

Finance and Resources Committee

10.00am, Tuesday, 23 January 2018

Proposed Lease Extension at Unit 33, The Loan, Viewforthbank Industrial Estate, South Queensferry, EH30 9SD

Item number	8.3
Report number	
Executive/routine	Routine
Wards	4 - Forth
Council Commitments	C2 , C3

Executive Summary

The retail unit at 33 The Loan is let to Lloyds Pharmacy Ltd and trades as Lloyds Pharmacy.

The lease expired on 28 November 2016 and has been continuing by the principle of Tacit Relocation. Terms have now been agreed for a 10 year extension to the lease.

The report seeks approval to grant a 10 year lease extension to Lloyds Pharmacy Ltd on the terms and conditions outlined in the report.

Proposed Lease Extension at Unit 33, The Loan, Viewforthbank Industrial Estate, South Queensferry, EH30 9SD

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 10 year lease extension to Lloyds Pharmacy Ltd of retail premises at Unit 33, The Loan, Viewforthbank Industrial Estate, South Queensferry, on the terms outlined in this report and on other terms and conditions as agreed by the Executive Director of Resources.

2. Background

- 2.1 The shop premises at Unit 33, The Loan extends to 181.07 sq m (1,949 sq ft) or thereby and is shown outlined in red on the attached plan.
- 2.2 Since November 2001, Lloyds Pharmacy Ltd has been the tenant of the property operating a retail pharmacy business processing prescriptions and selling a range of health remedies, beauty products and toiletries. The current rent is £40,000 per annum.
- 2.3 The existing lease expired on 28 November 2016 and has continued Tacit Relocation by mutual agreement. Lloyds Pharmacy has now requested that the Council grant a 10 year lease extension to be effective from 1 March 2018.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects: Retail shop at Unit 33, The Loan, Viewforthbank Industrial Estate, South Queensferry;
- Term: 10 years from 1 March 2018 until 28 February 2028;
- Break Option: A tenant only break option on the 1 March 2023;
- Rent: £40,000 per annum, (current rental value);

- Rent Reviews: Reviewed on each 5th anniversary of the term to open market value;
 - Use: Class 1 Retail Use;
 - Repairs: Full repairing and maintaining obligation.; and
 - Other terms: As contained in the existing lease.
- 3.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

4. Measures of success

- 4.1 Granting a 10 year lease extension will allow the tenant to continue their long term financial planning of the business and in turn sustain employment for their workers.

5. Financial impact

- 5.1 The Council will continue to receive a rent of £40,000 per annum which represents market value, credited to the General Property Account.

6. Risk, policy, compliance and governance impact

- 6.1 This is a 10 year lease to the existing tenant who has been trading from the property since November 2001. 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 lease extension, it will ensure that the tenant 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 lease extension to the current tenant, rather than placing the retail premises on the open market, 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 lease extension 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 Ward councillors have been informed of the recommendations of the report.

10. Background reading/external references

- 10.1 Not applicable.

Stephen S. Moir

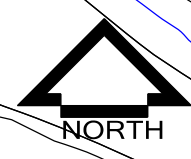
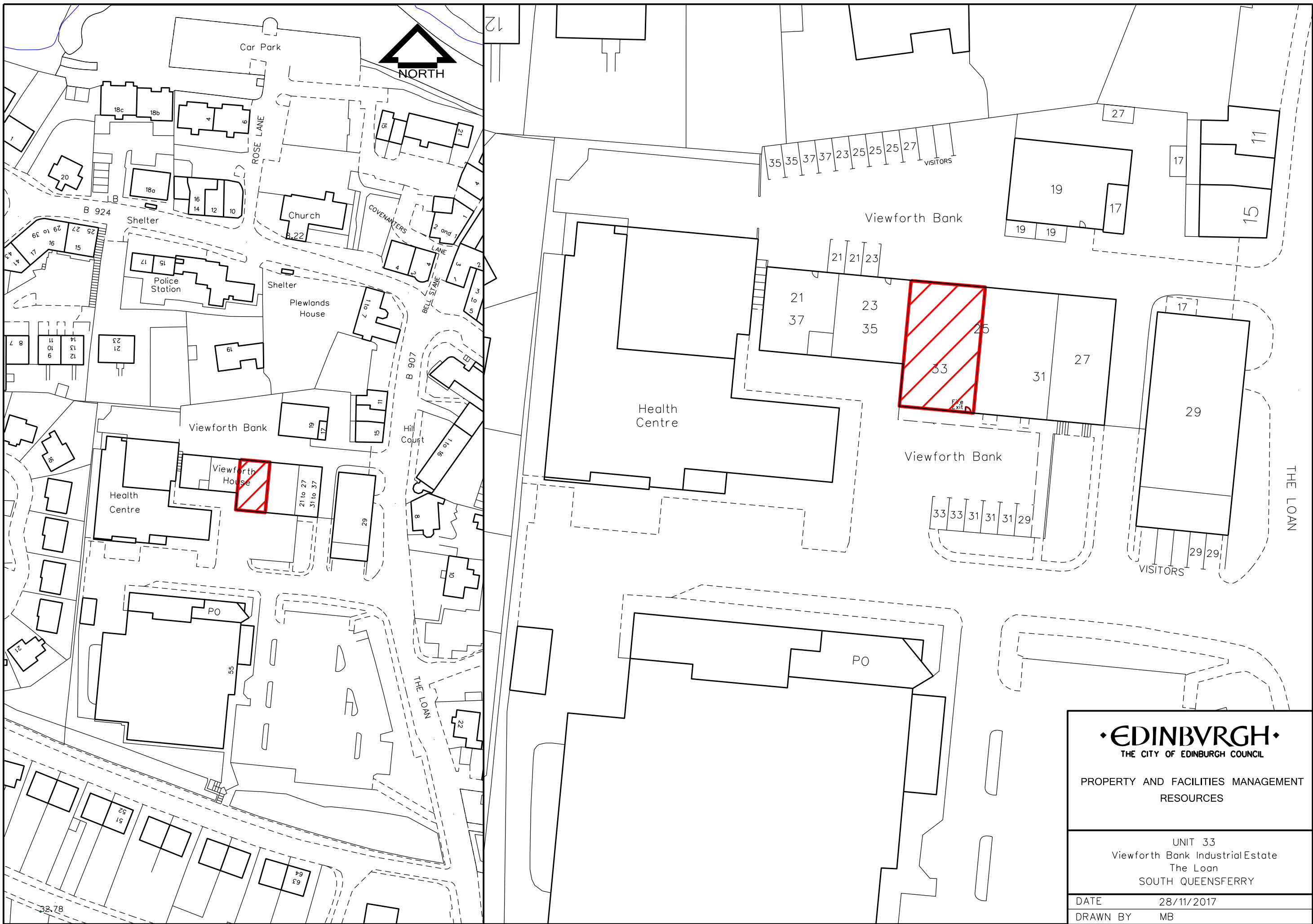
Executive Director of Resources

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11. Appendices

Appendix 1 – Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
UNIT 33 Viewforth Bank Industrial Estate The Loan SOUTH QUEENSFERRY	
DATE	28/11/2017
DRAWN BY	MB
FILE NO.	01/T278/35
NEG. NO.	A3/1131a

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