# **Finance and Resources Committee**

## 10.00am, Thursday, 4 March 2021

# 65 Niddrie Mains Terrace – Proposed Lease

**Executive/routine** Routine

Wards Ward 17- Portobello/Craigmillar

Council Commitments 1, 2, 10, 11

#### 1. Recommendations

1.1 That Committee approves the lease of six flatted units at 65 Niddrie Mains Terrace on the terms and conditions as outlined in the 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

## **65 Niddrie Mains Terrace – Proposed Lease**

## 2. Executive Summary

2.1 The Council completed the sale of the property at 65 Niddrie Mains Terrace to LAR Housing Trust. The Council has agreed to lease the renovated flats for a 10-year term through the Health and Social Care Partnership to provide accommodation for adults with learning disabilities. This report seeks approval to lease the property from LAR Housing Trust, on the terms and conditions outlined in the report.

## 3. Background

- 3.1 The property at 65 Niddrie Mains Terrace is a detached block consisting of 5 flats and an office, formally used as a Day Service Hub. It was vacated several years ago and needs complete renovation to bring it back into use.
- 3.2 LAR housing Trust (LAR) has been in discussion with Council officers to identify projects which would provide the charity with additional homes in Edinburgh. Working with officers in Housing and Health and Social Care Partnership, the opportunity for the purchase of the property at Niddrie Mains Terrace was identified.
- 3.3 On 5 March 2020, the Finance and Resources Committee approved the disposal of 65 Niddrie Mains Terrace to LAR Housing Trust for £144,000 noting that almost £0.5m was required to bring the properties back into beneficial use.
- 3.4 The report noted the intention for the Council, through the Health and Social Care Partnership (H&SCP), to take a 10-year lease of the flats once the renovation works are complete. The renovation works are expected to complete during April and the purpose of this report is to approve the terms and conditions for the 10-year lease to H&SCP.

## 4. Main report

4.1 The following terms have been provisionally agreed:

Subjects 6 x 2-bedroom flats at 65 Niddrie Mains Terrace:

• Tenant: City of Edinburgh Council (Health & Social Care Partnership);

Lease: 10 years from date of entry;

Break Option: The Council, as tenant, will have the right to terminate

the lease at any time during the term on serving 3

months' notice;

Rent: £46,800 per annum;

Rent Review: Annual rent increase in line with RPI;

• Repair: LAR responsible for all repairs to the building (other than

damage caused by CEC tenants);

Repairs: Tenant full repairing and insuring obligation;

Costs: Each party liable for their own costs;

- 4.2 The lease will complete when officers in the H&SCP ensure that the specification meets the needs of adults with learning disabilities. Thereafter, occupiers for the property will be identified.
- 4.3 Should the break option be implemented by the Council the flats will revert to midmarket rent.

### 5. Next Steps

5.1 Following approval of the terms, the lease will be agreed to commence when the works have been completed to the satisfaction of the Council.

## 6. Financial impact

6.1 A rent of £46,800 per annum, rising annually in line with RPI, will be funded by the Health and Social Care Partnership

## 7. Stakeholder/Community Impact

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

## 8. Background reading/external references

8.1 Report to Finance and Resources Committee - 5 March 2020 – <u>65 Niddrie Mains</u>

<u>Terrace – Proposed Disposal</u>

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9.1 Appendix 1 – Location Plan

