

Policy and Sustainability Committee Report

10.00 am, Thursday, 11 June 2020

Unit 6, Units 11 – 15 & Units 16 – 20, Clocktower, Flassches Yard, South Gyle Industrial Estate, Edinburgh – Proposed Lease Extensions

Executive/routine Wards Council Commitments	Executive 3 – Drum Brae/Gyle <u>2</u>
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1. Recommendations

1.1 That Committee:

- 1.1.1 Approves lease extensions until 27 November 2035 to Pulsant (South Gyle) Limited for Unit 6, Units 11 – 15 and Units 16 – 20 in the Clocktower Estate, on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

Stephen S. Moir

Executive Director of Resources

Contact: Iain Lamont, Investment Portfolio Officer

Property and Facilities Management Division, Resources Directorate

E-mail: iain.lamont@edinburgh.gov.uk | Tel: 0131 529 7610

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2. Executive Summary

- 2.1 Pulsant (South Gyle) Limited currently occupy Unit 6, Units 11 – 15 and Units 16 – 20 Clocktower on expiry dates of between 24 August 2023 and 27 October 2025. The tenant has requested each lease is extended until the 27 October 2035 in order to provide enhanced security of tenure. The report seeks approval to grant the lease extensions to Pulsant (South Gyle) Limited on the terms and conditions outlined in the report.

3. Background

- 3.1 The properties known as Unit 6, Unit 11 – 15 & Unit 16 – 20 Clocktower extend respectively to 433sq m (4,660sq ft), 2,487sq m (26,768sq ft) and 2,007sq m (21,608sq ft) as shown hatched in red on the attached plan.
- 3.2 Taking initial occupation in August 1999 (Unit 6), Pulsant (South Gyle) Limited took piecemeal occupation thereafter in February 2000 (Units 11 – 15) and October 2000 (Unit 16 – 20) and operate data storage facilities from the properties. The total current rent from the 3 properties is £417,600 per annum.
- 3.3 The existing leases expire on 24 August 2024 (Unit 6), 18 February 2025 (Units 11 – 15) and 27 October 2025 (Units 16 – 20) and the tenant has requested the Council grant lease extensions on all properties to 27 October 2035.

4. Main report

- 4.1 The following terms have been provisionally agreed:
- Subjects: Unit 6, Units 11-15 and Units 16-20 Clocktower, Edinburgh;
 - Lease: All leases to be extended to 27 October 2035;
 - Rent: New rents have been agreed on each unit as follows:

- Unit 6 £37,300 per annum (effective 25 August 2019);
 - Units 5-11 £227,500 per annum (effective 18 February 2020);
 - Units 16-20 £183,700 per annum (effective from 27 October 2020);
- Rent Review: The existing rent review provisions will remain;
 - Use: Class 6 Use – Storage and Distribution;
 - Repairs: Tenant full repairing and maintaining obligation;
 - Other terms: As contained in the Council’s standard full repairing and insuring lease;
 - Costs: Tenant responsible for all Council and Legal costs.

4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing

5. Next Steps

5.1 Following approval of the terms by the Policy and Sustainability Committee, Legal Services will be instructed to conclude the legal documentation.

6. Financial impact

6.1 There will be a total increase in rent to £448,500 per annum to the General Property Account that will be fully realised by 27 October 2020.

7. Stakeholder/Community Impact

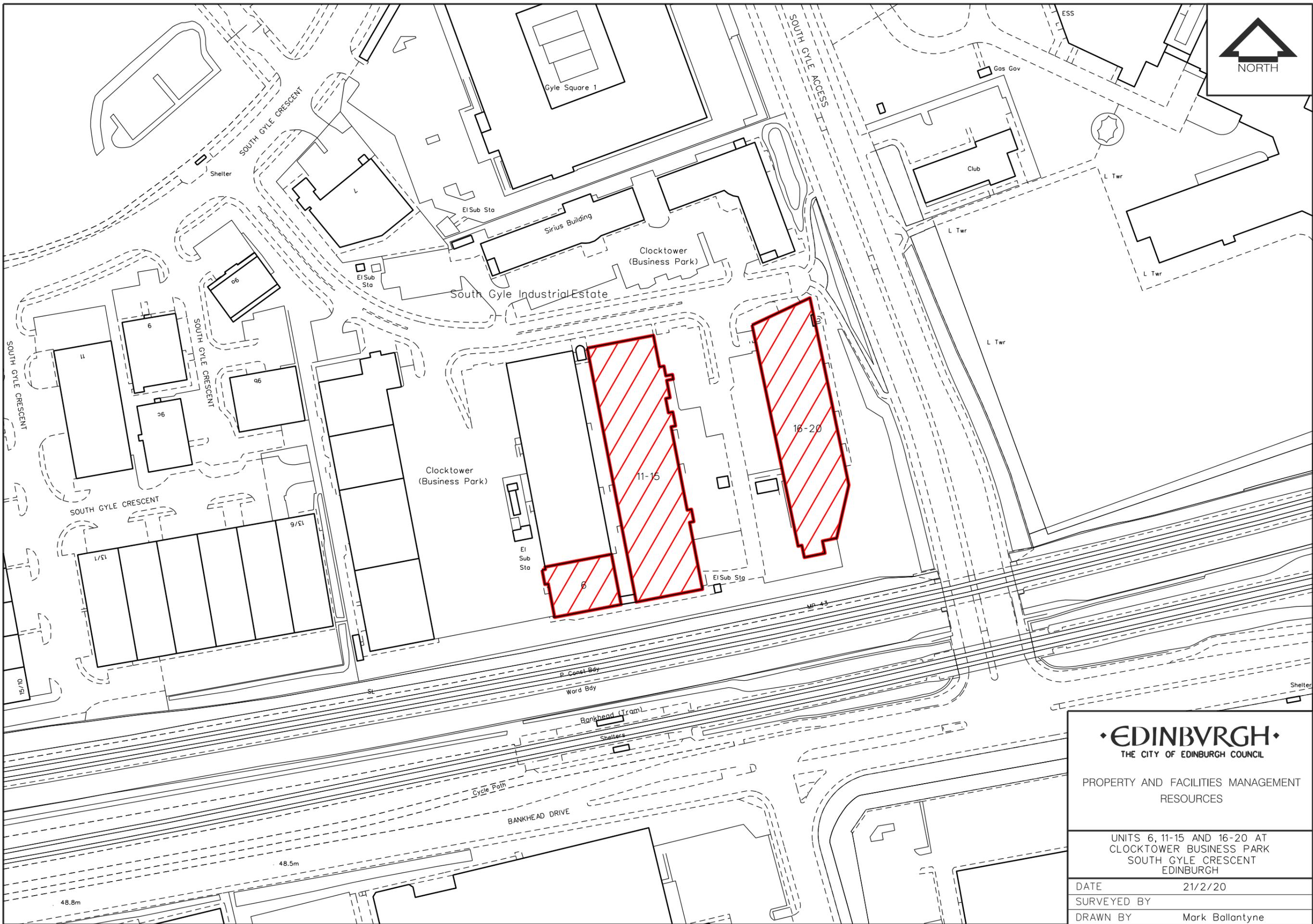
7.1 Ward elected members have been made aware of the recommendations of the report.

8. Background reading/external references

8.1 N/A

9. Appendices

9.1 Appendix 1 – Location Plan



SITE PLAN

SCALE 1:1250

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PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
UNITS 6, 11-15 AND 16-20 AT CLOCKTOWER BUSINESS PARK SOUTH GYLE CRESCENT EDINBURGH	
DATE	21/2/20
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1941a

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