

Finance and Resources Committee

10.00 a.m, Thursday, 29 October 2015

Proposed Lease Extension at 96 Niddrie Mains Road, Edinburgh

Item number	8.1
Report number	
Executive/routine	Routine
Wards	17 – Portobello / Craigmillar

Executive summary

96 Niddrie Mains Road is a retail unit, currently let to Macan Limited trading as John Smith chemists.

The current lease is due to expire on 24 February 2016, and the tenant has requested a 10 year extension to the lease.

This report seeks approval to grant a 10 year lease extension to Macan Limited, on the terms and conditions outlined in the report.

Links

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

Proposed Lease Extension at 96 Niddrie Mains Road, Edinburgh

Recommendations

That Committee:

- 1.1 Approves a 10 year lease extension to Macan Limited, of retail premises at 96 Niddrie Mains Road, Edinburgh, 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 Macan Limited is the tenant at 96 Niddrie Mains Road, and its current lease expires on the 24 February 2015. Macan Limited has requested that the Council grant a 10 year lease extension from 25 February 2016.
- 2.2 The property comprises a retail shop which is the end unit of a 1960/70's purpose built single storey retail parade on Niddrie Mains Road, directly opposite the new East Neighbourhood Centre building, as shown on the attached plan.
- 2.3 The current tenant, Macan Limited, is a pharmacy business and has leased the property since February 2001 paying a current rent of £6,000 per annum exclusive of VAT.

Main report

- 3.1 The existing lease expires on 24 February 2016, and Macan Limited has requested that the Council grant a 10 year lease extension from 25 February 2016.
- 3.2 The tenant has fulfilled all its legal and financial obligations in terms of the existing lease.
- 3.3 The following terms have been provisionally agreed:
 - Subjects: Retail shop at 96 Niddrie Mains Road, Edinburgh;
 - Lease Extension: 10 years from 25 February 2016 until 24 February 2026;
 - Rent: £9,800 per annum (current market rental value);
 - Rent Reviews: Reviewed on each Fifth anniversary of the term to open market value;
 - Use: Pharmacy; and

- Repairs: Full repairing and maintaining obligation.

Measures of success

- 4.1 Granting a 10 year lease extension will allow the company to continue its long term financial planning of the business and, in turn, sustain employment for its workers and provide a continued pharmacy service to the local community.

Financial impact

- 5.1 An increase in rent of £3,800 per annum payable to the General Property Account.

Risk, policy, compliance and governance impact

- 6.1 This is an extension of a lease that commenced in February 2001 of which the same tenant has been in occupation at the property since that date. It is considered there is little or no impact on Risk, Policy, Compliance or Governance issues.

Equalities impact

- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified as through a lease extension, it will ensure that Macan Limited can continue to plan both financially, and in terms of developing its business. This will allow it to continue to provide a high level of service and experience to its employees and customers. This directly links to an enhancement of the following rights namely (i) Legal Security, (ii) Education and Learning and (iii) Productive and Valued Activities.
- 7.3 A possible infringement has been identified in that by extending the current lease rather than placing the retail premises on the open market, there is the potential impact on others who may want to lease the shop. However, given the established nature of the tenants business and the possible effect on it if the lease is not extended, the impact is considered to be proportionate and justifiable.

Sustainability impact

- 8.1 There are no sustainability issues arising from this report as it is a lease renewal whereby the original lease commenced in February 2001, and the current tenant has been in occupation at the property since this date.

Consultation and engagement

- 9.1 The local ward Councillors have been made aware of the proposed lease extension.

Background reading/external references

N/A

John Bury

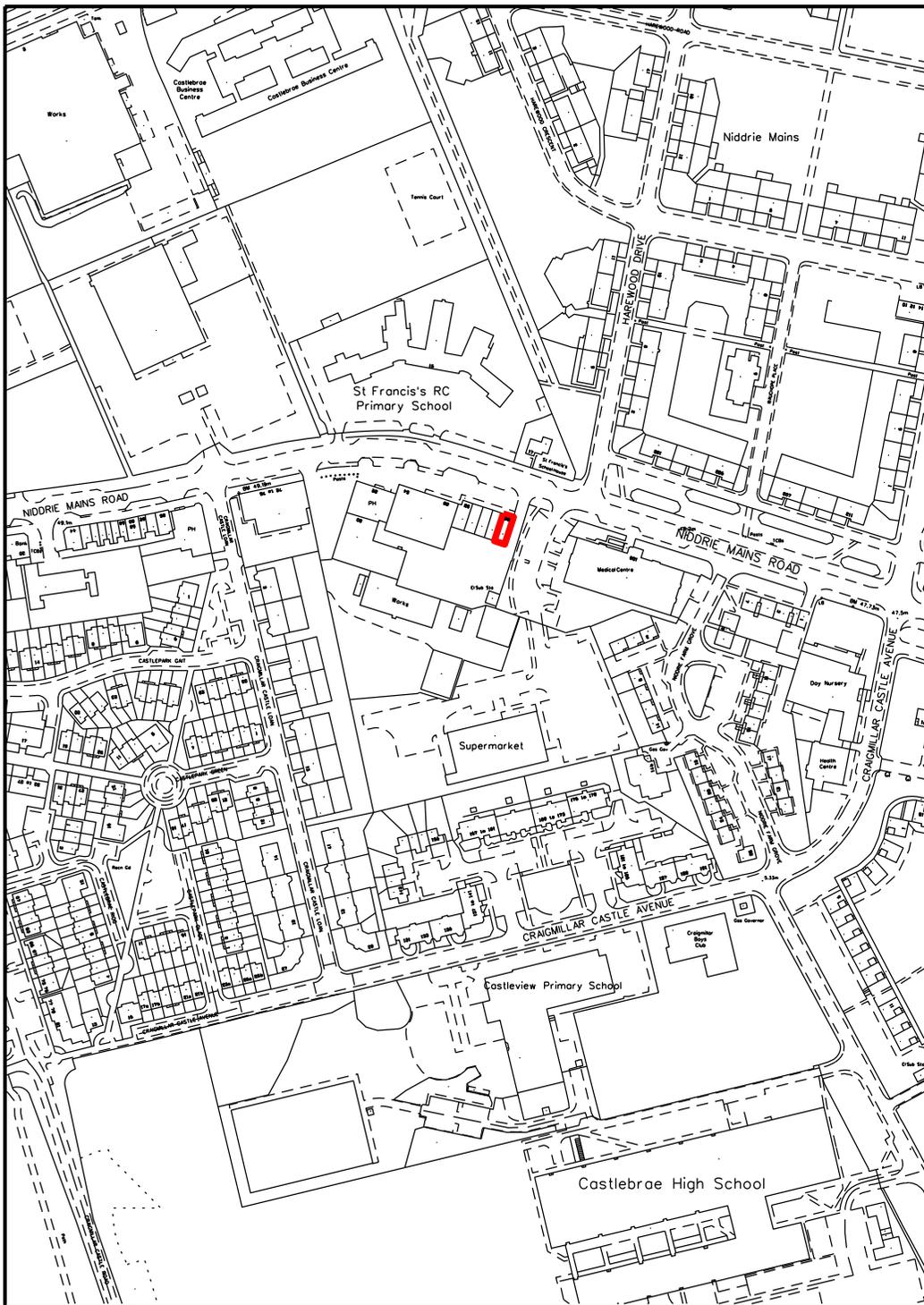
Acting Director of Services for Communities

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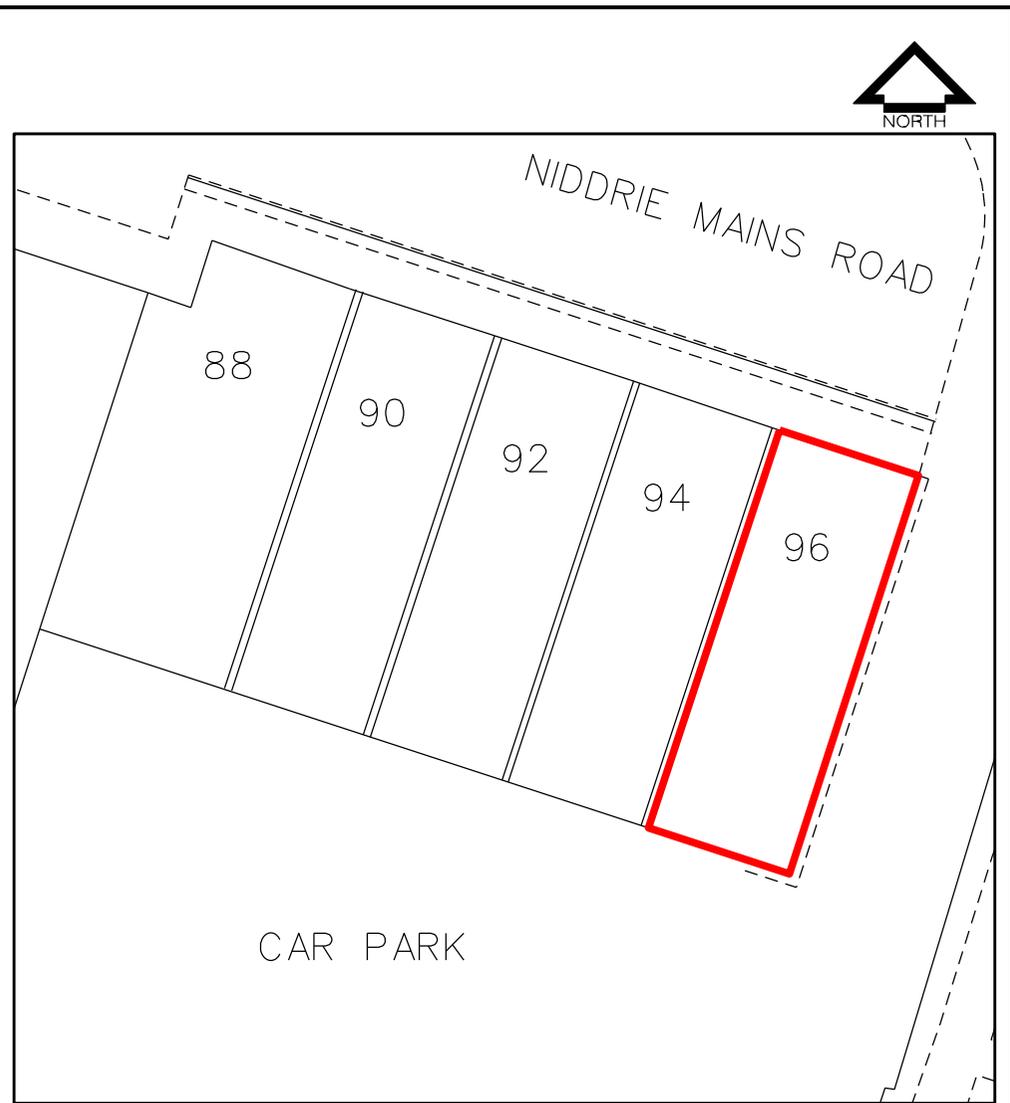
Links

Coalition pledges	<p>P15 – Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors.</p> <p>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.</p>
Council outcomes	<p>CO8 – Edinburgh’s economy creates and sustains job opportunities.</p> <p>CO9 – Edinburgh’s residents are able to access job opportunities.</p>
Single Outcome Agreement	<p>SO1 – Edinburgh’s Economy delivers increased investment, jobs and opportunities for all.</p>
Appendices	<p>Location Plan.</p>



LOCATION PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE



SITE PLAN



• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
CITY DEVELOPMENT EDINBURGH	
SHOP AT 96 NIDDRIE MAINS ROAD EDINBURGH	
DATE	3/9/15
SURVEYED BY	Mark Ballantyne
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/1174

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