

# Finance and Resources Committee

10.00am, Thursday, 10 November 2022

## Portobello Town Hall – Proposed Lease

Executive/routine Wards Council Commitments	Routine 17 – Portobello / Craigmillar
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### 1. Recommendations

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- 1.1 It is recommended that Finance and Resources Committee approves a new 25-year lease of Portobello Town Hall to Portobello Central on the terms and conditions outlined in this report.

**Paul Lawrence**

Executive Director of Place

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# Report

## Portobello Town Hall – Proposed Lease

### 2. Executive Summary

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- 2.1 Portobello Town Hall has been vacant since July 2019 and requires significant capital investment due to its condition. It was marketed for lease as a restoration opportunity and the proposal from Portobello Central was accepted by Committee subject to further discussions and engagement with the Council on the 20-minute neighbourhood proposals for Portobello.
- 2.2 With this work complete, this report seeks approval to grant a new 25-year lease to Portobello Central on the terms and conditions outlined in the report.

### 3. Background

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- 3.1 Portobello Town Hall, built in 1914, is a Category B Listed Council owned building situated in a prominent location on Portobello High Street as shown outlined in red on the plan attached as Appendix 1.
- 3.2 Due to the deteriorating condition of the property, it was closed to public access in July 2019. It was estimated that significant capital investment would be required to address the immediate issue (deterioration of the plaster on the barrel-dome ceiling) and in the longer term due to the age and wider condition of the property.
- 3.3 The property was subsequently marketed for lease as a restoration opportunity with the outcome of that process considered by Finance and Resources Committee on [20 May 2021](#). Committee approved the bid, in principle, from Portobello Central Ltd subject to further discussions and engagement with the Council on the 20-minute neighbourhood proposals for Portobello.
- 3.4 At that time, Portobello Central was a company limited by guarantee, a not-for-profit organisation formed by members of the Portobello community specifically to prepare a proposal to the Council in response to its call for proposals for the Town Hall.
- 3.5 The proposals sought a collaboration between the local community, the Council and private sector to deliver a project that would create a sustainable future for the building and ultimately lead to a Community Asset Transfer of the asset to the community.

- 3.6 On 8 July 2021, Portobello Central became a Scottish Charitable Incorporated Organisation that operates within a constitution provided by the Scottish Council Voluntary Organisations. The organisation's purpose is:
- 3.6.1 The advancement of citizenship or community development (including rural or urban regeneration);
  - 3.6.2 The advancement of the arts, heritage, culture or science; and
  - 3.6.3 The provision of recreational facilities or the organisation of recreational activities with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.

## 4. Main report

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- 4.1 On [25 June 2021](#), the Housing, Homelessness and Fair Work Committee approved funding of £350,000 to Portobello Central as part of the Place Based Investment Programme. The funding was to specifically address wind and water-tight and related health and safety issues with the building so that it could be reopened and put into beneficial use while the Portobello Central worked on longer term solutions.
- 4.2 The contract for the above works is ongoing and, when complete, Portobello Central will be in a position to take possession of the building and operate it as a community facility with the ultimate goal of future significant improvements and investment in the facility.
- 4.3 The project has advanced to the extent that a formal lease to Portobello Central can now be progressed and the following terms have been provisionally agreed:
- 4.1.1 Subjects: Portobello Town Hall and grounds;
  - 4.1.2 Tenant: Portobello Central;
  - 4.1.3 Lease term: 25-years;
  - 4.1.4 Break option: tenant break option at the end of year two;
  - 4.1.5 Rent: £1 per annum (if asked);
  - 4.1.6 Use: performance and events space;
  - 4.1.7 Repair: tenant is responsible for all repairs and maintenance;
  - 4.1.8 Insurance: the Council will insure the building and recharge the premium to the Tenant; and
  - 4.1.9 Costs: tenant is to reimburse Council's reasonably incurred legal and surveyors' fees.
- 4.4 The proposed terms reflect the current status of the project whereby Portobello Central will take possession and manage the building going forward. The lease duration is, in effect, a Community Asset Transfer and a safeguard for the tenant, a break option at the end of year two, has been included. The peppercorn rent

reflects the fact that the building will need considerable investment over time (well in excess of £1m) that will be met by Portobello Central.

## **5. Next Steps**

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- 5.1 Following Committee approval, Legal Services will be instructed to progress with drafting the essential documentation for the proposed new lease.

## **6. Financial impact**

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- 6.1 Implementing the recommendations of this report will result in the required capital expenditure needed being met by the proposed tenant thereby removing the pressure from the Council.
- 6.2 In addition, the Council will save on property costs of approximately £80,000 per annum.

## **7. Stakeholder/Community Impact**

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- 7.1 Ward members have been made aware of the recommendations of the report.
- 7.2 There has been significant engagement with the Council's 20-minute Neighbourhood team and the proposals in this report could present future opportunities as Portobello Central deliver their business plan.

## **8. Background reading/external references**

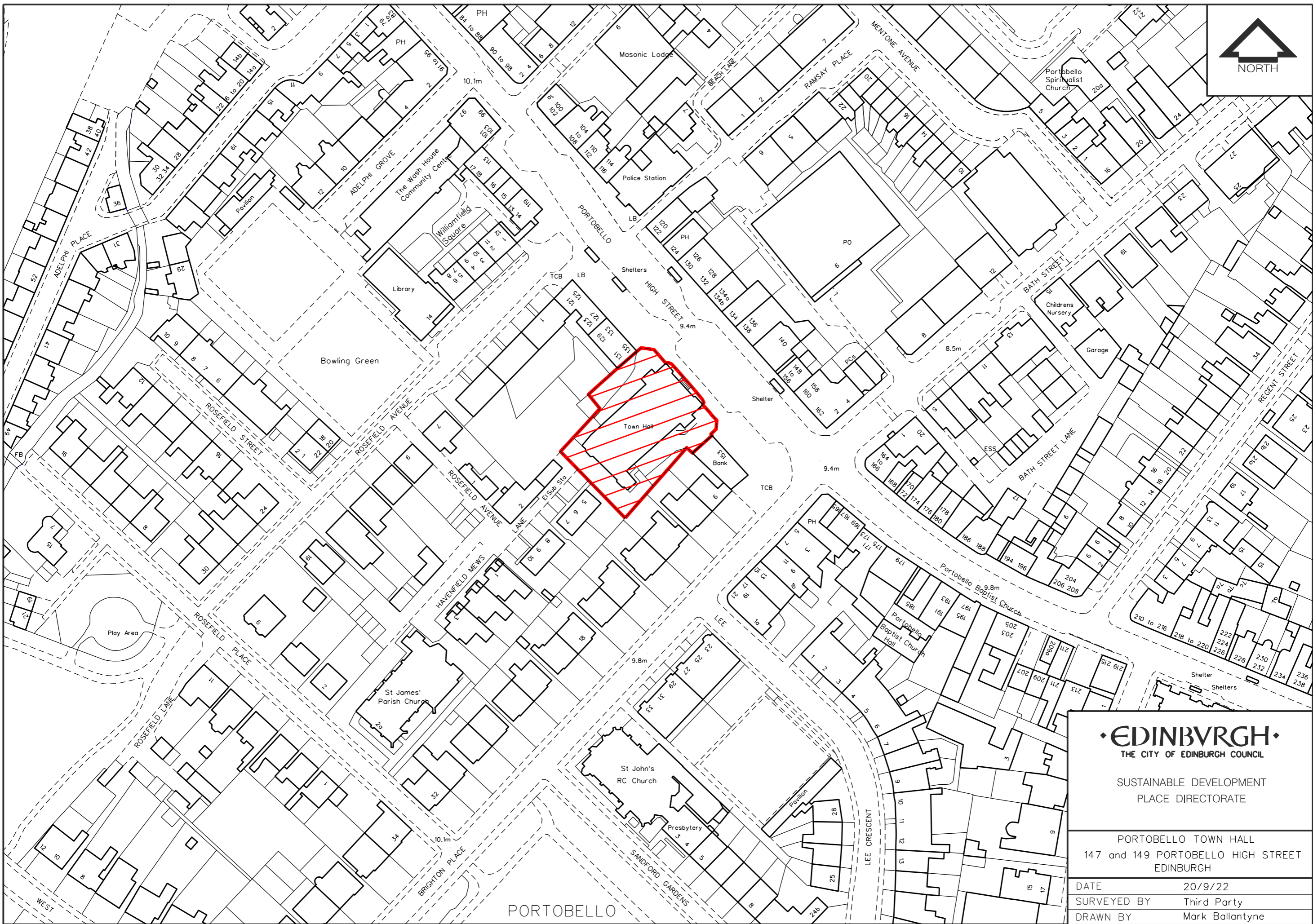
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- 8.1 None.

## **9. Appendices**

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- 9.1 Appendix 1 – Location plan.



SITE PLAN

SCALE 1:1250

**EDINBURGH**  
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT  
PLACE DIRECTORATE

PORTOBELLO TOWN HALL  
147 and 149 PORTOBELLO HIGH STREET  
EDINBURGH

DATE	20/9/22
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/2346

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