

Finance and Resources Committee

10.00am, Thursday, 16 August 2018

City Fibre Expansion Project – Proposed Ground Lease at New Mart Road, Edinburgh

Item number	8.3
Report number	
Executive/routine	Routine
Wards	9 – Fountainbridge/Craiglockhart
Council Commitments	C2

Executive Summary

The city's existing 150 km full fibre network is to be expanded citywide to reach nearly every home and business in the city. Through the deployment of additional infrastructure, entire communities and local business across Edinburgh will have access to unlimited bandwidth and Gigabit speed connectivity.

To facilitate the above, this report seeks approval to grant a 20 year ground lease at New Mart Road to City Fibre Ltd on the terms and conditions outlined in the report.

City Fibre Expansion Project – Proposed Ground Lease at New Mart Road, Edinburgh

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a 20 year ground lease to City Fibre Limited at New Mart Road 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 City Fibre Ltd is a builder of Gigabit Cities and Phase 1 of their infrastructure works in Edinburgh were completed in October 2016. The city's existing 150 km full fibre network will be expanded citywide to reach nearly every home and business. This investment will help bring the benefits of unlimited bandwidth and Gigabit speed connectivity to entire communities and local business across Edinburgh.
- 2.2 Edinburgh is set to become one of the first cities in the UK to benefit from the new Vodafone and City Fibre fibre-to-the-premises (FTTP) programme. By using fibre optic cables for every stage of the connection from the customer's home or business to the Internet, users will be offered a significantly superior and more reliable broadband service, capable of Gigabit speeds (1,000 Mbps).
- 2.3 To facilitate this expansion, City Fibre Limited are seeking locations across Edinburgh to install new data centres. On 12 June 2018 the Finance and Resources Committee approved the granting of two ground leases on sites at Barnton Road and Peffer Place.
- 2.4 The site at New Mart Road comprises 250 sq. m of grassed verge adjacent to the access of the Risk Factory and is the final site requirement which will service south west Edinburgh.

3. Main report

- 3.1 Following negotiations between the Council and City Fibre Limited, the following terms have been provisionally agreed:
 - Subjects: 280 sq m at New Mart Road, Edinburgh;

- Lease: 20 year lease from 1 October 2018 until 30 September 2038;
- Break Option: Tenant only break option at any time after the tenth anniversary, on providing no less than 3 months prior written notice;
- Rent: £2,000 per annum;
- Rent Reviews: Reviewed on each fifth anniversary of the term based on RPI increase;
- Use: Class 6 (Site Compound), for the installation of a data centre;
- Repairs: Full Repairing and Insuring obligation, subject to a photographic Schedule of Condition;
- Other terms: Standard commercial lease terms; and
- Costs: Tenant responsible for all costs, capped at £500.

4. Measures of success

- 4.1 Granting these 20 year leases will allow the tenant to invest in additional infrastructure, which in turn, will provide both social and economic opportunities for communities and businesses across Edinburgh.

5. Financial impact

- 5.1 A rental income of rent of £2,000 per annum to the General Property Account.

6. Risk, policy, compliance and governance impact

- 6.1 This is a 20 year lease in conjunction with a wider infrastructure investment programme and it is considered that there is minimal or no impact on Risk, Policy, Compliance and Governance issues.

7. Equalities impact

- 7.1 The proposal in this report to grant the new leases, as part of a wider infrastructure investment project 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

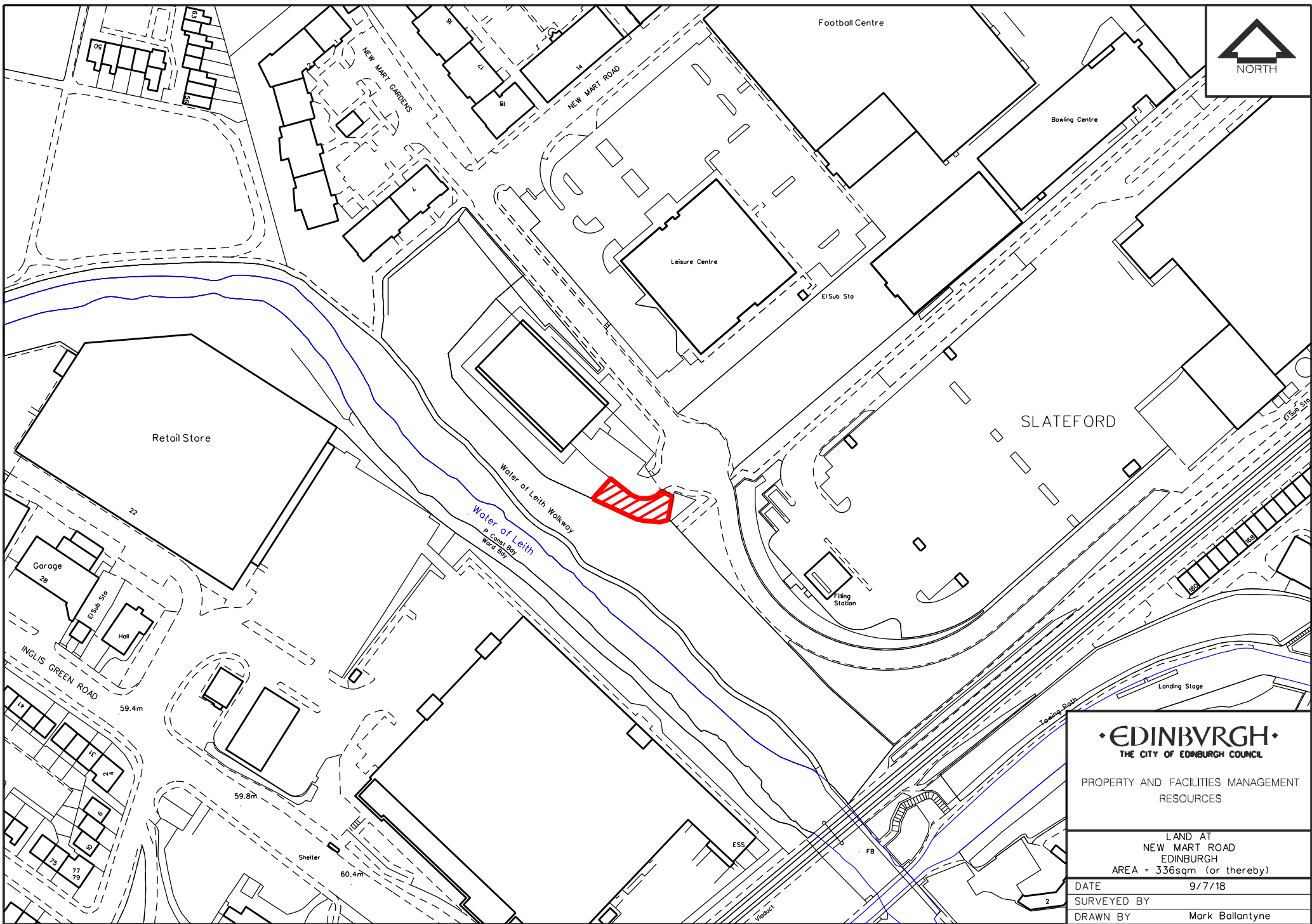
Executive Director of Resources

Contact: Craig Dalgliesh, Development and Disposals Manager

E-mail: craig.dalgliesh@edinburgh.gov.uk | Tel: 0131 529 3173

11. Appendices

- 11.1 Appendix 1 - Location Plan



SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
LAND AT NEW MART ROAD EDINBURGH AREA = 336sqm (or thereby)	
DATE	9/7/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	N.T.S.
NEG. NO.	A3/1986

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