

Finance and Resources Committee

10.00am, Thursday, 23 March 2017

Proposed New Lease at Gorgie City Farm, Edinburgh

Item number	8.6
Report number	
Executive/routine	Routine
Wards	7 – Sighthill/Gorgie

Executive Summary

The Council owns the area of land, shown outlined in red on the attached plan, which has been occupied by the Gorgie City Farm since the late 1970's.

Currently the site is held on three separate leases which have been in place since 1991. In order to simplify matters and with the need for the farm to secure funding, a new long term ground lease has been provisionally agreed.

This report seeks approval to the grant of a new 40 year ground lease to Gorgie City Farm on the terms and conditions as outlined in the report.

Links

Coalition Pledges	P1 , P15 , P17
Council Priorities	CP1 , CP2 , CP5 , CP7 , CP8 , CP9
Single Outcome Agreement	SO1 , SO2 , SO3

Proposed New Lease at Gorgie City Farm, Edinburgh

1. Recommendations

1.1 That Committee:

- 1.1.1 Approves a new 40 year ground lease to Gorgie City Farm of the site at 51 and 53-59 Gorgie Road, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

2. Background

- 2.1 The site leased to Gorgie City Farm extends to 2.1 acres or thereby as shown outlined in red on the attached plan.
- 2.2 Gorgie City Farm has occupied the site since the late 1970's with the farm being open to the public in 1982. The only city farm in east and central Scotland, the charity is run as a working farm with the animals bred and raised for food production. In 2016 the farm recorded 220,000 visitors.
- 2.3 Historically, the farm has been occupied on three leases which have been in place since 1992. The original terms on the leases expired in 2012 and the leases have been holding over since that time.

3. Main report

- 3.1 In order to standardise and simplify the position, discussions have taken place and terms provisionally agreed on one new ground lease covering the whole site. The 40 year term that has been agreed is a requirement for the farms funding application (Big Lottery Fund). Subject to funding, Gorgie City Farm will invest over £1m improving the various building on site.
- 3.2 The following terms have been provisionally agreed:
 - Subjects: 2.1 acres or thereby at 51 and 53-59 Gorgie Road, Edinburgh;
 - Lease term: 40 years from 1 March 2017;
 - Rent: Stepped rental agreement as follows:
£5,500 per annum from 01/03/2017 to 28/02/2019
£6,500 per annum from 01/03/2019 to 28/02/2020

£7,500 per annum from 01/03/2020 to 28/02/2021
£8,500 per annum from 01/03/2021 to 28/02/2022
£9,500 per annum from 01/03/2022 to 28/02/2023
£10,500 per annum from 01/03/2023 to 28/02/2024
£12,000 per annum from 01/03/2024 to 28/02/2025;

- Rent Review: Rent to be reviewed to full market level on each fifth anniversary of date of entry. First rent review is superseded by stepped agreement so rent reviews to follow on 1 March 2027, 2032, 2042 and 2047;
- Use: City farm;
- Repairs: Tenant full repairing and maintaining obligations;
- Alienation Provisions: Tenant will be permitted to sub-let in whole or in part, subject to Council's consent as landlord with that consent not to be unreasonably withheld or delayed; and
- Costs: Both parties to meet their own costs.

4. Measures of success

- 4.1 Granting a 40 year lease will provide greater security of tenure allowing the tenant progress with a funding application which will lead to significant investment in the site. This will greatly improve the facilities provided.

5. Financial impact

- 5.1 Rental income of £5,500 per annum payable from 1 March 2017 rising to £12,000 per annum by 1 March 2024 and subject to further rent reviews. Rent payable to General Property Account.

6. Risk, policy, compliance and governance impact

- 6.1 This is a new 40 year lease to the existing tenant who has operated from the site for more than 35 years and it is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

7. Equalities impact

- 7.1 An Equalities 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 the tenant can continue to plan both financially and in terms of developing

the farm. The greater security of tenure allows them to inject investment into the facilities, greatly improving the experience available to visitors.

- 7.3 The farm supports a wide range of adults and young people across a variety of programmes. These include but are not limited to, drop in sessions for pre-school children allowing them to enjoy outdoor activities, formal education tours and workshops to over 1600 participants per year, youth and adult volunteering programmes, weeklong work placement for over 60 young people and weekday placements for 34 referred young people.
- 7.4 The aforementioned directly links to the following rights namely (i) Life, (ii) Health, (iii) Legal Security, (iii) Education and Learning (iv) Productive and Valued Activities, (v) Individual, Family and Social Life, (vi) Identity, Expression and Respect, and (vii) Participation, Influence and Voice.
- 7.5 A possible infringement has been identified in that by offering a new lease to the current tenant rather than placing the premises on the open market in, there is potential impact on others who may wish to lease the premises. However, given that the existing tenant has operated the farm for more than 35 years and the possible effect on the farm if the new lease 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.

9. Consultation and engagement

- 9.1 The ward councillors (Councillor's Dixon, Fullerton, Milligan and Wilson) and Councillor Corbett were aware of the email correspondence between the Councillor officer and Gorgie City Farm.

10. Background reading/external references

- 10.1 N/A

Hugh Dunn

Acting Executive Director of Resources

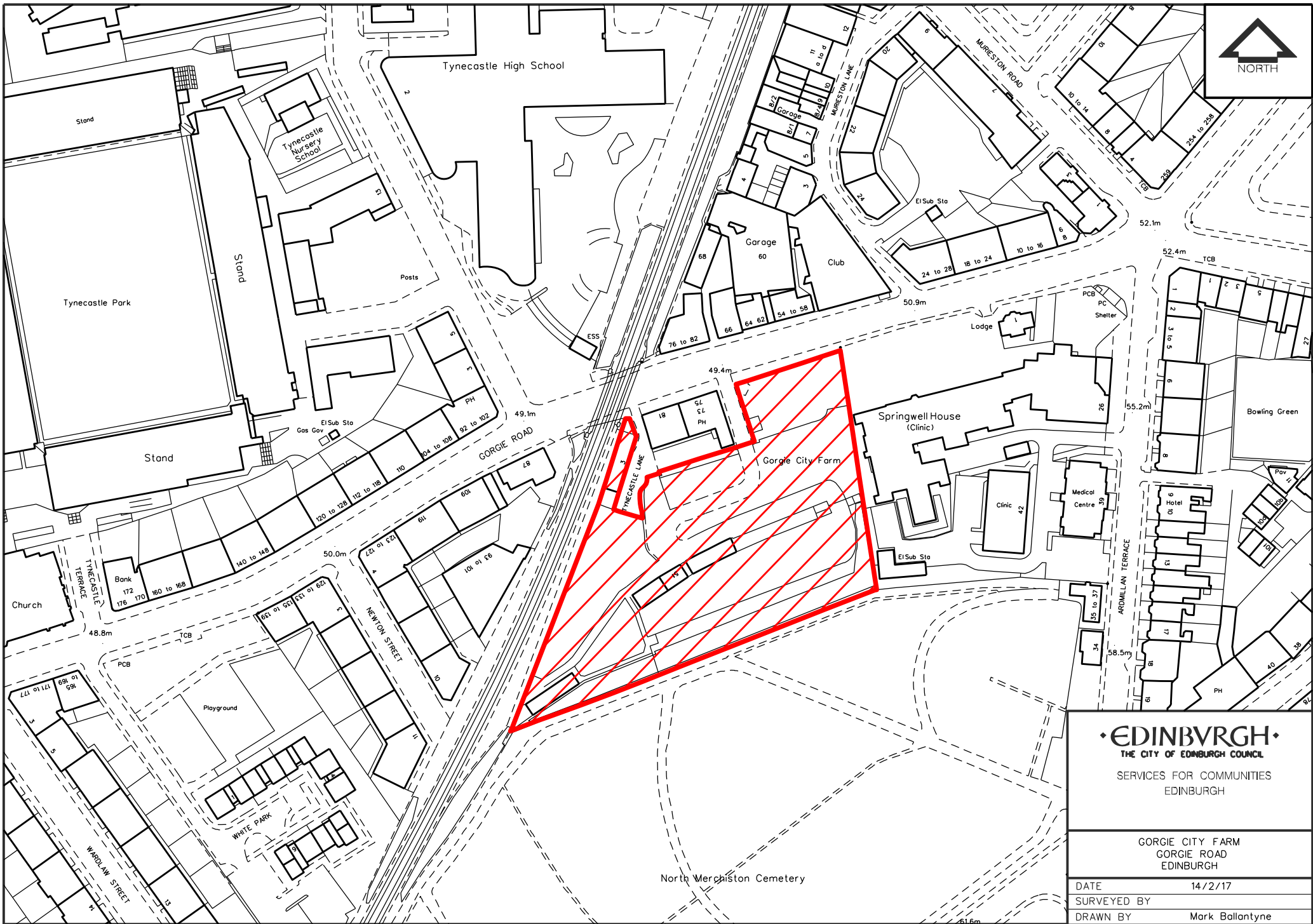
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11. Links

Coalition Pledges	<p>P1 – Increase support for vulnerable children, including help for families so that fewer go into care.</p> <p>P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors.</p> <p>P17 – Continue efforts to develop the city’s gap sites and encourage regeneration.</p>
Council Priorities	<p>CP1 – Children and young people fulfil their potential.</p> <p>CP2 – Improved health and wellbeing: reduced inequalities.</p> <p>CP5 – Business growth and investment.</p> <p>CP7 – Access to work and learning.</p> <p>CP8 – A vibrant, sustainable local economy.</p> <p>CP9 – An attractive city.</p>
Single Outcome Agreement	<p>SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all.</p> <p>SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health.</p> <p>SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential.</p>
Appendices	<p>Appendix 1 – Location Plan.</p>



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GORGIE CITY FARM
GORGIE ROAD
EDINBURGH

DATE	14/2/17
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1612

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

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