

# Finance and Resources Committee

10.00am, Thursday, 28 September 2017

## City Chambers – New Lease to Electoral Commission

<b>Item number</b>	8.1
<b>Report number</b>	
<b>Executive/routine</b>	Routine
<b>Wards</b>	11- City Centre
<b>Council Commitments</b>	

### Executive Summary

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To facilitate the transaction with the French Consulate at Lothian Chambers, the Council has agreed to relocate the Electoral Commission to space within the City Chambers.

This report seeks approval to the grant of a new 10 year lease to the Electoral Commission on the terms and conditions outlined in the report.

## City Chambers – New Lease to Electoral Commission

### 1. Recommendations

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#### 1.1 That Committee:

- 1.1.1 Approves a new 10 year lease to the Electoral Commission of rooms 3.7, 3.8 and 3.9 at City Chambers on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

### 2. Background

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- 2.1 The Electoral Commission currently occupy office space on the second floor of Lothian Chambers. The space extends to 69.95 sq m (753 sq ft) and is held on a 10 year lease from 13 June 2011 to 12 June 2022. The passing rent is £15,070 per annum.
- 2.2 To conclude the transaction with the French Consulate at Lothian Chambers, the Council is obliged to provide vacant possession. This requires the lease between the Council and the Electoral Commission to be mutually renounced.
- 2.3 The Council has agreed to provide alternative accommodation to the Electoral Commission which has been identified as rooms 3.6, 3.7 and 3.8 at the City Chambers, as shown outlined in red on the attached plan.

### 3. Main report

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#### 3.1 Following negotiations between the Council and the Electoral Commission, the following terms have been provisionally agreed:

- Subjects: Rooms 3.7, 3.8 and 3.9 within the City Chambers;
- Lease term: 10 years from date of entry;
- Rent: £15,070 per annum (passing rent at Lothian Chambers);
- Incentives: Council carrying out various improvement works to City Chambers space;
- Rent Reviews: Reviewed on each fifth anniversary to open market rent;
- Use: Office;

- Costs: Council are meeting all reasonably incurred costs; and
  - Other terms: As contained in a standard commercial lease
- 3.2 The works the Council will undertake are improvements to the lighting, sound proofing and ICT infrastructure.

#### **4. Measures of success**

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- 4.1 Granting a new 10 year lease of the City Chambers space to the Electoral Commission will allow their existing Lothian Chambers lease to be renounced. This will subsequently permit the Council to provide vacant possession of Lothian Chambers under the terms of the agreement to lease to the French Consulate.

#### **5. Financial impact**

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- 5.1 There will be no impact on the rent being received by the Council as the £15,070 per annum is being transferred from Lothian Chambers to City Chambers.
- 5.2 The Council will incur costs of up to £25,000 on the improvement works to the rooms within City Chambers, and these can be contained within the approved capital budget for the City Chambers and 249 High Street ongoing refurbishment works.

#### **6. Risk, policy, compliance and governance impact**

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- 6.1 Failure to secure suitable alternative accommodation would result in the Electoral Commission remaining within Lothian Chambers. This would place the Council in breach of the terms of the agreement with the French Consulate for the long lease of Lothian Chambers.

#### **7. Equalities impact**

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- 7.1 An Equalities and Rights Impact Assessment has been carried out.
- 7.2 Securing a 10 year lease within City Chambers will provide increased security of tenure to the Electoral Commission. This will ensure that the tenant can continue to plan ahead financially and allow them to continue to provide a high level of service 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.

#### **8. Sustainability impact**

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- 8.1 There are no sustainability issues arising from this report.

## 9. Consultation and engagement

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9.1 Not applicable.

## 10. Background reading/external references

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10.1 None.

### **Stephen S. Moir**

Executive Director of Resources

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## 11. Appendices

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Appendix 1 - Location Plan.

