

Finance and Resources Committee

10.00am, Tuesday, 7 November 2017

Proposed 5 year lease of Unit 1 The Clocktower, Flassches Yard, South Gyle Crescent, Edinburgh

Item number	8.2
Report number	
Executive/routine	Routine
Wards	3 – Drum Brae / Gyle
Council Commitments	

Executive Summary

Unit 1 The Clocktower has been vacant since the lease to the previous tenant expired.

The property has been openly marketed for lease since May 2017 with a closing date on 18 September 2017 when one formal offer was received.

This report seeks approval to grant a new 5 year lease to Electric Vehicles (Scotland) Limited on the terms and conditions outlined in the report.

Proposed 5 year lease of Unit 1 The Clocktower, Flassches Yard, South Gyle Crescent, Edinburgh

1. Recommendations

- 1.1 That Committee:
 - 1.1.1 Approves a 5 year lease to Electric Vehicles (Scotland) Limited of Unit 1 The Clocktower, Flassches Yard 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 subject premises is a modern end terrace industrial unit extending to 651.34 sq m (7,011 sq ft) or thereby as shown outlined red on the attached plan.
- 2.2 It has been vacant since the lease to the previous tenant expired in August 2016 at that time, discussions took place with an alternative occupier who expressed an interest in taking over this lease. Proposed terms were agreed however the transaction did not progress due to the prohibitive cost of upgrading the electrical supply serving the building.
- 2.3 The property was placed on the open market for lease in May 2017. Following receipt of notes of interest a closing date was set for 18 September 2017, when one formal offer was received.

3. Main report

- 3.1 Following negotiations between the Council and Electric Vehicles (Scotland) Limited, the following terms have been provisionally agreed:
 - Subjects: Unit 1 The Clocktower (as outlined red on attached plan);
 - Lease term: 5 year lease from date of entry;
 - Rent: £52,500 per annum;
 - Incentives: No rent free period to be granted;
 - Rent Reviews: N/A;
 - Use: The sale and servicing of electric taxis;
 - Costs: Both parties to meet their own costs;

- **Guarantee:** A rental guarantee will be provided by The Union Motor Company Ltd for the period of this lease; and
- **Other Terms:** As contained in a standard commercial lease;

4. Measures of success

- 4.1 Granting a new 5 year lease of the premises will bring a vacant unit back into commercial use thus reducing the Council's vacant property costs and generating a rental income

5. Financial impact

- 5.1 The lease will generate a new rental income of £52,500 per annum payable to the General Property Account.
- 5.2 In addition a £25,000 per annum financial liability for vacant Non Domestic Rates will be removed.

6. Risk, policy, compliance and governance impact

- 6.1 It is considered that this 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 The letting of the property would bring a vacant unit back into commercial use. This letting will help provide for Edinburgh's economic growth and prosperity, while enhancing the right to productive and valued activities.
- 7.3 In a commercial property letting the main infringement of rights can often be claims by individuals who were not given the opportunity to lease or make an offer for the property. It is not considered to be the case in this instance. The property was fully and openly marketed over an extended period with a closing date set to receive offers, providing the best possible opportunity for every interested party to submit an offer.

8. Sustainability impact

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

9. Consultation and engagement

9.1 Ward councillors have been informed of the recommendations of the report.

10. Background reading/external references

10.1 None.

Stephen S. Moir

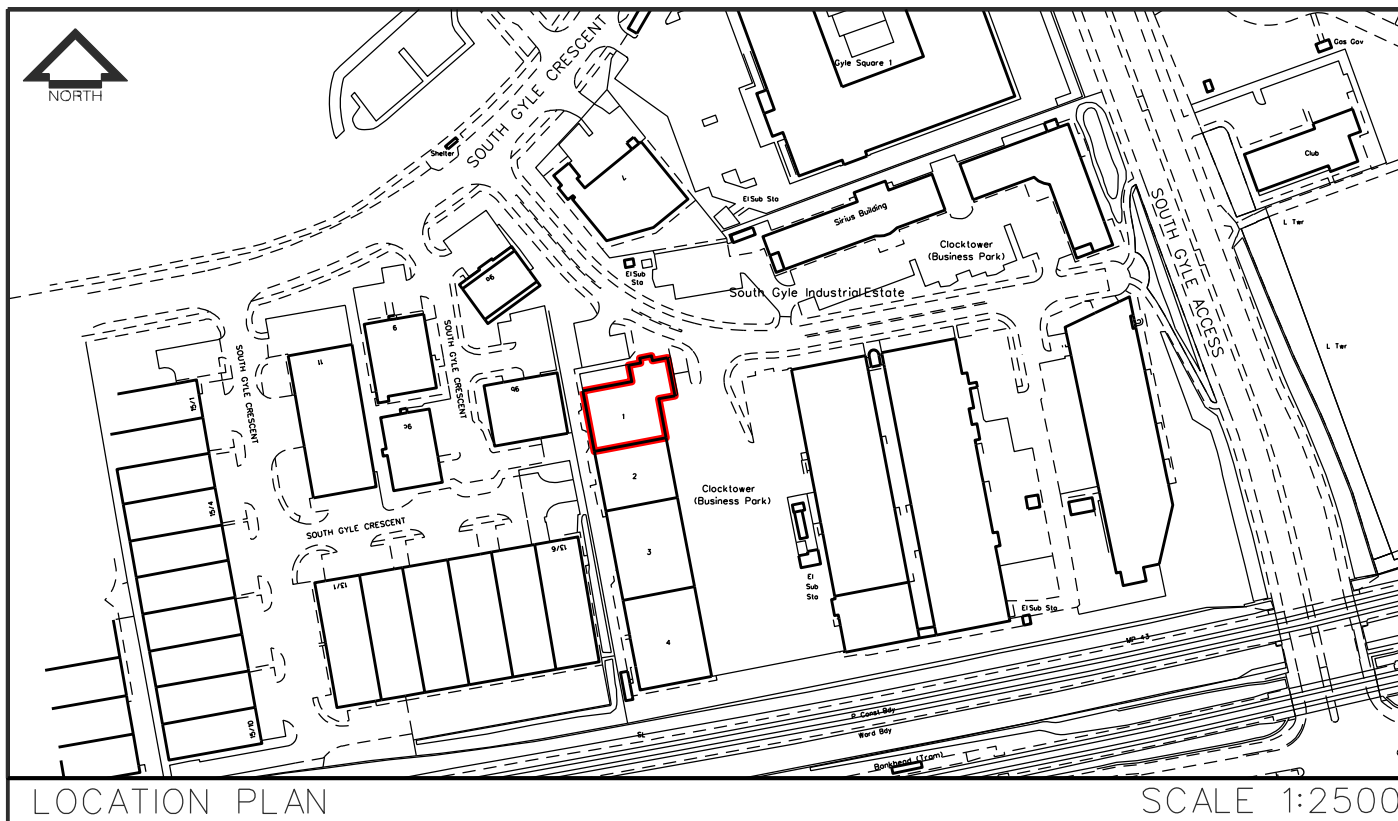
Executive Director of Resources

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11. Appendices

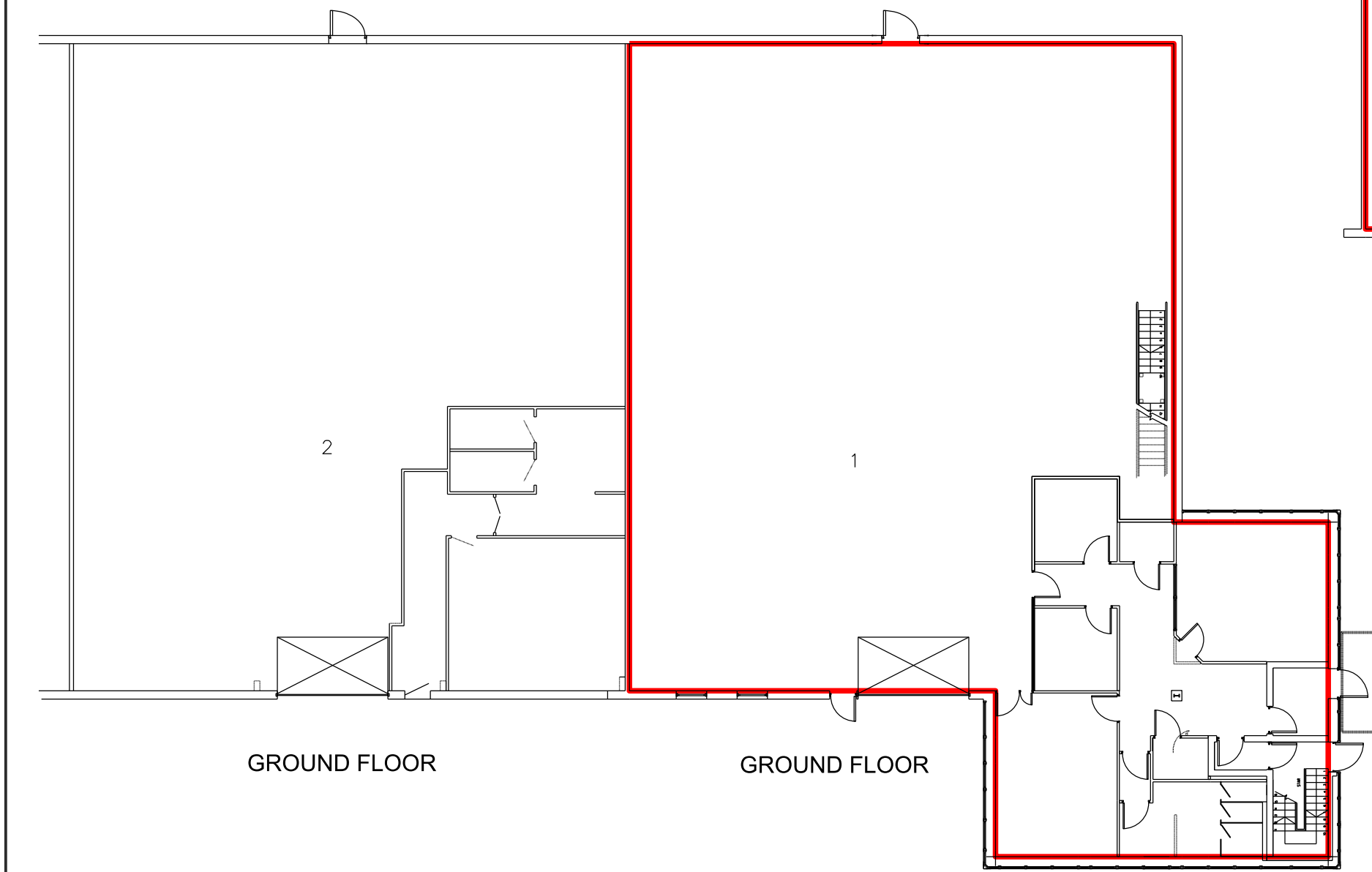
Appendix 1 - Location/Site Plan.



LOCATION PLAN

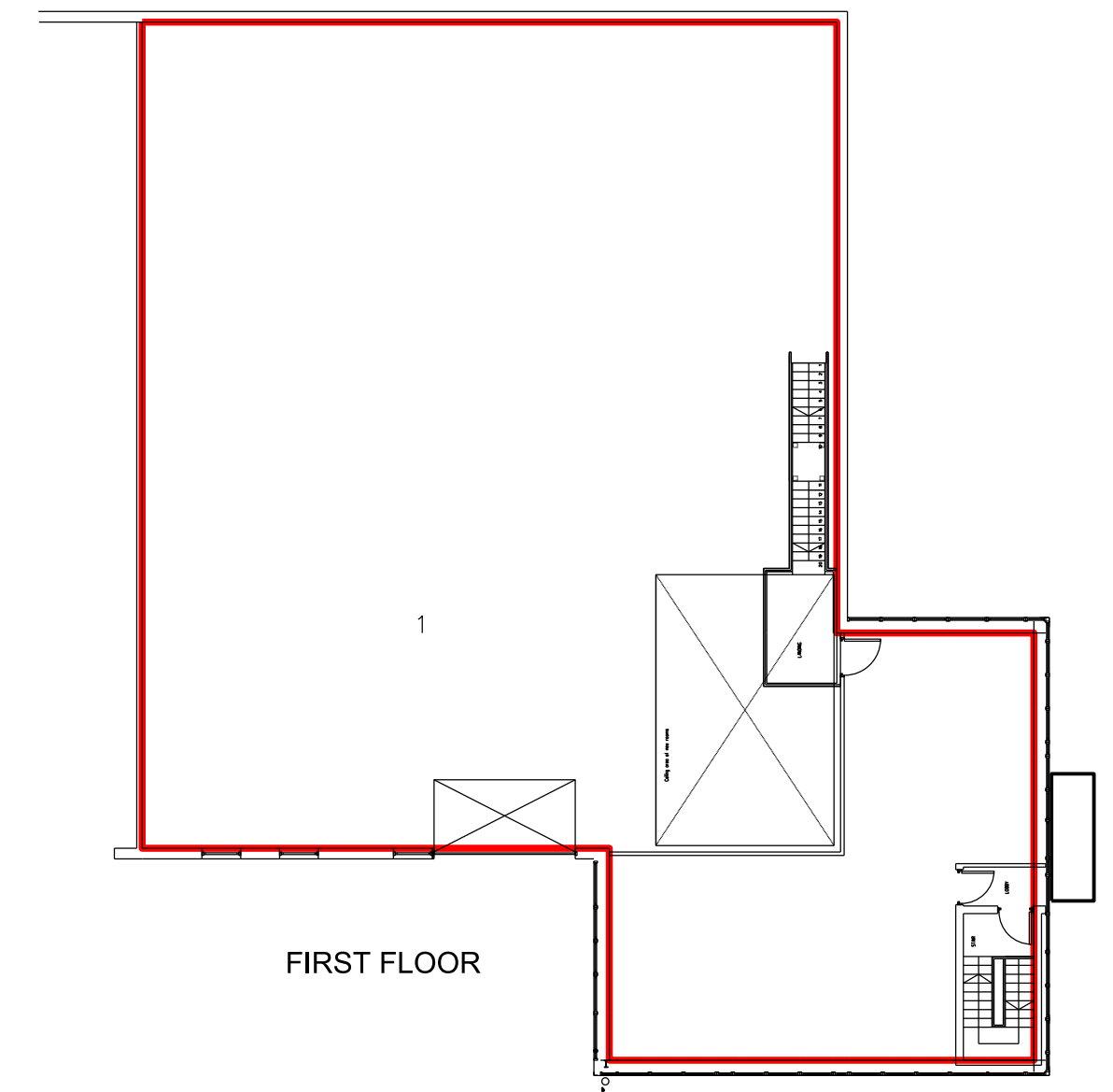
SCALE 1:2500

UNIT 1 CLOCKTOWER INDUSTRIAL ESTATE



GROUND FLOOR

GROUND FLOOR



FIRST FLOOR

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
UNIT 1 CLOCKTOWER INDUSTRIAL ESTATE SOUTH GYLE CRESCENT EDINBURGH	
DATE	21/9/17
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1719