

Policy and Sustainability Committee

10.00am, Thursday, 23 July 2020

Broomhouse Workspace, Edinburgh Northwest Foodbank- Proposed Lease Restructure

Executive/routine	Routine
Wards	7 – Sighthill / Gorgie
Council Commitments	<u>2</u>

1. Recommendations

- 1.1 That Committee approves new five-year leases on Units 12 and 15 Broomhouse Workspace to Edinburgh Northwest Foodbank 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

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2. Executive Summary

- 2.1 Edinburgh Northwest Foodbank currently occupy Unit 12, Broomhouse Workspace on a lease holding over on tacit relocation. The COVID-19 pandemic has increased demand for the foodbank services and the tenant has requested a new lease of their existing unit along with additional space. The report seeks approval to grant the new leases to Edinburgh Northwest Foodbank on the terms and conditions outlined in the report.

3. Background

- 3.1 The properties at Units 12 and 15 Broomhouse Workspace extend to 211 sq m (2,271 sq ft) and 90 sq m (969 sq ft) respectively as shown outlined in red on the attached plan.
- 3.2 Edinburgh Northwest Foodbank (ENF) currently occupy Unit 12 Broomhouse Workspace on an annual lease, which is currently holding over on tacit relocation (silent renewal) at a passing rent of £10,000 per annum.
- 3.3 ENF are part of the Trussell Trust network with a mission to provide emergency food supplies and support to people in crisis while working with communities and partner agencies to address the underlying causes of food poverty.
- 3.4 As a result of the lockdown and wider economic impact of the Covid-19 pandemic, ENF has seen a substantial increase in demand for their services. For example, for the period March - May 2020, demand has doubled when compared with the same period in 2019. Consequently, they have requested a new lease on their existing unit and are seeking to expand into additional space within the industrial estate.
- 3.5 Unit 15 is currently occupied by a construction company who have seen their business impacted by the current economic position. Their annual lease is again holding over on tacit relocation at a passing rent of £8,500 pa. Due to the wider impact of Covid-19 the tenant has asked to vacate.
- 3.6 ENF are seeking a 5-year lease of Unit 15 which would run co-terminus with the lease of Unit 12.

4. Main report

- 4.1 The proposed 5-year lease term for each unit is within the limits of delegated authority, however the rents provisionally proposed by ENF are not considered to at full market value and therefore Committee approval is required.
- 4.2 The following terms have been provisionally proposed:
- Subjects: Unit 12 and Unit 15, Broomhouse Workspace Edinburgh;
 - Lease: New lease for each unit from 1 August 2020 to 31 July 2025;
 - Rent: New rents have been agreed on each unit as follows:
 - Unit 12 £10,000 per annum (full market rent £18,000);
 - Unit 15 £5,000 per annum (full market rent £8,500);
 - Use: Storage and office;
 - Repairs: Tenant full repairing and maintaining obligation;
 - Other terms: As contained in the Council's standard full repairing and insuring lease;
 - Costs: Both parties to meet their own costs.

5. Next Steps

- 5.1 Following approval of the terms by the Policy and Sustainability Committee, a standard Council missive, due to the five year term, will be entered into for each unit.

6. Financial impact

- 6.1 The estimated full market for both units is £26,500 pa, however these are pre covid -19 market rates and a post covid market could be very different depending on the extent of the wider economic impact.
- 6.2 A rent of £15,000 per annum will be generated for the General Property Account. A combined rental of up to £26,500 per annum could be achievable on the open market with vacant possession however there would be void holding costs while the units were marketed.

7. Stakeholder/Community Impact

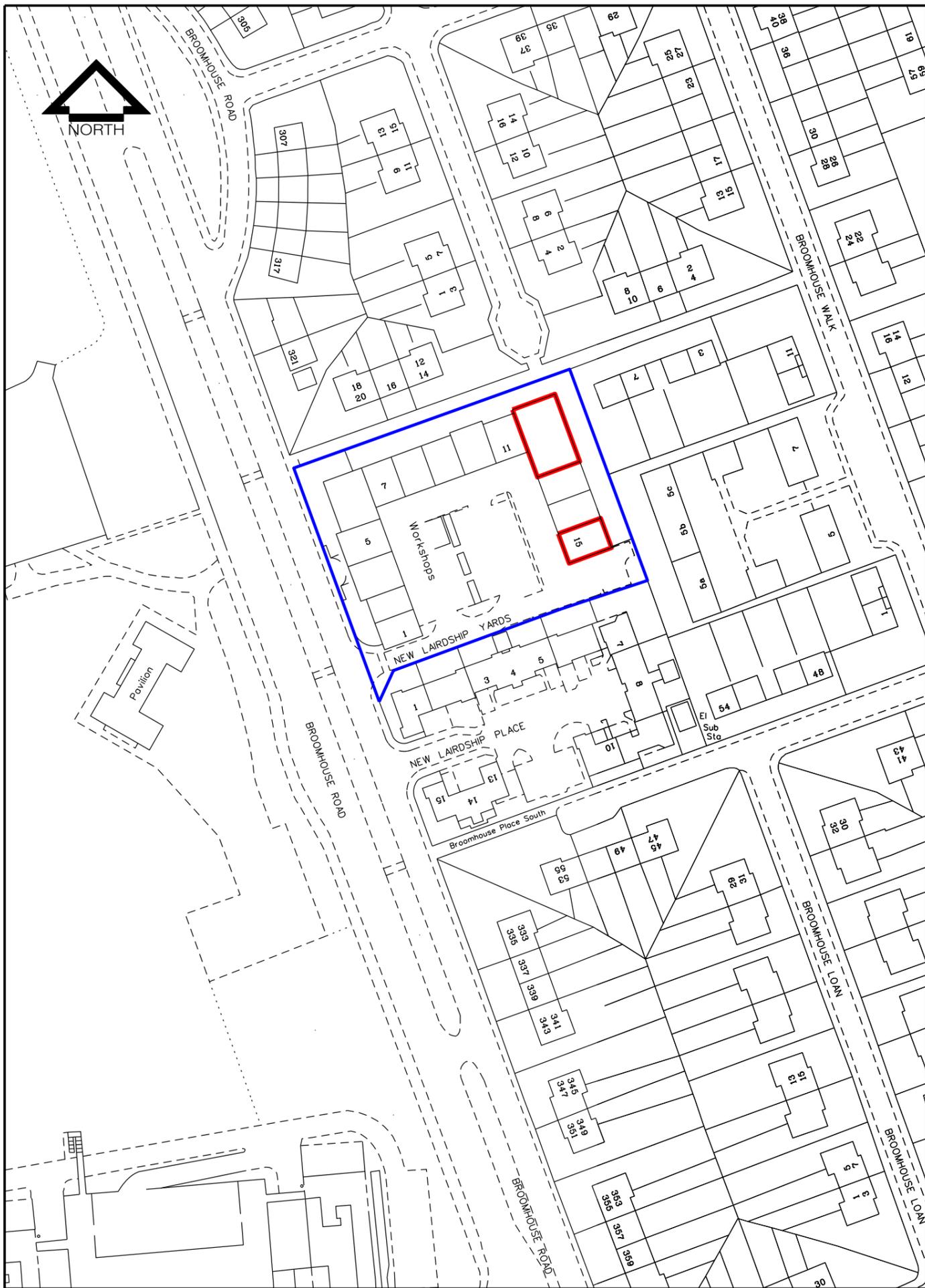
- 7.1 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

8.1 N/A.

9. Appendices

9.1 Appendix 1 – Location Plan

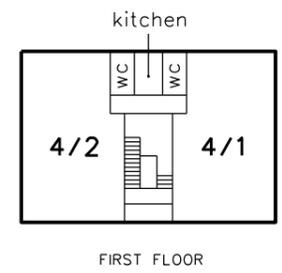


LOCATION PLAN

SCALE 1:1250



BROOM HOUSE ROAD



• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
Units 12 & 15 Broomhouse Workspace New Lairdship Yards Broomhouse Road Edinburgh	
DATE	15/06/2020
SURVEYED BY	
DRAWN BY	FMcDonald
FILE NO.	17314
NEG. NO.	NT 1971/A3/186

SITE PLAN

SCALE 1:500