

Finance and Resources Committee

10.00am, Thursday, 26 January 2023

7 Arboretum Place, Edinburgh – Proposed New Lease

Executive/routine Wards Council Commitments	Routine 5 – Inverleith
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee approve a new 15-year lease to WellnessBrandsEurope Limited at 7 Arboretum Place, Edinburgh, on the terms and conditions outlined in this report.

Paul Lawrence

Executive Director of Place

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2. Executive Summary

- 2.1 Following public consultation, a conceptual masterplan was produced for Inverleith Park that showed the Council owned building at 7 Arboretum Place becoming a publicly accessible community hub for the benefit of park users. Following marketing of the opportunity, several proposals were received. This report seeks approval to grant a new 15-year lease to WellnessBrandsEurope Ltd on the terms and conditions outlined in this report.

3. Background

- 3.1 7 Arboretum Place, Edinburgh is located at the southeast entrance to Inverleith Park and is currently used as a sports pavilion and bowling green.
- 3.2 The pavilion and bowling green were held on a ground lease by Ferranti Recreation Club from 1 June 1972 to 31 May 2022. The demise of the ground lease site is approximately 0.30 hectares (0.741 acres) with the pavilion extending to 242 sqm (2,605 sq ft) as shown outlined in red on the plan at Appendix 1.
- 3.3 Following extensive public consultation, a conceptual [masterplan](#) was produced to develop a holistic vision for the park, with a particular focus on improvement to the south east entrance at Arboretum Place.
- 3.2 It is proposed that the subject premises become a publicly accessible facility for parks users – a community hub – including meeting space for local groups, accessible public toilets and baby changing facilities, storage for park activity/sports groups and café space.
- 3.3 The property was placed on the open market for lease in March 2022 with nine offers received at the closing date in May.
- 3.4 Following a detailed review, officers raised concerns around the understanding of what was required and expected of bidders in relation to public accessibility and provision of public toilets. Consequently, a second closing date was set for September 2022 with additional details provided and clarification sought around those issues. Five offers were received at the second closing date.

4. Main report

- 4.1 Following assessment of the bids received at the second closing date, WellnessBrandsEurope Ltd is being recommended as the preferred bidder for property. The following terms have been provisionally agreed:
- 4.1.1 Subjects: 7 Arboretum Place, Edinburgh;
 - 4.1.2 Tenant: WellnessBrandsEurope Ltd;
 - 4.1.3 Lease term: 15 years from date of entry;
 - 4.1.4 Rent: The higher of 8% of net sales or £20,000 per annum year 1, £22,000 per annum year 2, £24,200 per annum year 3, £26,2200 year 4 onwards;
 - 4.1.5 Rent review: 5 yearly;
 - 4.1.6 Break Option: tenant break option on the 10th anniversary;
 - 4.1.7 Repair: tenant full repairing liability;
 - 4.1.8 Use: community hub including café (subject to change of use);
 - 4.1.9 Costs: each party responsible for their own costs; and
 - 4.1.10 Rent free: during planning application and fit out phase up to a maximum of 6 months rent free will be granted.
- 4.2 The existing ground lease was terminated on 31 May 2022 however, the previous tenant (Ferranti Recreation Club) remains in occupation on a rolling flexible arrangement. Other sports clubs including rugby, hockey and pétanque also use the property. The existing sports club users have not submitted a bid and are supporting the preferred bidder.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the documentation for the lease extension.

6. Financial impact

- 6.1 A minimum rent of £20,000 per annum will be generated to the Parks and Greenspace Account.

7. Stakeholder/Community Impact

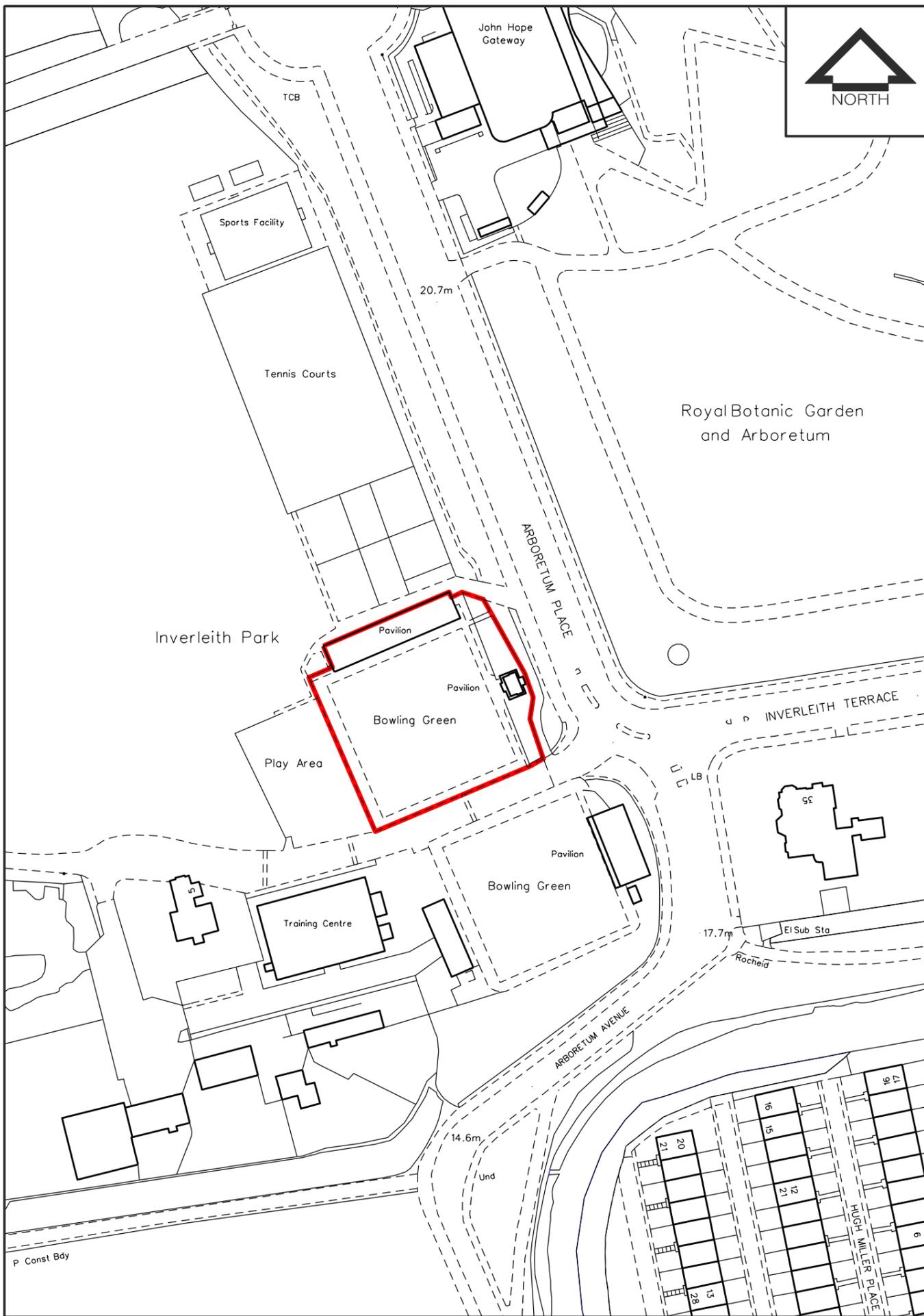
- 7.1 Ward members have been made aware of the recommendations of this report.

8. Background reading/external references

8.1 [Inverleith Concept Masterplan](#).

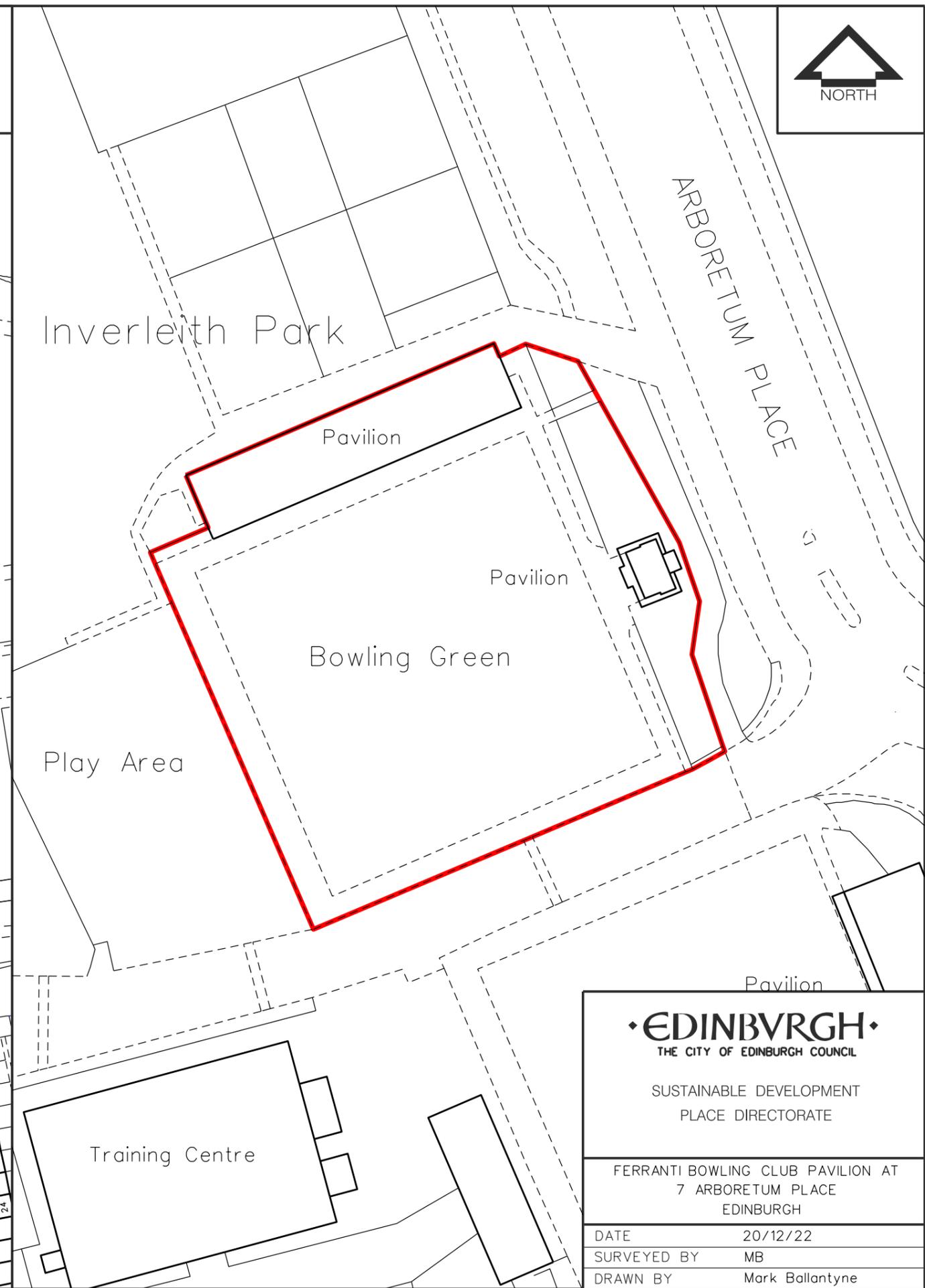
9. Appendices

9.1 Appendix 1 – Location plan.



LOCATION PLAN

SCALE 1:1250



FLOOR PLAN

SCALE 1:200

EDINBURGH THE CITY OF EDINBURGH COUNCIL	
SUSTAINABLE DEVELOPMENT PLACE DIRECTORATE	
FERRANTI BOWLING CLUB PAVILION AT 7 ARBORETUM PLACE EDINBURGH	
DATE	20/12/22
SURVEYED BY	MB
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/2433a