# **Finance and Resources Committee**

#### 10.00am, Thursday, 14 March 2024

# Land at Malleny Park, Balerno - Proposed New Ground Lease

Executive/routine Routine

Wards 2- Pentland Hills

#### 1. Recommendations

1.1 That the Finance and Resources Committee approve the renunciation of three existing leases, and the grant of a new ground lease for a term of 90-years, to Currie Rugby Football Club Limited of land at Malleny Park, Balerno on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Place.

#### **Paul Lawrence**

**Executive Director of Place** 

Contact: Lesley Lumsden, Estates Surveyor

E-mail: lesley.lumsden@edinburgh.gov.uk | Tel: 0131 529 4600



# Report

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#### 2. Executive Summary

2.1 Currie Rugby Football Club Limited lease three parcels of land adjacent to Balerno High School/Malleny Park. The club are seeking a new long-term lease to replace the existing agreements to allow the club to raise funds for a proposed extension and refurbishment of the club house and changing facilities.

## 3. Background

- 3.1 Currie Rugby Football Club Limited lease three parcels of land adjacent to Balerno High School/Malleny Park, which comprise the following:
  - 3.1.1 Ground Lease 1 A 60-year ground lease for the land on which the club house sits which runs until 12 September 2039 at £2,062 per annum as shown coloured green and hatched in yellow on the attached plan;
  - 3.1.2 Ground Lease 2 A 20-year lease of the rugby pitch and playing fields until 31 August 2020, and continuing month to month, at £200 per annum as shown coloured pink and hatched yellow on the lease plan; and
  - 3.1.3 Ground Lease 3 Upper field shown coloured blue and hatched in yellow (known as Santa Field). This field has recently been developed by the tenant into a rugby pitch. Occupied on a short Missive of Let from 1 April 2017 to 31 March 2018 at £1 per annum, now continuing month to month.
- 3.2 The Club are seeking grant funding from Scottish Rugby and SportScotland to refurbish the redundant shower block and extend the clubhouse. Given the level of financial commitment required for the proposed works, a longer lease is required to provide the necessary security for funding.

#### 4. Main report

4.1 The following terms have been provisionally agreed:

- 4.1.1 Subjects: All and whole of the land edged red on the attached Lease Plan at Appendix 1;
- 4.1.2 Tenant: Currie Rugby Football Club Limited;
- 4.1.3 Lease term: 90-year lease from the date of entry;
- 4.1.4 Rent: £5,000 per annum with a stepped increase as follows Year 1: £3,000, Year 2: £4,000 Year 3: £5,000;
- 4.1.5 Rent review: five yearly, upwards only to Market Rent;
- 4.1.5 Repair: the Club will be responsible for all maintenance of the land, structures thereon, boundary fencing and all other repairs and maintenance of the land included within the demise of the Lease:
- 4.1.6 Car Park/road maintenance: the Club will contribute 10% of the cost to repair or maintain the Car Park. This is subject to review, based on usage;
- 4.1.8 School Use: Balerno High School will continue to have free use of the playing fields during school hours and at other times with the prior agreement of the Club; and
- 4.1.8 Costs: tenant responsible for the Council's legal costs.

#### 5. Next Steps

5.1 Following approval of the terms by the Finance and Resources Committee, solicitors will be instructed to conclude the legal documentation.

## 6. Financial impact

- 6.1 The rental income will increase over the medium to long term with guaranteed fixed uplifts every five years. The lease also obligates the tenant to maintain the land for the continued use by Balerno High School, providing a service to the Council and cost saving in terms of maintenance.
- 6.2 Income will increase from £2,263 per annum received from the three existing arrangements to £5,000 per annum within the first three years.

## 7. Equality and Poverty Impact

7.1 This proposal has a minimal impact however it will enable continued community and school access to improved sporting facilities.

## 8. Climate and Nature Emergency Implications

8.1 As this proposal involves the reuse and extension of the existing pavilion with no additional infrastructure, any impact on carbon emissions is expected to be minimal.

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

- 9.1 Ward members have been aware of the recommendations of this report.
- 9.2 The Council's Sports Partnership Development Manager and Balerno High Schools Business Manager have been consulted. The risk to the Council would be greater, should the lease not be approved as this would result in further costs for the Council to manage and maintain the grounds.

#### 10. Background reading/external references

10.1 None.

#### 11. Appendices

11.1 Appendix 1 – Location plan.

