

Finance and Resources Committee

10.00a.m, Thursday, 19 January 2017

Proposed New Lease at 54 High Street, Edinburgh

Item number	8.1
Report number	
Executive/routine	Routine
Wards	11 – City Centre

Executive Summary

The retail unit at 54 High Street is let to The Firm of Gold Brothers and trades as Edinburgh Scarf Company.

The existing lease is due to expire on 14 April 2018. For increased security of tenure the tenant has requested a new 25 year lease prior to this date.

The report seeks approval to the grant of a new 25 year lease to The Firm of Gold Brothers on the terms and conditions outlined in the report.

Links

Coalition Pledges	P15 , P28
Council Priorities	CP5 , CP7 , CP8
Single Outcome Agreement	SO1

Proposed New Lease at 54 High Street, Edinburgh

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a new 25 year lease to The Firm of Gold Brothers of retail premises at 54 High Street, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

2. Background

- 2.1 The shop premises at 54 High Street extends to 43.09 sq m (464 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since October 2008 the property has been let to The Firm of Gold Brothers who operate a retail business selling a range of woollen accessories and trade as Edinburgh Scarf Company. The current rent is £23,740 per annum.

3. Main report

- 3.1 The existing lease expires on 14 April 2018 and The Firm of Gold Brothers has requested that the Council grant a new 25 year lease to be effective from 1 April 2017.
- 3.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.
- 3.3 The following terms have been provisionally agreed:
 - Subjects: Retail shop at 54 High Street, Edinburgh;
 - New Lease: 25 years from 1 April 2017 until 31 March 2042;
 - Tenant Break Option: 1 April 2027;
 - Rent: £36,800 per annum (current market rental value);
 - Rent Reviews: Reviewed on each fifth anniversary to open market rental value;
 - Use: Class 1 Retail Use;
 - Repairs: Full repairing and maintaining obligation; and

- Other terms: As contained in a standard commercial lease.

4. Measures of success

- 4.1 Granting a new 25 year lease will allow the business to continue its long term financial planning and in turn sustain employment for its workers.

5. Financial impact

- 5.1 An increase in rent of £13,060 per annum to the General Property Account.

6. Risk, policy, compliance and governance impact

- 6.1 This is a new 25 year lease to the existing tenant. The existing tenant has been trading from the property since October 2008. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

- 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 Firm of Gold Brothers 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 offering a new lease rather than placing the retail premises on the open market upon lease expiry, there is no opportunity for other occupiers who may wish to lease the shop. 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.

8. Sustainability impact

- 8.1 There are no sustainability issues arising from this report as it is a new lease being proposed for a property that has been in retail use for many years and is to continue to be in retail use.

9. Consultation and engagement

9.1 N/A

10. Background reading/external references

10.1 N/A

Hugh Dunn

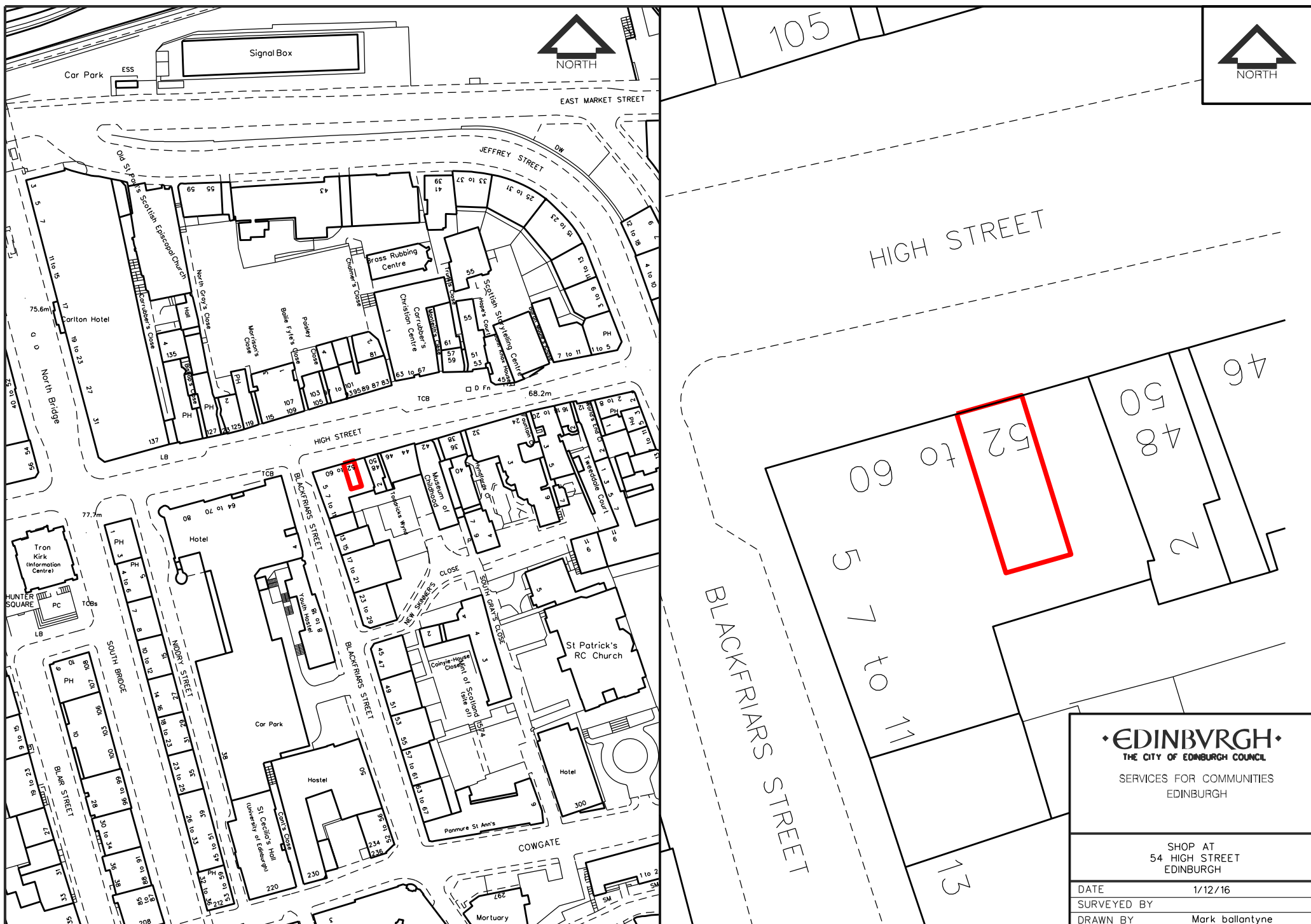
Acting Executive Director of Resources

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11. Links

Coalition Pledges	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.
Council Priorities	CP5 – Business growth and investment. CP7 – Access to work and learning. CP8 – A vibrant, sustainable local economy
Single Outcome Agreement	SO1 – Edinburgh's economy delivers increased investment, jobs and opportunities for all.
Appendices	Location Plan.



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

SERVICES FOR COMMUNITIES
EDINBURGH

SHOP AT
54 HIGH STREET
EDINBURGH

DATE 1/12/16

SURVEYED BY

DRAWN BY Mark ballantyne

SCALE 1:200 @ A3 SIZE

NEG. NO. A3/1720