

Finance and Resources Committee

10.00a.m, Tuesday, 2 February 2016

Temporary Lease at 31 Bath Road - Waste Management Services

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| Item number | 7.12 |
| Report number | |
| Executive/routine | Routine |
| Wards | 13 - Leith |

Executive summary

The Council's Waste Management Service leases in an industrial unit at 17 Fishwives Causeway, Baileyfield, and the lease will terminate on 11 May 2016.

The landlord, Standard Life Assurance Limited, requires vacant possession and has asked the Council to vacate the premises when the lease ends. The Council requires a short term replacement of this facility, pending completion of the new depot at Fillyside, and requires to enter into a temporary lease agreement with Forth Ports Limited (Scotland Operation) Limited.

This report seeks Committee authority to enter into an initial seven month lease of premises at 31 Bath Road, Leith, Edinburgh from Forth Ports (Scotland Operation) Limited with effect from 1 April 2016, and then monthly thereafter, for a maximum period of a year. This report is linked to the Council wide depot strategy, which is considered elsewhere of this agenda.

Links

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| Coalition pledges | P44 , P45 |
| Council outcomes | CO10 , CO15 , CO25 |
| Single Outcome Agreement | SO4 |

Temporary Lease at 31 Bath Road - Waste Management Services

Recommendations

1.1 That Committee:

- 1.1.1 Approves a seven month lease of premises at 31 Bath Road, Leith, Edinburgh from 1 April 2016 as outlined in this report, and on other terms and conditions to be agreed by the Executive Director of Resources.

Background

- 2.1 The Council has been in occupation of premises at 17 Fishwives Causeway, commonly referred to as the Baileyfield Depot, since 1990 and the current lease extension is due to expire on 11 May 2016. The Council's Waste Management Service uses the premises to carry out waste collection and provide general environmental services, to residents and businesses, within the north east of the city. The current rent is £140,000 per annum exclusive of VAT.
- 2.2 The Council intends to provide a replacement waste management facility on Council land at the Fillyside Road Depot, (Seafield Community Recycling Centre), and a report detailing the timing and delivery of this project is on the agenda for consideration at this Committee.
- 2.3 The landlord, Standard Life Assurance Ltd, has declined the Council's request to extend the lease for a further minimum period of seven months, and has served the Council with a Notice to Quit which requires the Council to vacate Baileyfield Depot on 11 May 2016.
- 2.4 It is proposed that, until the practical completion of the new facilities at Fillyside Road, Seafield, the current operation of the Waste and Task Force services be moved to temporary premises at 31 Bath Road, Leith, Edinburgh.

Main report

- 3.1 The subjects at 31 Bath Road, Leith, Edinburgh which are owned by Forth Ports (Scotland Operation) Limited, comprise part of ground, office and industrial buildings as shown outlined red on the attached plan. The property will be used by the East Task Force and Waste Services as temporary replacement accommodation for 17 Fishwives Causeway (Baileyfield Depot).

3.2 The following main terms and conditions of lease have been provisionally agreed with Forth Ports (Scotland Operation) Limited:-

- **Subjects:** All and whole of the area of ground, offices within the industrial unit at 31 Bath Road, Leith, Edinburgh, as shown on the attached plan;
- **Term:** Seven months from 1 April 2016 until 31 October 2016, (with the option to extend on a monthly basis until 31 March 2017 subject to the development programme at the Fillyside Road Depot);
- **Rent:** £80,000 for the period, exclusive of VAT;
- **Use:** Storage and Preparation of waste collection vehicles;
- **Repairs:** Fully Repairing and Insuring obligation;
- **Legal Fees and Costs:** Each party will meet its own legal costs and fees, and the Council will meet the cost of any Registration dues; and
- **Other Payments:** The tenant will meet the cost of fitting out the premises, but these are expected to be minimal.

3.3 Securing suitable alternative accommodation allows sufficient time for the proposed development of replacement facilities to be completed with minimal operational risk and disruption to services.

Measures of success

4.1 Securing the temporary lease will allow the services to continue to collect and process waste efficiently pending successful completion of the replacement new facilities at Fillyside Road, in Seafield, to accommodate the Baileyfield operation.

Financial impact

5.1 This option of securing a temporary lease at Bath Road provides the most cost effective solution with minimal disruption to services until new facilities are planned, designed, and developed.

5.2 The monthly rental cost will be similar to current costs subject to the Council bearing the cost of surveyor's fees, legal fees and costs, any stamp duty land tax arising and any potential dilapidations at the end of the lease. These costs will be accommodated within the Services for Communities (Environment) revenue budget.

Risk, policy, compliance and governance impact

- 6.1 The proposal is contrary to the Council's policy which discourages leasing in properties; however, the lack of alternative suitable Council owned accommodation, the specialist facilities required and the ongoing Depot Review warrant a short term departure from this strategy.
- 6.2 There would be a detrimental impact on the provision of Waste Services in the eastern side of the city if suitable alternative premises are not available from 11 May 2016.
- 6.2 There is a risk that the Council will require to lease the premises at Bath Road for longer than seven months, until the permanent replacement facilities are complete.

Equalities impact

- 7.1 An Equality and Rights Impact Assessment has been carried out and the recommendations of this report support the Council to continue its waste management services for residents in the East of Edinburgh.
- 7.2 The lease of the property will allow the Council to promote better environmental health for residents, increase physical security in local neighbourhoods, and promote a better standard of living for residents and businesses in this area of the city.
- 7.3 If the Council does not secure a temporary lease, this will have a negative impact on the delivery of efficient services to the affected residents and businesses.

Sustainability impact

- 8.1 There are no sustainability issues arising from this report as it is relocation of the same services delivered from industrial land owned by Forth Ports Limited, and it represents a continuation of the status quo.

Consultation and engagement

- 9.1 The East Task Force and Corporate Property Services have been working together to address the Service users requirements, and are all supportive of the proposals to take a new lease.

Background reading/external references

[http://www.edinburgh.gov.uk/download/meetings/id/43907/item_82 -
_proposed lease renewal for baileyfield depot at 17 fishwives causeway edinburgh](http://www.edinburgh.gov.uk/download/meetings/id/43907/item_82_-_proposed_lease_renewal_for_baileyfield_depot_at_17_fishwives_causeway_edinburgh)

Hugh Dunn

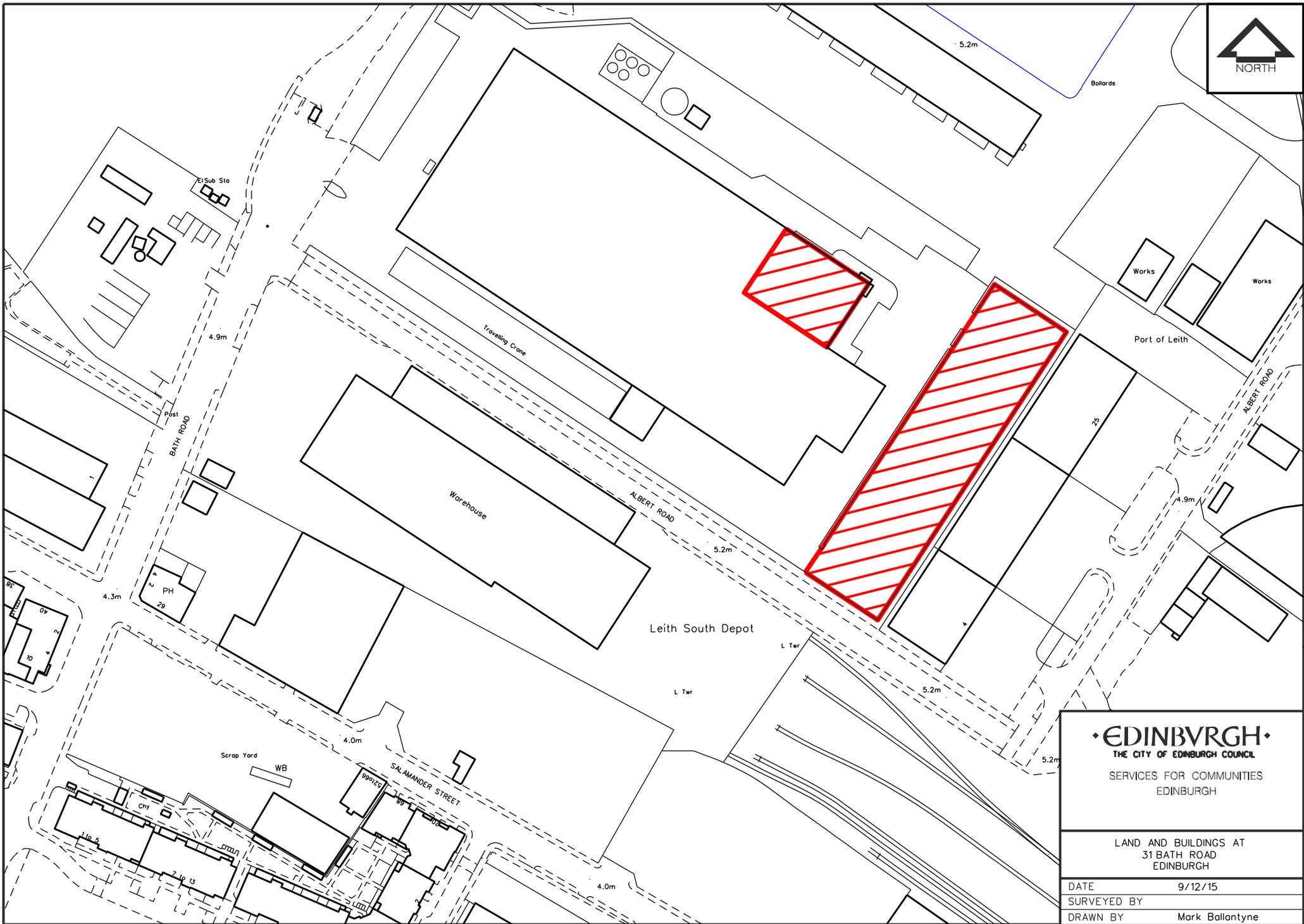
Acting Executive Director of Resources

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Links

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| Coalition pledges | P44 – Prioritise to keep our streets clean and attractive. P49 – Continue to increase recycling levels across the city and reducing the proportion of waste going to landfill. |
| Council outcomes | CO10 – Improved health and reduced inequalities. CO15 – The public is protected. CO25 - The Council has efficient and effective services that deliver on objectives. |
| Single Outcome Agreement | SO4 - Edinburgh’s communities are safer and have improved physical and social fabric. |
| Appendices | Location Plan. |



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 THE CITY OF EDINBURGH COUNCIL
 SERVICES FOR COMMUNITIES
 EDINBURGH

LAND AND BUILDINGS AT
 31 BATH ROAD
 EDINBURGH

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|-------------|-----------------|
| DATE | 9/12/15 |
| SURVEYED BY | |
| DRAWN BY | Mark Ballantyne |
| SCALE | N.T.S. |
| NEG. NO. | A3/1635 |

SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

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