

# Finance and Resources Committee

10.00am, Thursday, 15 August 2019

## Clubhouse and Grounds, Double Hedges Road, Edinburgh – Proposed New Lease

Executive/routine	Routine
Wards	16 – Liberton/ Gilmerton
Council Commitments	<a href="#">10</a>

### 1. Recommendations

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1.1 That Committee:

- 1.1.1 Approves a new 20 year lease of the clubhouse and grounds, Double Hedges Road, Edinburgh to Liberton Rugby Club 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: Seli McVittie, Investment Officer

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# Report

## Clubhouse and Grounds, Double Hedges Road, Edinburgh – Proposed New Lease

### 2. Executive Summary

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- 2.1 In order to provide greater security of tenure and to allow the tenant to better plan for the future, Liberton Rugby Club have requested a new 20 year lease of the property that has been leased to them since 1979. This report seeks approval to grant this new lease on the terms and conditions outlined in the report.

### 3. Background

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- 3.1 The clubhouse and grounds, extending to 0.05 hectares (0.121 acres) or thereby, is located at Double Hedges Road, Edinburgh, and is shown outlined in red on the attached plan.
- 3.2 The property has been leased to Liberton Rugby Club since 1979. The current lease will expire on 11 January 2020. The current rent is £600 per annum, which is considered concessionary.
- 3.3 On 23 May 2019, the Committee considered a report on the Commercial Property Portfolio and noted the continuing strategy of maximising income from property assets. A move, where appropriate, from concessionary to market rent agreements forms an important part of this strategy.

### 4. Main report

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- 4.1 The following terms have been provisionally agreed:-
- Subjects: Clubhouse and grounds extending to 0.05 hectares (0.121 acres) or thereby;
  - Tenant: Liberton Rugby Football Club;
  - Rent: £2,300 per annum;
  - Term: 20 years;

- Rent Reviews: The rent will be reviewed on the 5<sup>th</sup> anniversary and 5 yearly thereafter, on an upwards only basis, linked to the increase in retail price index over the 5 year period;
- Repairs: Full repairing and insuring liability on the tenant;
- Use: The tenant shall use the premises as a rugby clubhouse and ancillary;
- Costs: Each party will meet their own costs;
- Other terms: As contained in a standard commercial lease.

4.2 The proposed rent of £2,300 per annum is considered to represent the market level for a property of this nature and use.

## **5. Next Steps**

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

## **6. Financial impact**

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6.1 The Council will now achieve the market rent of £2,300 from 12 January 2012, an increase of £1,700 per annum to the General Fund.

6.2 The Council will now receive a market rent for an asset that was previously let on a concessionary basis.

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

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

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

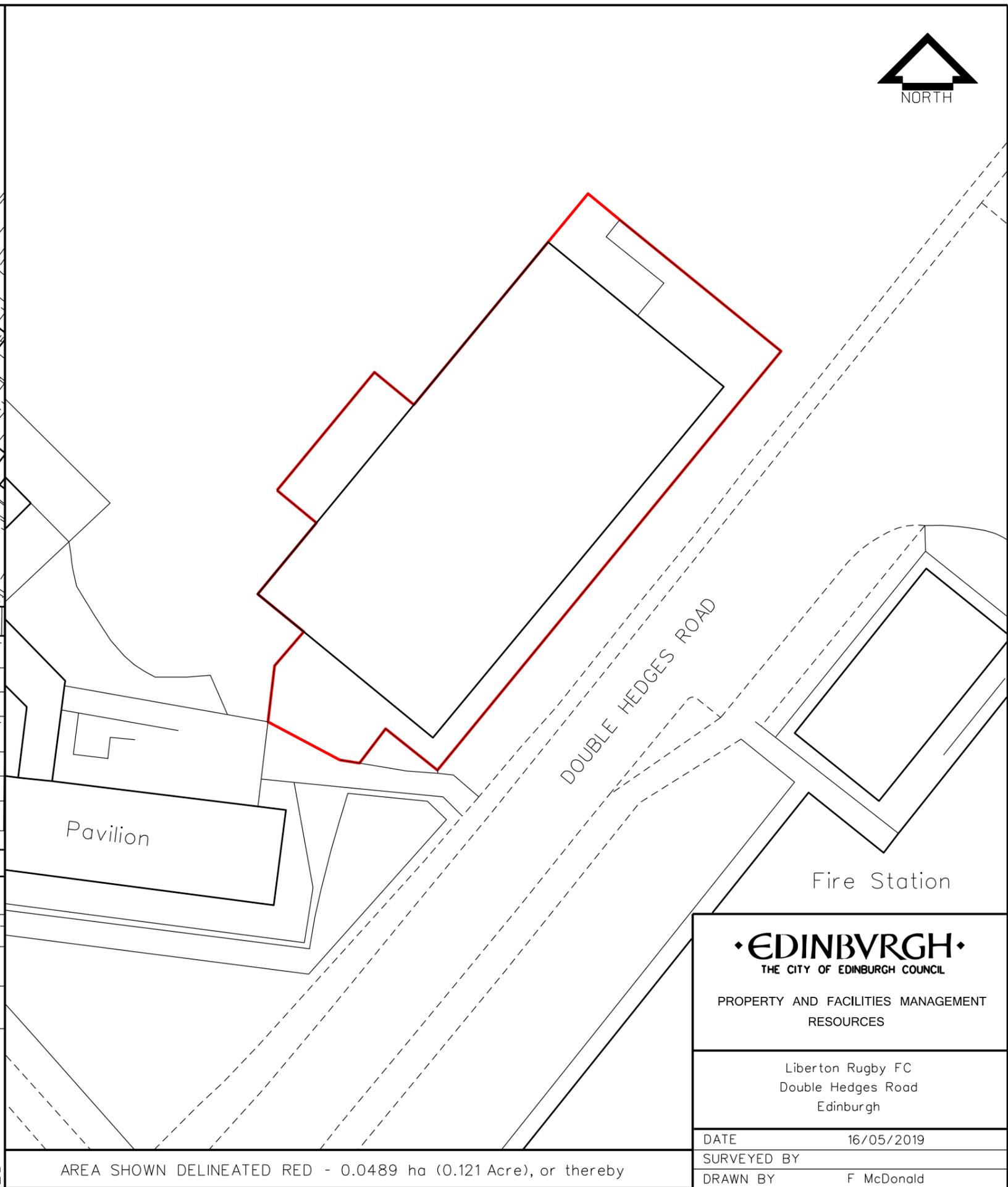
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8.1 N/A

## **9. Appendices**

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9.1 Appendix 1 - Location Plan



LOCATION PLAN

SCALE 1:1250

SITE PLAN

SCALE 1:250

AREA SHOWN DELINEATED RED - 0.0489 ha (0.121 Acre), or thereby

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
Liberton Rugby FC Double Hedges Road Edinburgh	
DATE	16/05/2019
SURVEYED BY	
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT2770/A3/2122