

Finance and Resources Committee

10.00am, Tuesday, 5 September 2017

Proposed New Lease at 5 Hamilton Place, Edinburgh

Item number	8.9
Report number	
Executive/routine	Routine
Wards	5 – Inverleith

Executive Summary

The restaurant premises at 5 Hamilton Place is currently occupied by Intercontinental Catering Limited and trades as Lancers.

Due to a change in company, the tenant has requested a new 15 year lease to commence from 1 November 2017.

This report seeks approval to the grant of a new 15 year lease to Intercontinental Catering Limited on the terms and conditions outlined in the report.

Proposed New Lease at 5 Hamilton Place, Edinburgh

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a new 15 year lease to Intercontinental Catering Limited of restaurant premises at 5 Hamilton Place, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

- 2.1 The restaurant premises at 5 Hamilton Place extends to 65.27 sq m (702 sq ft) or thereby and is shown outlined in red on the attached plan (Appendix 1).
- 2.2 Since April 2005, the property has been let to a family business called Intercontinental Catering Limited (previously known as Scot – Bangla Trading Limited), who operates a restaurant business called Lancers. The current rent is £16,000 per annum exclusive of VAT.

3. Main report

- 3.1 Due to a restructuring of the family company to Intercontinental Catering Limited the Council has received a request to grant a new 15 year lease to be effective from 1 November 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: Restaurant premises at 5 Hamilton Place, Edinburgh, EH3 5BA;
 - New Lease: 15 years from 1 November 2017 until 31 October 2032;
 - Rent: £16,000 per annum (current market rental value);
 - Rent Reviews: 1 April 2020 and on a five yearly basis thereafter to open market value;
 - Use: Class 3 Restaurant 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 15 year lease will allow the business to continue their long term financial planning and in turn sustain employment for their workers.

5. Financial impact

- 5.1 The passing rent of £16,000 per annum represents market value and this will continue to be paid to the General Property Account for a secure term of 15 years.

6. Risk, policy, compliance and governance impact

- 6.1 This is a new 15 year lease to the sitting tenant. The sitting tenant has been trading as a family business from the property since April 2005. 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 Intercontinental Trading 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.
- 7.3 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 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 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 Not applicable.

10. Background reading/external references

10.1 Not applicable.

Stephen S. Moir

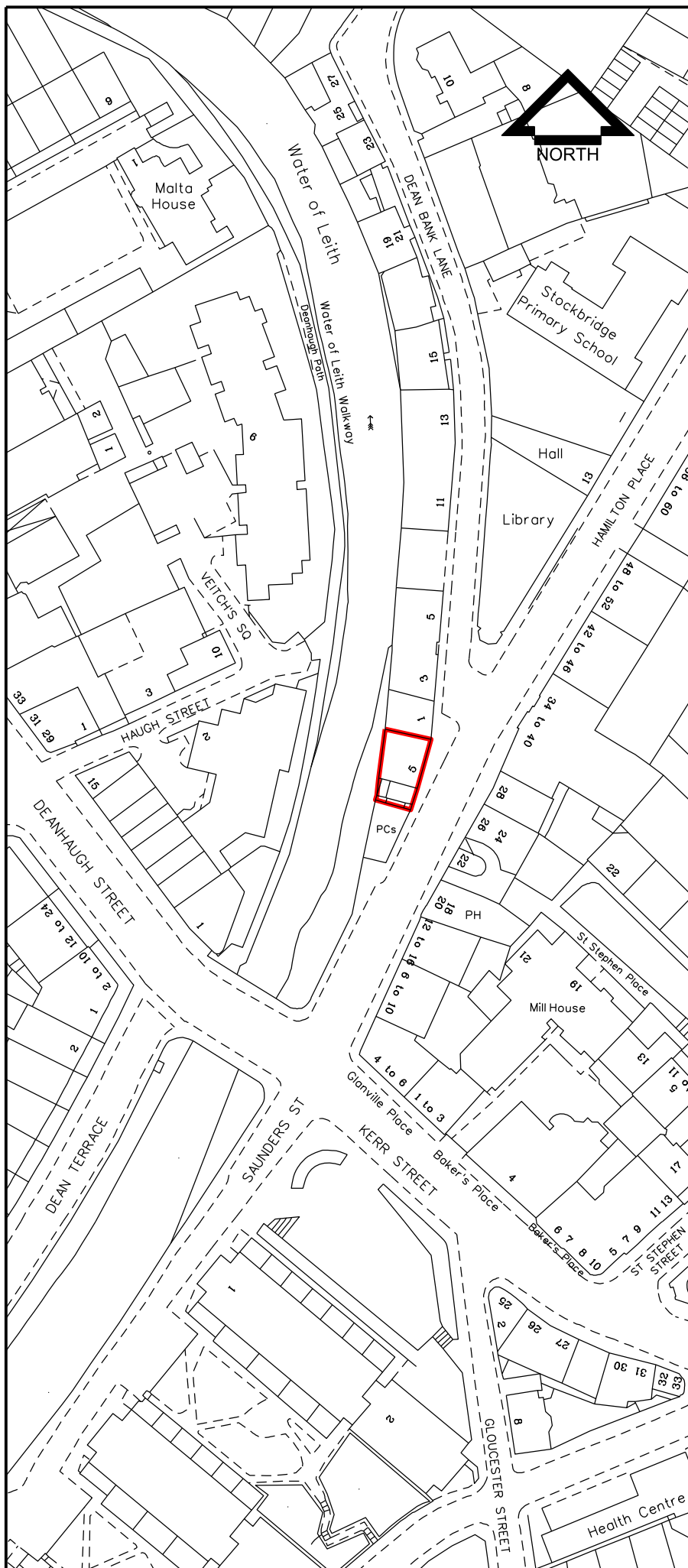
Executive Director of Resources

Contact: Iain E Lamont, Portfolio Investment Officer

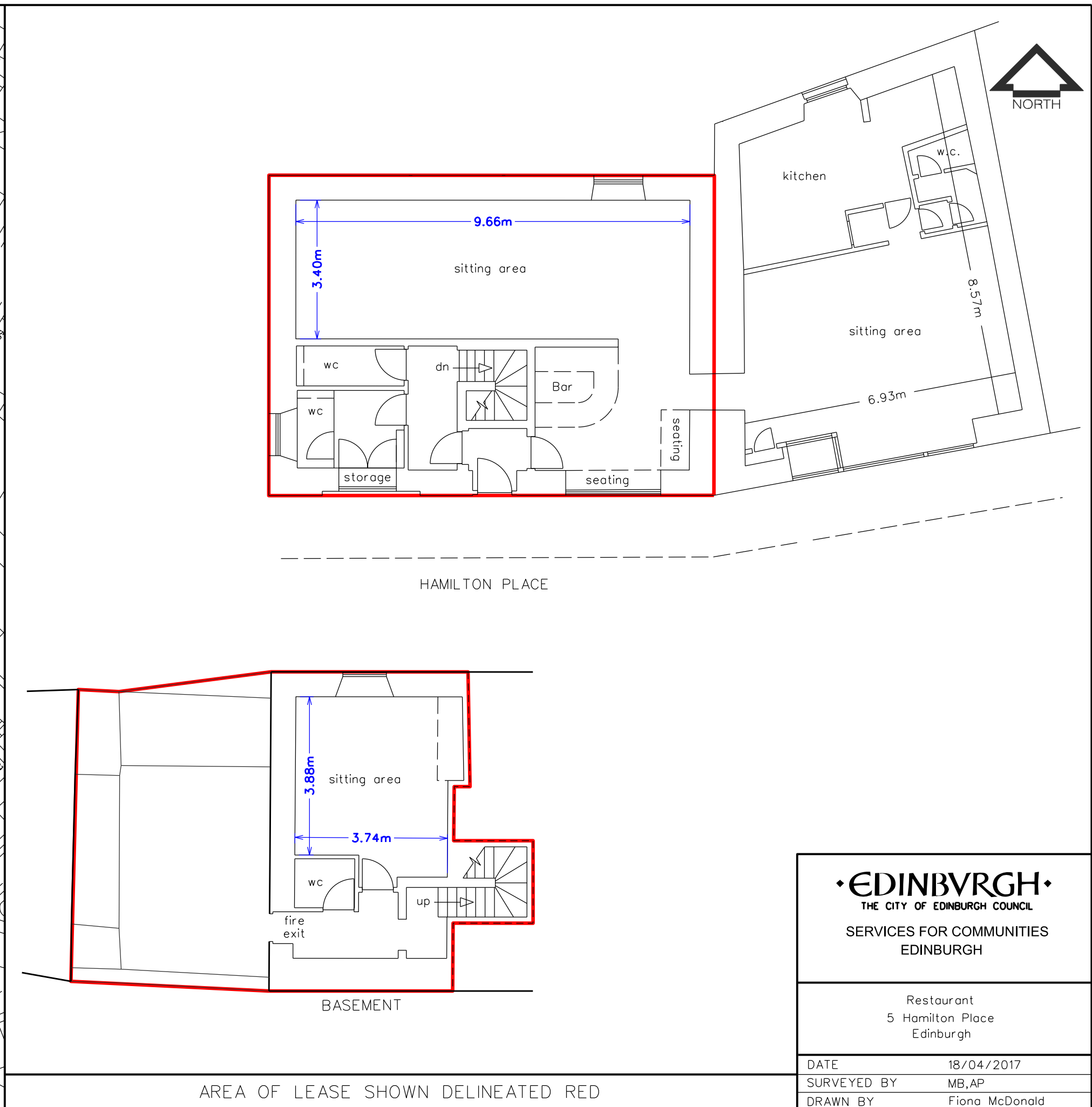
E-mail: ian.lamont@edinburgh.gov.uk | Tel: 0131 529 7610

11. Appendices

Appendix 1 – Location Plan



LOCATION PLAN



PHOTOGRAPHICALLY REDUCED NOT TO SCALE

FLOOR PLAN

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL SERVICES FOR COMMUNITIES EDINBURGH	
Restaurant 5 Hamilton Place Edinburgh	
DATE	18/04/2017
SURVEYED BY	MB,AP
DRAWN BY	Fiona McDonald
FILE NO.	
NEG. NO.	A3/929 A