

Finance and Resources Committee

10.00a.m, Thursday, 23 February 2017

Proposed Lease Extension at Thistle Lawn Tennis Club, Katesmill Road, Edinburgh

Item number	8.5
Report number	
Executive/routine	Routine
Wards	9 – Fountainbridge/Craiglockhart

Executive Summary

Thistle Lawn Tennis Club has leased an area of ground at Katesmill Road since 1994.

In order to undertake approximately £160,000 improvement works to the site, the tenant is seeking a 14 year lease extension.

This report seeks approval to the grant of a 14 year lease extension to Thistle Lawn Tennis Club on the terms and conditions as outlined in the report.

Links

Coalition Pledges	P42
Council Priorities	CP2 , CP8 , CP9
Single Outcome Agreement	SO1

Proposed Lease Extension at Thistle Lawn Tennis Club, Katesmill Road, Edinburgh

1. Recommendations

That Committee:

- 1.1 Approves a 14 year lease extension to Thistle Lawn Tennis Club of the tennis courts and associated facilities at Katesmill 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.

2. Background

- 2.1 The site leased to Thistle Lawn Tennis Club extends to 1.23 acres or thereby as shown outlined in red on the attached plan.
- 2.2 The Club has leased the site since 1994. In 2003, the lease was varied and extended to 2028 at a rental of £200 per annum. There are no rent review provisions in the existing lease and the rent is fixed at £200 per annum until expiry.

3. Main report

- 3.1 The Club are about to embark on a substantial capital investment program for the site spending approximately £160,000 to resurface all courts and install new energy efficient LED floodlights.
- 3.2 In order to provide them with greater security of tenure, and protect their large capital investment, the Club has requested an extension to the lease term.
- 3.3 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.
- 3.4 The following terms have been provisionally agreed:
 - Subjects: Thistle Lawn Tennis Club, Katesmill Road, Edinburgh;
 - Lease term: In order to provide the tenant with a 25 year unexpired term from now a 14 year lease extension from exiting expiry date has been agreed creating a new expiry date of 4 February 2042;

- Rent: £200 per annum fixed until the existing lease expiry of 4 February 2028;
- Rent Review: Rent to be reviewed to full market level at 4 February 2028 and on each fifth anniversary thereafter;
- Use: Tennis club and associated facilities;
- Repairs: Tenant full repairing and maintaining obligations;
- Improvement works: To be completed within two years of the date of extension; and
- Costs: Tenant to meet the Council's reasonably incurred surveyors and legal fees.

4. Measures of success

- 4.1 Granting a 14 year lease extension will provide greater security of tenure allowing the tenant to invest in the site and continue the long term financial planning of the club. The substantial capital investment being undertaken by the tenant will greatly improve the facilities provided.

5. Financial impact

- 5.1 Under the terms of the existing lease the rent was not subject to review until 4 February 2028. The proposed extension provides a guaranteed rent review at 2028 to full market level.

6. Risk, policy, compliance and governance impact

- 6.1 This is a 14 year lease extension to the existing tenant. The existing tenant has been operating the tennis club since 1993 and it is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

- 7.1 An Equalities and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified as through a lease extension, it will ensure the tenant can continue to plan both financially and in terms of developing the club. The greater security of tenure allows them to inject investment into the facilities, greatly improving the sporting facilities available to their members and visitors. This directly links to the following rights namely (i) Health, (ii) Legal Security, (iii) Productive and Valued Activities and (iv) Individual, Family and Social Life.
- 7.3 A possible infringement has been identified in that by offering a lease extension to the current tenant rather than placing the premises on the open market in 2028,

there is potential impact on others who may wish to lease the premises. However, given that the existing tenant has operated the club since 1993 and the existing lease expiry is not until 2028 and the possible effect on the club if the lease extension is not granted, the impact is considered to be proportionate and justifiable.

8. Sustainability impact

8.1 There are no sustainability issues rising from this report.

9. Consultation and engagement

9.1 N/A.

10. Background reading/external references

10.1 N/A.

Hugh Dunn

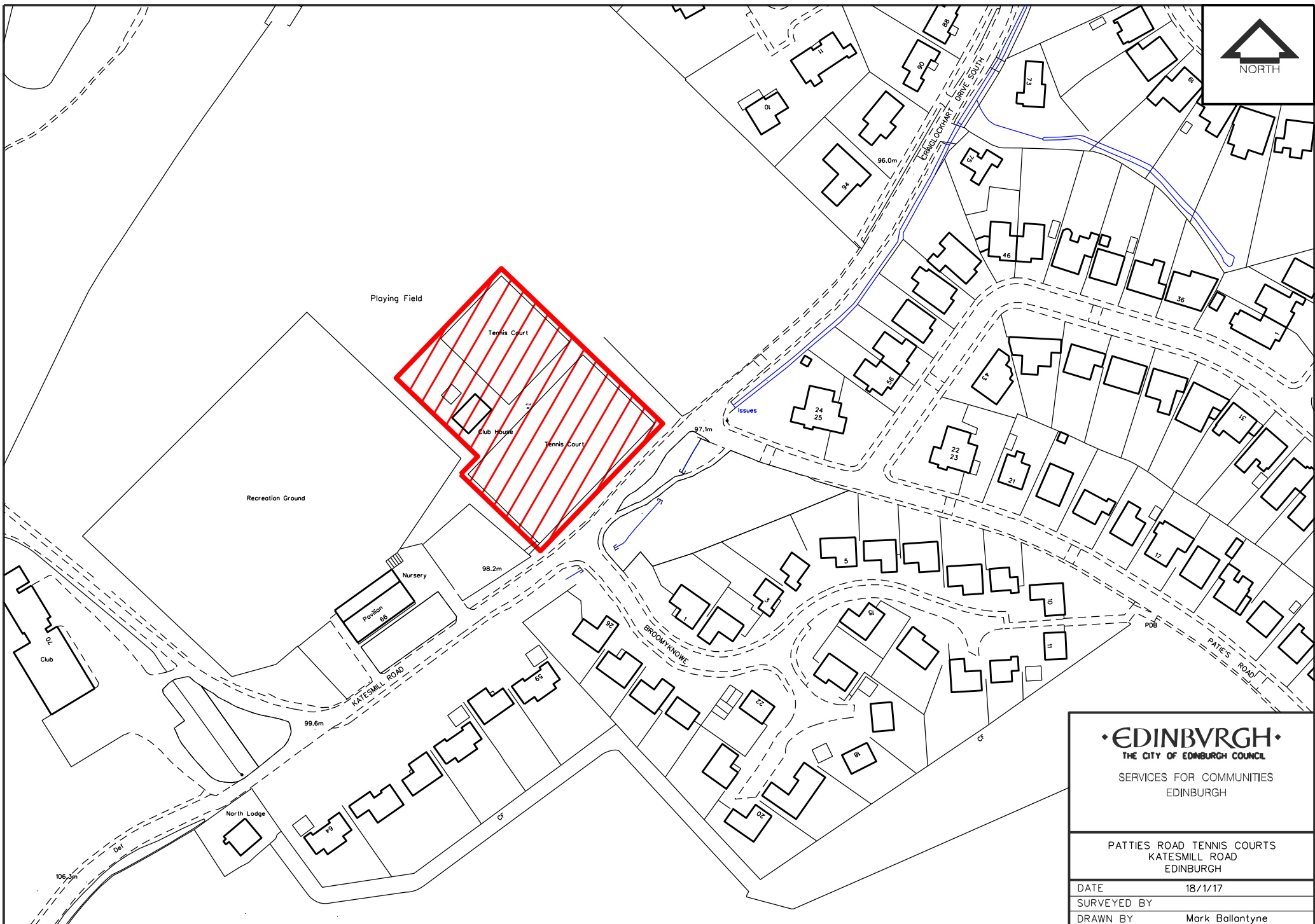
Acting Executive Director of Resources

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Links

Coalition Pledges	P42 – Continue to support and invest in our sporting infrastructure.
Council Priorities	CP2 – Improved health and wellbeing: reduced inequalities. CP8 – A vibrant, sustainable local economy. CP9 – An attractive city.
Single Outcome Agreement	SO1 – Edinburgh's economy delivers increased investment, jobs and opportunities for all.
Appendices	Appendix 1 - Location Plan.



SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

SERVICES FOR COMMUNITIES
EDINBURGH

PATTIES ROAD TENNIS COURTS
KATESMILL ROAD
EDINBURGH

DATE	18/1/17
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1734