

Finance and Resources Committee

10.00 a.m, Thursday, 4 June 2015

Proposed new lease to Highland Care Agency Ltd at 4 Granton Square, Edinburgh

Item number	8.1
Report number	
Executive/routine	Routine
Wards	Forth

Executive summary

The Council owns office premises at 4 Granton Square, which became vacant at the end of January 2015.

The property was subsequently marketed for let, and a closing date for offers was set for 17 April 2015.

This report seeks authority to grant a new 10 year lease, to Highland Care Agency Ltd, on the terms set out in the report.

Links

Coalition pledges	P15 , P28
Council outcomes	CO8 , CO9
Single Outcome Agreement	SO1

Proposed new lease to Highland Care Agency Ltd at 4 Granton Square

Recommendations

It is recommended that Committee:

- 1.1 Approves a lease to Highland Care Agency Ltd from 1 July 2015 to 30 June 2025, on the terms outlined in this report, and on other terms and conditions to be agreed by the Director of Services for Communities.

Background

- 2.1 The property comprises a traditional ground floor office premises, extending to 129sqm (1388sqft), located at 4 Granton Square as shown outlined red on the attached plan.
- 2.2 The previous tenants lease terminated at the end of January 2015 and subsequently the property was marketed for let with a closing date set for 17 April 2015. At the closing date a single offer was received, from Highland Care Agency Ltd, at the asking rent of £11,000 per annum, which is considered to be market rent for this location.
- 2.3 Highland Care Agency Ltd specialise in recruitment, supply and training of nurses.

Main report

- 3.1 A new lease has been provisionally agreed with Highland Care Agency Ltd, on the following terms below:

Subjects:	4 Granton Square, Edinburgh;
Lease:	1 July 2015 until 30 June 2025;
Rent:	£11,000 per annum;
Review:	Upwards only rent review on 1 July 2020;
Use:	Office and training suite;
Repairs:	Full repairing and insuring basis; and
Costs:	Each party to meet their own legal costs.

Measures of success

- 4.1 A vacant property will come back into economic use resulting in additional income to the Council.

Financial impact

- 5.1 Rental income payable to the General Property Account of £11,000 per annum exclusive of VAT, subject to upwards only review at 1 July 2020.

Risk, policy, compliance and governance impact

- 6.1 This is an open market letting of a vacant property following a full marketing campaign, where all interested parties were given an opportunity to offer. It can be demonstrated that best value was obtained and, it is considered, that there is little or no impact of Risk, Policy, Compliance or Governance issues.

Equalities impact

- 7.1 An Equality and Rights Impact Assessment has been carried out. By approving the proposed lease to Highland Care Agency Ltd until 2025, this could potentially have an impact on other businesses who may wish to rent this particular property. However, given the property was marketed with limited interest and, a closing date for offers set, with only one offer received, the impact on others is considered to be proportionate and justifiable.

Sustainability impact

- 8.1 There are no sustainability issues arising from this report.

Consultation and engagement

- 9.1 Local ward Councillors have been made aware of this proposed letting to Highland Care Agency Ltd.

Background reading/external references

N/A

John Bury

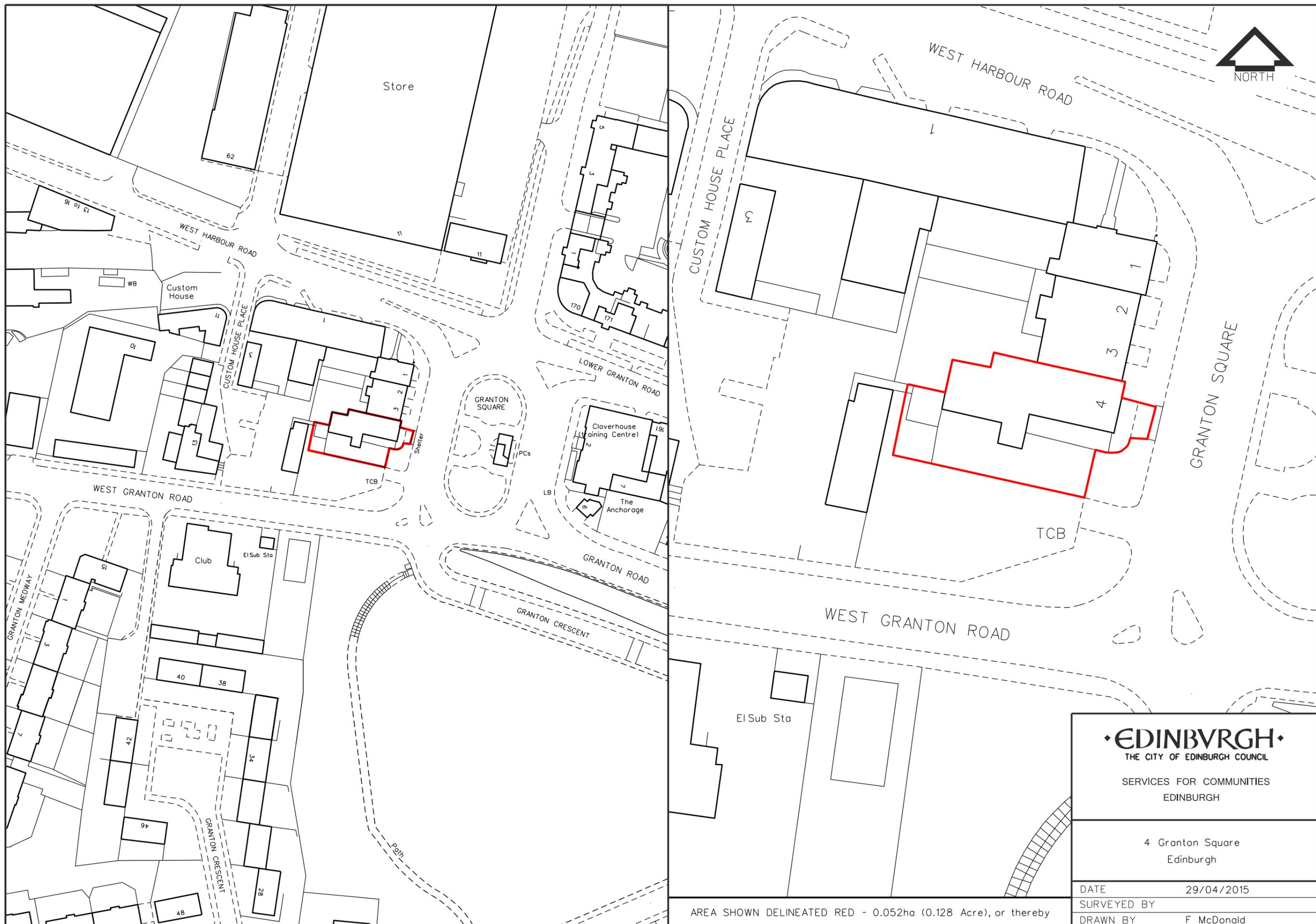
Acting Director of Services for Communities

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Links

Coalition pledges	P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors. P28 – Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city.
Council outcomes	CO8 – Edinburgh’s economy creates and sustains job opportunities. CO9 – Edinburgh’s residents are able to access job opportunities.
Single Outcome Agreement	SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all.
Appendices	Location Plan.



LOCATION PLAN

SCALE 1:1250

SITE PLAN

SCALE 1:500

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
SERVICES FOR COMMUNITIES EDINBURGH	
4 Granton Square Edinburgh	
DATE	29/04/2015
SURVEYED BY	
DRAWN BY	F McDonald
FILE NO.	
NEG. NO.	NT 2377/A3/1590

AREA SHOWN DELINEATED RED - 0.052ha (0.128 Acre), or thereby