

Finance and Resources Committee

10.00am, Friday, 1 February 2019

Land at Promenade, Portobello – Proposed New Lease

Item number	8.3
Report number	
Executive/routine	Routine
Wards	17 – Portobello/Craigmillar
Council Commitments	C2, C3

Executive Summary

Portobello Sailing and Kayaking Club occupy an area of ground alongside the Promenade in Portobello. The lease was put in place in 2009 and is currently continuing by tacit relocation (silent renewal).

The Club has requested a new 20 year ground lease which will allow investment into new facilities on the site.

The report seeks approval to the grant of a new 20 year lease to Portobello Sailing and Kayaking Club on the terms and conditions outlined in the report.

Land at Promenade, Portobello – Proposed New Lease

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a new 20 year ground lease to Portobello Sailing and Kayaking Club at Promenade, Portobello 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 Portobello Kayaking and Sailing Club (The Club) currently occupy a site on Promenade, Portobello, extending to approximately 935 sq m as shown outlined in red on the attached plan.
- 2.2 The Club currently occupy the ground on tacit relocation, following a 5 year lease that was put in place in 2009. The current rent is £2,000 per annum.
- 2.3 The Club has requested that the lease is renewed for a period of 20 years to allow it to seek sources of funding in order to improve the facilities for its members and users.

3. Main report

3.1 The following terms have been provisionally agreed with the Club:

- Subjects: Land at Promenade, Portobello extending to 935 sq m;
- New Ground Lease: 20 years from 6 April 2019;
- Rent:
 - Year 1 £2,000
 - Year 2 £2,500
 - Year 3 £3,000
 - Year 4 £3,500
 - Year 5 £4,000;
- Rent Reviews: Rent to be reviewed at five yearly intervals based on RPI uplift, capped and collared at 1% and 3% compounded;

- Break Option The tenant will have a break option on the fifth anniversary, and 5 yearly thereafter, on giving 6 months' notice;
- Use: For use as a storage area for equipment used in connection with sailing, kayaking, rowing and other water sports;
- Repairs: Full repairing and maintaining obligation;
- Other terms: As contained in a standard commercial lease.

4. Measures of success

- 4.1 Granting a new 20 year lease of the land will allow the Club to improve the facilities for its members and the local community.

5. Financial impact

- 5.1 An initial rent of £2,000 per annum, rising to £4,000 at year 5, will be received by the General Fund.

6. Risk, policy, compliance and governance impact

- 6.1 This is a new 20 year lease on a property that has used by the Club for a number of years. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

- 7.1 The proposal in this report to grant a new lease to a tenant who has been in occupation of the property for a number of years 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 as it is a new lease being proposed for a continued use of the property.

9. Consultation and engagement

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

10. Background reading/external references

10.1 Not applicable.

Stephen S. Moir

Executive Director of Resources

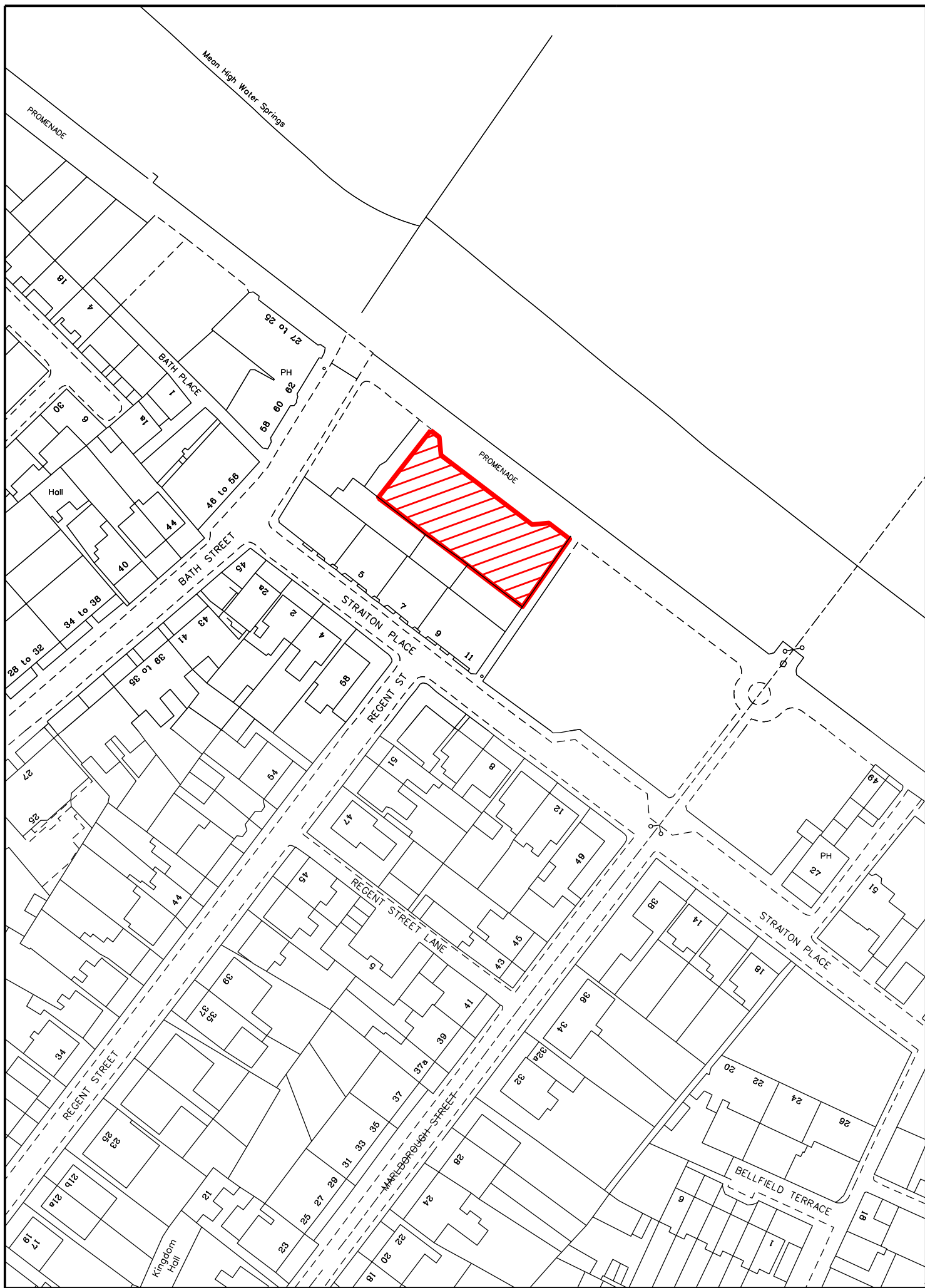
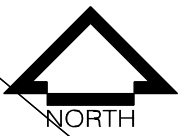
Contact: Graeme McGartland, Investments Senior Manager

Property and Facilities Management Division, Resources Directorate

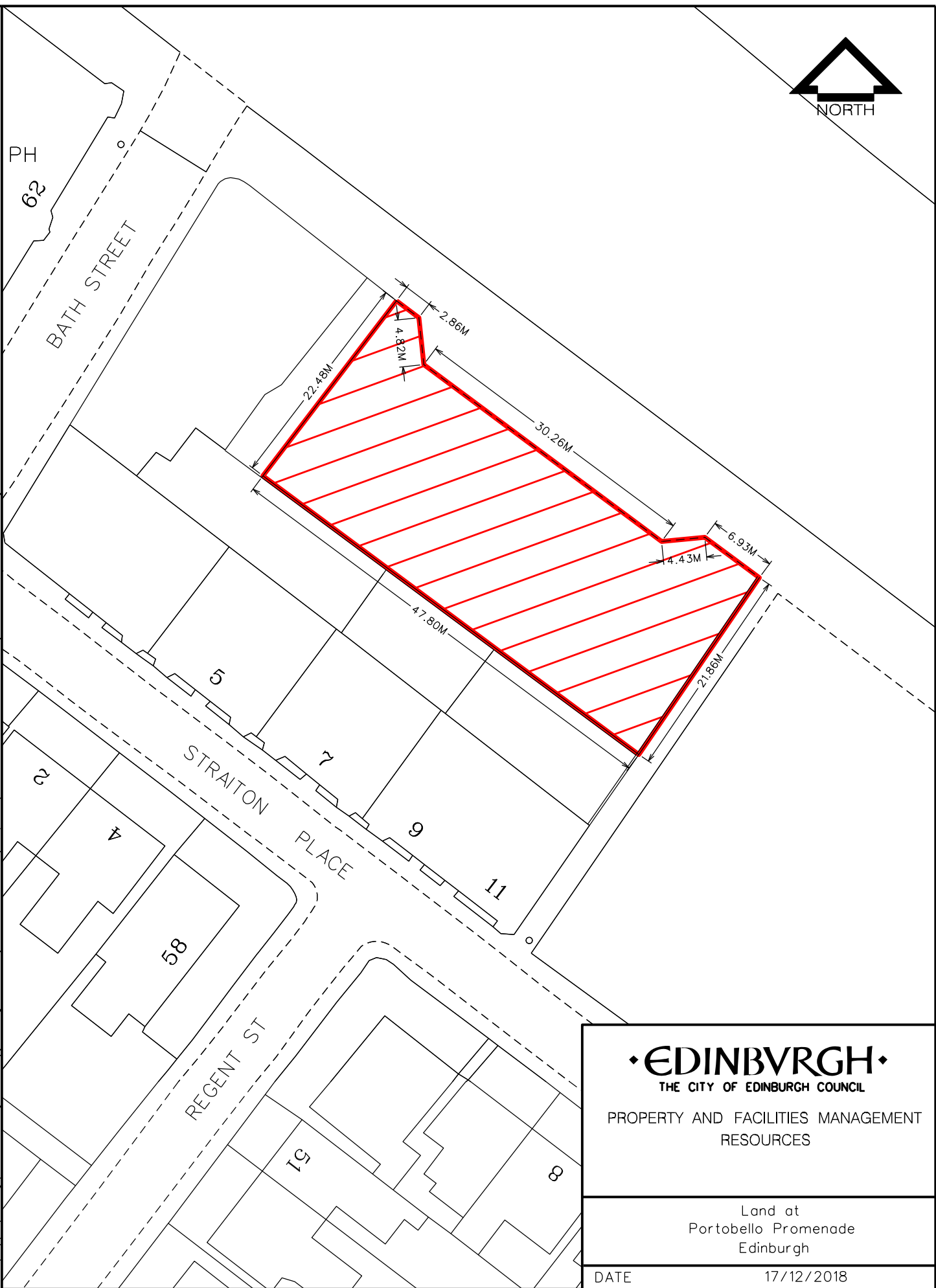
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11. Appendices

11.1 Appendix 1 - Location Plan.



LOCATION PLAN SCALE 1:1250



AREA SHOWN OUTLINED RED - 934.9 sq.m.

SITE PLAN SCALE 1:500

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Land at Portobello Promenade Edinburgh	
DATE	17/12/2018
SURVEYED BY	
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT 3074/A3/988

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