# **Finance and Resources Committee**

## 10.00a.m., Thursday, 23 May 2019

# Broughton FP Rugby Club, Granton Road – Proposed Lease Extension

**Executive/routine** Routine Wards 4 - Forth Council Commitments 39

#### 1. Recommendations

#### 1.1 That Committee:

1.1.1 Approves a 20-year lease extension of land at 109 Granton Road to Broughton FP Rugby Club on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

#### Stephen S. Moir

**Executive Director of Resources** 

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## Report

# Broughton FP Rugby Club, Granton Road – Proposed Lease Extension

#### 2. Executive Summary

- 2.1 Broughton FP Rugby Club (The Club) occupy an area of ground alongside Wardie Playing fields on Granton Road. The lease was put in place in 1975 and is currently continuing by tacit relocation (silent renewal). The Club has constructed a changing facility and club room on the land.
- 2.2 The Club has requested a new 20 year ground lease for significant investment into upgrading the clubhouse premises. In addition, an extension to the area of land leased has been requested which will allow the construction of dedicated female changing facilities
- 2.3 The report seeks approval to the grant of a 20 year lease extension to Broughton FP Rugby Club on the terms and conditions outlined in the report.

## 3. Background

- 3.1 Broughton FP Rugby Club (the Club) currently occupy a site on Granton Road, adjoining Wardie Playing Fields, which is used for matches, extending to approximately 476 sq m as shown outlined in red on the attached plan.
- 3.2 The Club has leased the land since 1975 and the lease at present continues by way of tacit relocation (silent renewal). The current rent is £1,025 per annum.
- 3.3 The Club has requested that the lease is extended for a period of 20 years to allow it to seek sources of funding to improve the facilities for its members and users. In addition the Club has requested that the leased area be extended by 76 sq m as shown shaded in blue on the attached plan. The Club intends to construct a dedicated female changing facility in an extension to the existing building, subject to required statutory consents.

## 4. Main report

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

Subjects: Land at Granton Road extending to 567 sq m;

New Ground Lease: 20 years from 1 July 2019;

• Rent: £1,400 per annum;

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 ground on which a changing facility for a

rugby club and associated ancillary uses has been

constructed;

Repairs: Full repairing and maintaining obligation;

Other terms: As contained in a standard commercial lease.

#### 5. Next Steps

5.1 The Council will seek to enter into the lease extension with Broughton FP Rugby Club in accordance with the terms and conditions outlined within this report.

#### 6. Financial impact

- 6.1 Agreeing the new lease extension will result in an increase in rent to the General Property Account, to £1,400 per annum.
- 6.2 The proposed rent reflects the use of the ground as clubroom and changing facilities.

#### 7. Stakeholder/Community Impact

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

#### 8. Background reading/external references

8.1 Not applicable.

## 9. Appendices

9.1 Appendix 1 – Location Plan

