

Finance and Resources Committee

10.00am, Thursday, 23 March 2017

Proposed New Lease at 71/73 York Place, Edinburgh

Item number	8.3
Report number	
Executive/routine	Routine
Wards	11 – City Centre

Executive Summary

The public house at 71/73 York Place, Edinburgh is let to Mitchells & Butlers Retail Limited and trades as The Conan Doyle.

The existing lease is due to expire on 11 November 2018, however for increased security of tenure the tenant has requested a new 25 year lease prior to this date.

This report seeks approval to the grant of a new 25 year lease to Mitchells & Butlers Retail Limited 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 71/73 York Place, Edinburgh

1. Recommendations

That Committee:

- 1.1 Approves a new 25 year lease to Mitchells & Butlers Retail Limited of the public house premises at 71/73 York Place, 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 public house premises at 71/73 York Place extends to 144.80 sq m (1,559 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since October 2002, the property has been let to Mitchells & Butlers Retail Limited who are a national public house operator and trade from this location as The Conan Doyle. The current rent is £72,250 per annum exclusive of VAT.

3. Main report

- 3.1 The existing lease expires on 11 November 2018 and Mitchells & Butlers Retail Limited has requested that the Council grant a new 25 year lease to be effective from 1 June 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: Public house at 71/73 York Place, Edinburgh;
 - New Lease: 25 years from 1 June 2017 until 31 May 2042;
 - Tenant Break Option: 1 June 2032;
 - Rent: £80,000 per annum (current market rental value);
 - Rent Reviews: Reviewed on each fifth anniversary of the term in an upward only direction;
 - Use: Non-Classified (Sui Generis) Public House 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 £7,750 per annum effective from 1 June 2017 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 2002. 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 Mitchells & Butlers Retail 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 (i) Legal Security, (ii) Education and Learning and (iii) Productive and Valued Activities.
- 7.3 A possible infringement has been identified as offering a new lease to the existing occupier rather than advertising the property on the open market upon lease expiry, would have an adverse impact on other potential occupiers. However, given the established nature of the tenant's business and the possible adverse 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 public house for many years and is to continue to be in public house use.

9. Consultation and engagement

9.1 N/A

10. Background reading/external references

10.1 N/A

Hugh Dunn

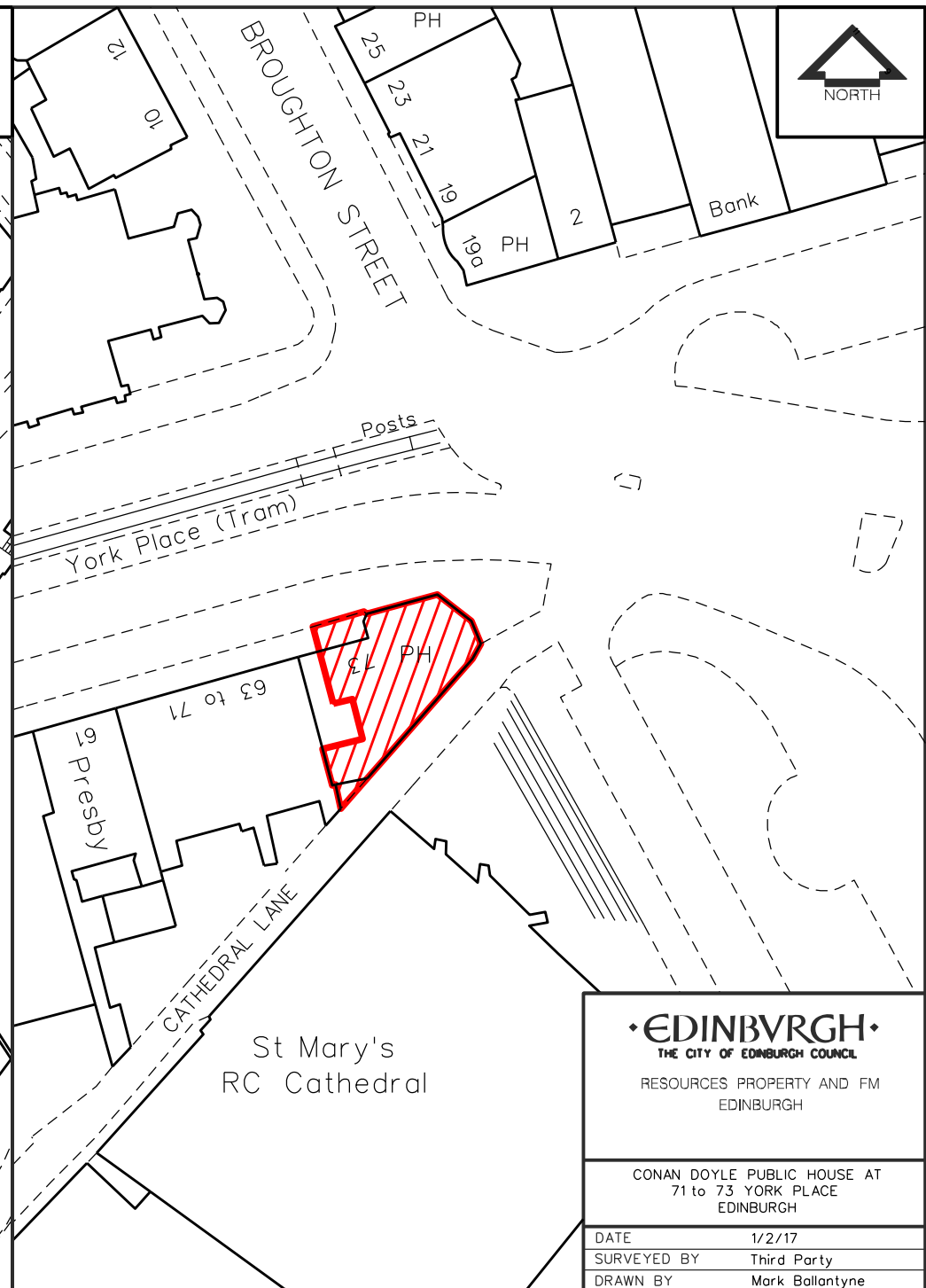
Acting Executive Director of Resources

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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	Appendix 1 - Location Plan.



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL RESOURCES PROPERTY AND FM EDINBURGH	
CONAN DOYLE PUBLIC HOUSE AT 71 TO 73 YORK PLACE EDINBURGH	
DATE	1/2/17
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1740

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