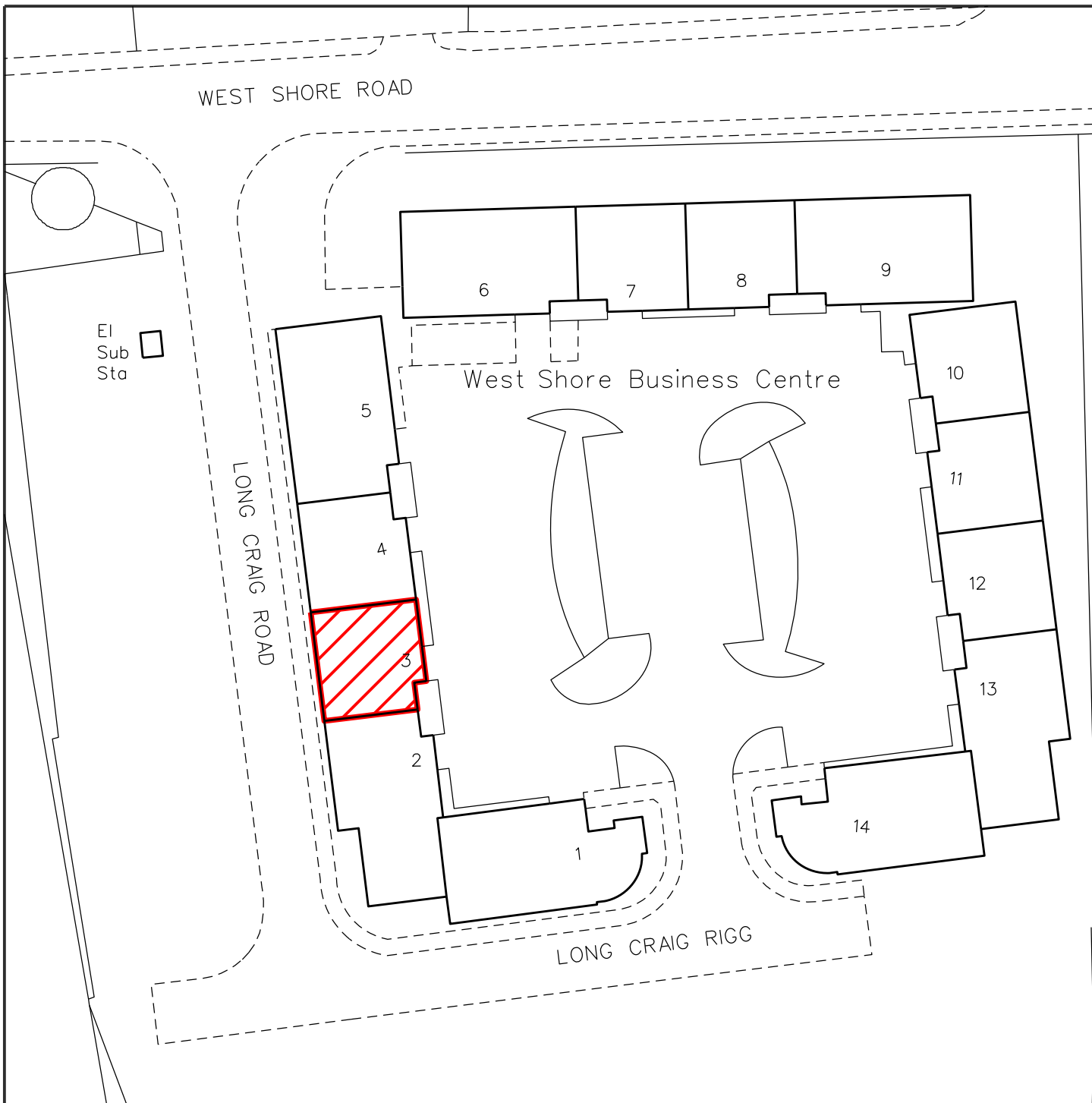
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## Links

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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



LOCATION PLAN

• EDINBURGH •  
THE CITY OF EDINBURGH COUNCIL

SERVICES FOR COMMUNITIES  
EDINBURGH

UNIT 3  
WEST SHORE BUSINESS CENTRE  
WEST SHORE ROAD  
EDINBURGH

DATE 11/8/16

SURVEYED BY

DRAWN BY Mark Ballantyne

FILE NO.

NEG. NO. A3/1391a

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE