Finance and Resources Committee

10.00am, Thursday, 25 January 2024

Union Park, Saughton Road North, Edinburgh – Proposed New Lease

Executive/routine	Routine
Wards	6 – Corstorphine/ Murrayfield

1. Recommendations

1.1 That the Finance and Resources Committee approves a new 40-year lease to Corstorphine Rugby Pavilion SCIO of the sports pavilion at Union Park, Saughton Road North, Edinburgh under the terms and conditions outlined in this report and on other terms to be agreed by the Executive Director of Place.

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Report

Union Park, Saughton Road North, Edinburgh – Proposed New Lease

2. Executive Summary

2.1 The sports pavilion at Union Park was previously managed by Edinburgh Leisure before being handed back to the Council in 2020. The main user of the pavilion is Corstorphine Cougars RFC on an annual lease. This report seeks approval to grant a new 40-year lease to Corstorphine Rugby Pavilion SCIO on the terms and conditions outlined in the report.

3. Background

- 3.1 The sports pavilion at Union Park extends to 500sq m (5,382sq ft) or thereby and is shown outlined in red on the attached plan.
- 3.2 Corstorphine Cougars RFC have an existing lease over part of the property which expired 2015 and continues to run on an annual basis at a passing rent of £950 per annum. The lease covers the part of the building used as the club room of the rugby club.
- 3.3 The remaining part of the pavilion is the changing rooms, showers, toilets and storage facilities previously operated by Edinburgh Leisure. Part of the building was also a former janitors house.
- 3.4 Corstorphine Cougars RFC have set up Corstorphine Rugby Pavilion SCIO to enter into a lease of the whole building. The exiting lease for part of the building will be renounced and the whole building will then be leased to the SCIO.
- 3.5 The rugby club intend to invest £600,000 in redeveloping and upgrading the property and require the new 40-year lease to satisfy the funding requirements. The £600,000 is to be funded as follows:
 - 3.5.1 £250,000 already secured from Scottish Rugby Union;
 - 3.5.2 £200,000 sought from SportsScotland;
 - 3.5.3 £80,000 already secured from member donations; and

- 3.5.4 The remaining £70,000 to be raised by further member donations and benefactor grants.
- 3.6 Planning permission has been granted for the redevelopment of the building.

4. Main report

- 4.1 The following terms have been provisionally agreed:
 - 4.1.1 Subjects: Sports pavilion, Union Park, Edinburgh;
 - 4.1.2 Tenant: Corstorphine Rugby Pavilion SCIO;
 - 4.1.3 New Lease: 40 years from date of entry;
 - 4.1.4 Rent: £950 per annum;
 - 4.1.5 Rent Free: Three years from date of entry;
 - 4.1.6 Use: Sports pavilion, changing facilities, storage, community use;
 - 4.1.7 Repairs: Tenant full repairing and maintaining obligation; and
 - 4.1.8 Costs: Both parties to meet their own costs.
- 4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

5. Next Steps

5.1 Following Committee approval, the Council Solicitor will be instructed to progress with drafting the new lease.

6. Financial impact

6.1 Effective from the date of entry and at the expiry of the rent-free period the annual rent will remain at £950 per annum. The income goes to the General Property Account.

7. Equality and Poverty Impact

7.1 This is a new 40-year lease to a tenant who has occupied part of the property since 1975. It is considered this proposal does not have any equality or poverty implications.

8. Climate and Nature Emergency Implications

8.1 It is considered there are no direct Climate and Nature Emergency Implications from offering a new lease to the established tenant.

9. Risk, policy, compliance, governance and community impact

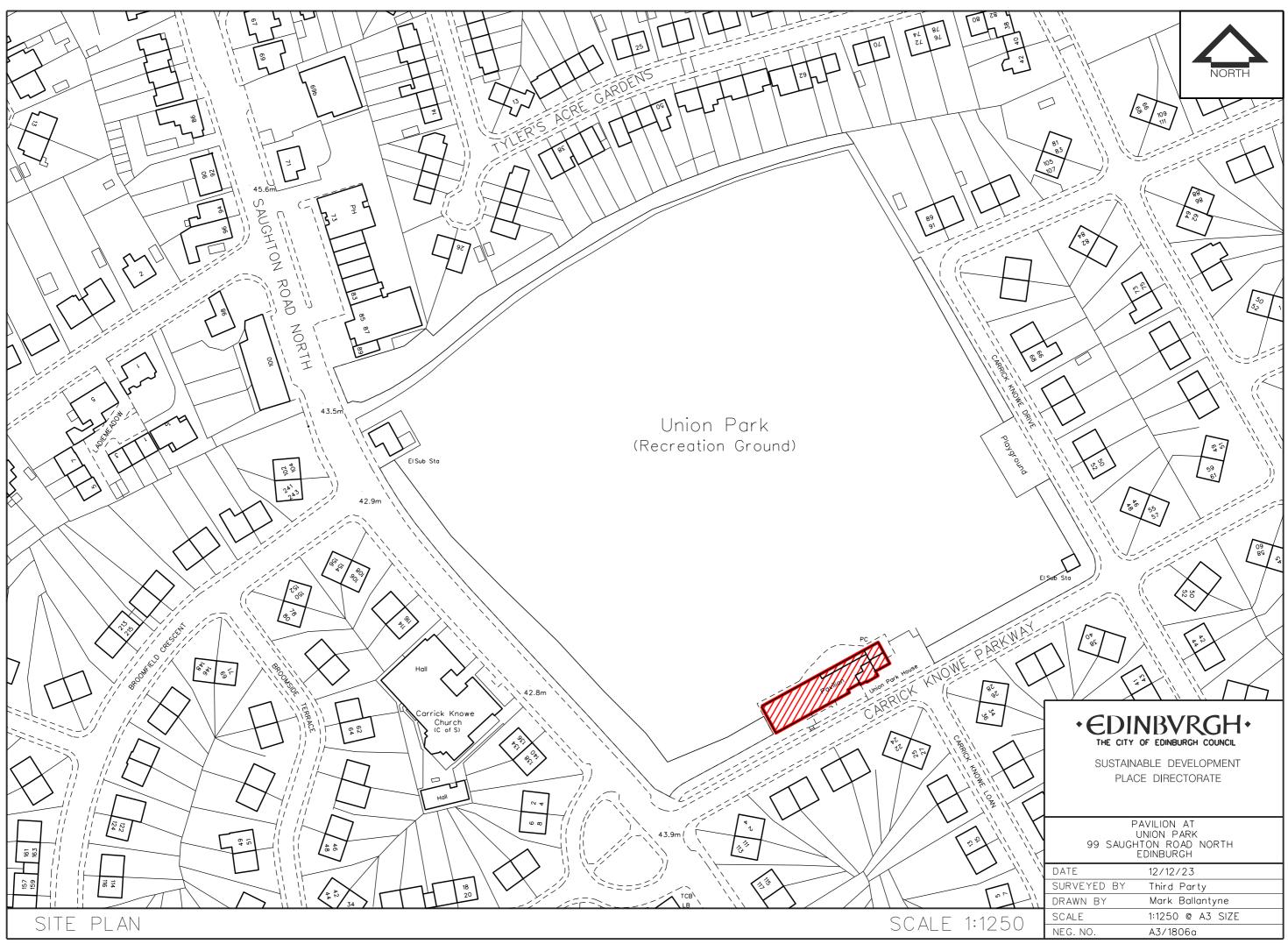
- 9.1 Ward members have been aware of the recommendations of this report.
- 9.2 The proposed new lease is in keeping with the Commercial Property Portfolio Strategy that was approved by the Committee on 20 June 2023.

10. Background reading/external references

10.1 <u>Commercial Property Portfolio Strategy</u>

11. Appendices

11.1 Appendix 1 – location plan.



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