

Finance and Resources Committee

10.00am, Thursday, 16 January 2025

32/32a Cockburn Street, Edinburgh – Proposed Lease Extension

Executive/routine
Wards

Routine
11 – City Centre

1. Recommendations

- 1.1 That the Finance and Resources Committee approves a 25 year lease extension to Crew 2000 (Scotland) of the premises at 32/32a Cockburn Street, on the terms outlined in this report and on other terms and conditions to be agreed by the Interim Executive Director of Place.

Gareth Barwell

Interim Executive Director of Place

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32/32a Cockburn Street, Edinburgh – Proposed Lease Extension

2. Executive Summary

- 2.1 The premises at 32/32a Cockburn Street, Edinburgh is let to Crew 2000 (Scotland) on a lease which is continuing on an annual basis until 30 March 2025 and the tenant has requested a 25 year lease extension until 31 March 2050. This report seeks approval to grant a lease extension on the terms and conditions outlined in the report.

3. Background

- 3.1 The premises known as 32/32a Cockburn Street extends to 193.79m² (2,086sq ft) or thereby and is shown shaded pink on the attached plan.
- 3.2 Crew 2000 (Scotland) (Crew 2000) has occupied the premises on their current lease since March 2001, providing advice and support services to reduce and prevent drug and sexual health related harms and stigma to improve mental and physical health. The current rent for the subject is £14,600 per annum.
- 3.3 The existing lease is continuing on an annual basis which is due to expire on 30 March 2025 and the tenant has requested a 25 year lease extension from 31 March 2025 until 30 March 2050.
- 3.4 The current market rent for the property is circa £41,000 per annum. Given funding pressures and to reflect the services they provide, Crew 2000 has requested a reduced rent.
- 3.4 Crew 2000 deliver services for the Edinburgh Drug and Alcohol Partnership (EADP) and Health and Social Care Partnership (HSCP) and provide counselling and young people's services with a focus on psychostimulant drugs. The organisation is of significant importance to the delivery of the new City of Edinburgh Health and Social Care Partnership Strategy (priorities of education, early intervention and prevention) 2024 – 2027.

4. Main report

- 4.1 The following terms have been provisionally agreed:
 - 4.1.1 Subjects: 32/32a Cockburn Street, Edinburgh;
 - 4.1.2 Tenant: Crew 2000 (Scotland);
 - 4.1.3 Lease extension: 25 years from 31 March 2025 to 30 March 2050;
 - 4.1.4 Break option: tenant break option on 31 March 2030 and 5 yearly thereafter on giving 6 months written notice;
 - 4.1.5 Rent: stepped rent as follows, years 1 & 2 £18,300 per annum, years 3 & 4 £20,000 per annum, and year 5 £21,950 per annum;
 - 4.1.6 Rent review: 31 March 2030 and 5 yearly thereafter, the rent will be increased in line with the % increase in RPI over the previous 5 year period, collared and capped at 5% and 10%;
 - 4.1.7 Use: to provide advice and support services to reduce and prevent drug and sexual health related harms and stigma to improve mental and physical health;
 - 4.1.8 Repair: full repairing and maintaining obligation; and
 - 4.1.9 Costs: each party to pay their own legal costs.
- 4.2 The tenant has fulfilled all their legal and financial obligations in terms of the existing lease.

5. Next Steps

- 5.1 On the basis of Committee approval, the legal documentation will be progressed.

6. Financial impact

- 6.1 The passing rent is £14,600 per annum and will increase on a stepped basis to reach £21,950 in the fifth year of the lease extension. The income goes to the General Property Account.
- 6.2 The market rental level for the property is in the region of £41,000 per annum therefore the proposed rent is concessionary. This is considered acceptable due to the Council related services provided by Crew 2000 as set out in para 3.4 above.

7. Equality and Poverty Impact

- 7.1 This is a 25 year lease extension to an established tenant who has occupied the premises to provide a valuable health related service since March 2001. It is

considered this proposal does not have any adverse equality or poverty implications.

8. Climate and Nature Emergency Implications

- 8.1 It is considered there are no direct Climate and Nature Emergency Implications from offering a lease extension to the established tenant.

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

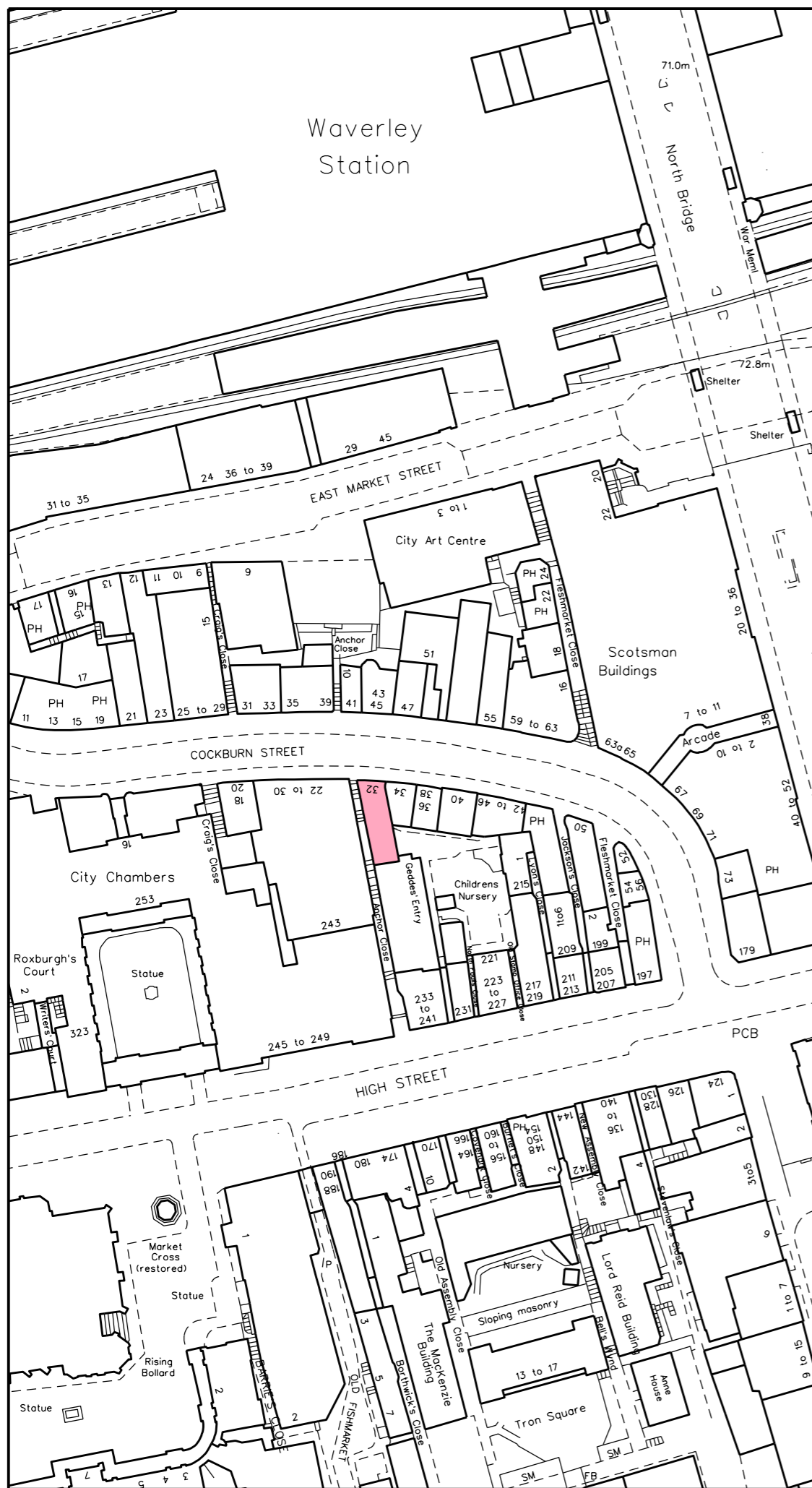
- 9.1 Ward members have been aware of the recommendations of this report.
- 9.2 The proposed lease extension and variation is in keeping with the Commercial Property Portfolio Strategy that was approved by the Committee on 20 June 2023.

10. Background reading/external references

- 10.1 [Commercial Property Portfolio Strategy](#)

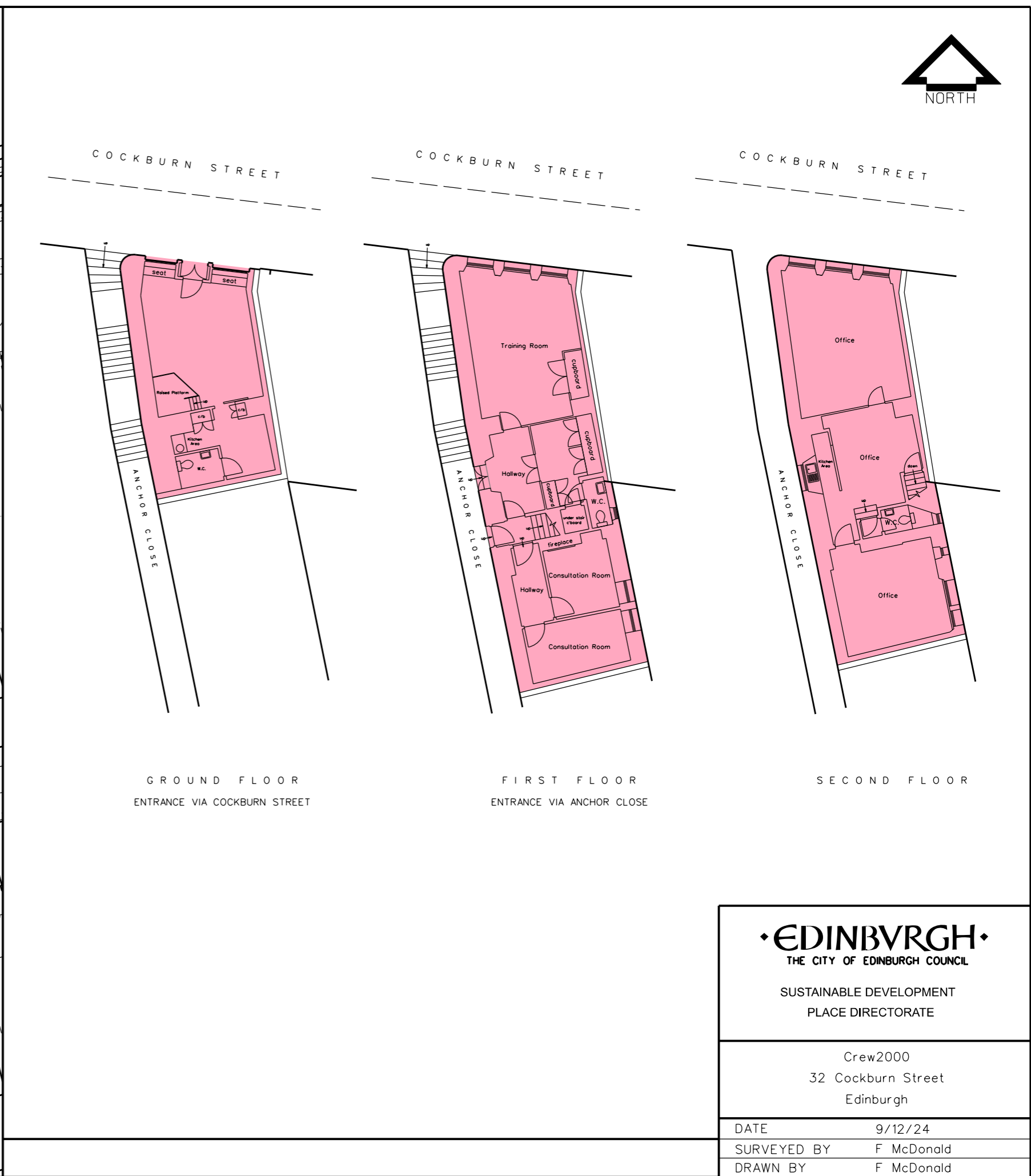
11. Appendices

Appendix 1 – Location plan.



LOCATION PLAN

SCALE 1:1250



GROUND FLOOR
ENTRANCE VIA COCKBURN STREET

FIRST FLOOR
ENTRANCE VIA ANCHOR CLOSE

SECOND FLOOR

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

SUSTAINABLE DEVELOPMENT
PLACE DIRECTORATE

Crew2000
32 Cockburn Street
Edinburgh

DATE	9/12/24
SURVEYED BY	F McDonald
DRAWN BY	F McDonald
SCALE	1:200 @ A3
PLAN. NO.	NT2573/A3/2205