

Finance and Resources Committee

10.00am, Thursday, 16 August 2018

Proposed New Lease of part of 249 High Street, Edinburgh (Advice Shop)

Item number	8.2
Report number	
Executive/routine	Routine
Wards	11 – City Centre
Council Commitments	C2 , C3

Executive Summary

The rationalisation of the Council's operational property estate has been identified as a key element of the Asset Management Strategy, approved at Finance and Resources Committee on 24 September 2015, to create a fit for purpose, right sized estate.

The refurbishment of the customer hub at 249 High Street has released space that was occupied by the Advice Shop. Negotiations have taken place with VisitScotland for a commercial lease of the premises.

The report seeks approval to grant a 10-year lease to VisitScotland on the terms and conditions outlined in the report.

Proposed New Lease of part of 249 High Street, Edinburgh (Advice Shop)

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a new 10 year lease to VisitScotland of part of 249 High Street, Edinburgh on the terms outlined in this this report and on other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

- 2.1 The property currently occupied by the Advice Shop, forming part of 249 High Street, extends to 148.65 sq. m (1,600 sq. ft.) or thereby and is shown outlined in red on the attached plan.
- 2.2 Over the last 12 months, the adjacent Customer Hub at 249 High Street has undergone a full refurbishment to allow a more focused service delivery from one space.
- 2.3 As a result of these improvements to the front facing customer zones, services currently delivered from the stand-alone Advice Chop space can migrate to the Customer Hub and locality offices. This frees up the existing Advice Shop accommodation for a commercial and income producing use.
- 2.4 Placing the property on the open market would result in offers from retail and leisure uses which could potentially not align with the Council's occupation of the neighbouring City Chambers complex and customer hub. Therefore, direct negotiations have taken place with VisitScotland who will provide a new tourist information centre from the premises, which is considered to be a more compatible use.
- 2.5 VisitScotland currently operate the tourist information centre from the rooftop level of Waverley Wall, however, the centre is no longer fit for purpose.
- 2.6 Although not openly marketed, the Council owns 44 commercial properties on the Royal Mile and the rent agreed with VisitScotland is in line with other open market rents.

3. Main report

3.1 The following terms have been provisionally agreed:

- Subjects: Part ground floor of 249 High Street, Edinburgh;
- Lease Term: 10 years from date of entry;
- Rent: £106,000 per annum;
- Rent Reviews: Reviewed on each 5th anniversary, RPI linked with a minimum 3% and maximum 5% increase at each review;
- Use: Tourist information centre;
- Repairs: Tenant full repairing, notwithstanding the property forms part of the City Chambers complex therefore the Council will retain responsibility for maintaining external and common parts with appropriate proportionate costs recoverable from VisitScotland;
- Rates: The subject property forms part of a much larger single entry on the valuation roll. The relevant proportion of the rates liability to be recovered from VisitScotland using appropriate floor space calculation;
- Utilities: A proportion of costs for utilities and shared services to be recovered from VisitScotland using appropriate floor space calculation;
- Costs: Both parties to meet their own costs; and
- Other terms: As contained in the subjects existing lease;

4. Measures of success

- 4.1 The opportunity to co-locate several services to Customer Hub and locality offices enhancing space utilisation, working efficiencies and opportunities with services.
- 4.2 Granting the lease to VisitScotland will result in a modern, fit for purpose tourist information centre in the heart of the Royal Mile.

5. Financial impact

- 5.1 A new rental income of £106,000 per annum will be generated for the General Property Account.

6. Risk, policy, compliance and governance impact

- 6.1 The lease proposal is integral to the Asset Management Strategy approved by Committee on 24 September 2015.

7. Equalities impact

- 7.1 The proposal in this report to grant a lease on the property does not have a significant additional impact on people, equalities, the economy, and the environment.

8. Sustainability impact

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

9. Consultation and engagement

- 9.1 Ward elected members have been made aware of the recommendations of the report.

10. Background reading/external references

- 10.1 Not applicable.

Stephen S. Moir

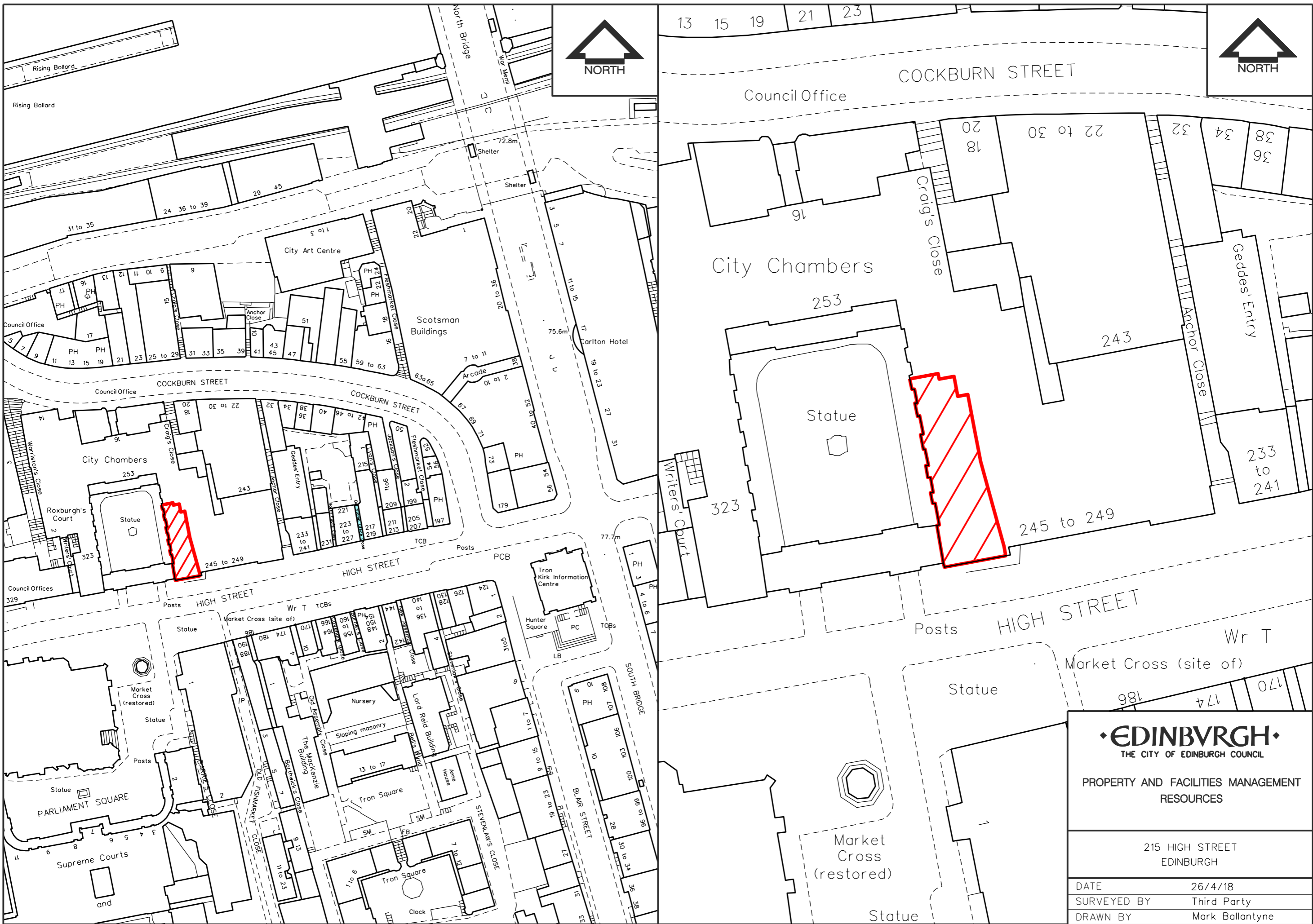
Executive Director of Resources

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11. Appendices

- 11.1 Appendix 1 - Location Plan



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

SITE PLAN

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
215 HIGH STREET EDINBURGH	
DATE	26/4/18
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/1951

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