

Finance and Resources Committee

10.00a.m, Tuesday, 2 February 2016

Proposed New Lease at 299 Canongate, Edinburgh

Item number	8.5
Report number	
Executive/routine	Routine
Wards	11 – City Centre

Executive summary

The retail unit at 299 Canongate is let to Michael Thomas Cassidy, and trades as The Scottish Grocer.

The lease is due to expire on 30 March 2016 and the tenant has requested a new 10 year lease.

This report seeks approval to grant a new 10 year lease, to Michael Thomas Cassidy, on the terms and conditions outlined in the report.

Links

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

Proposed New Lease at 299 Canongate, Edinburgh

Recommendations

- 1.1 That Committee:
 - 1.1.1 Approves a new 10 year lease, to Michael Thomas Cassidy, of retail premises at 299 Canongate, Edinburgh, on the terms outlined in this report and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

Background

- 2.1 The shop premises at 299 Canongate extends to 95.85m² (1,032sq ft) or thereby, and is shown outlined in red on the attached plan.
- 2.2 Since December 1998, Michael Thomas Cassidy has been the tenant operating a newsagent and convenience store business. The current rent is £15,250pa excl VAT.

Main report

- 3.1 The existing lease expires on 30 March 2016, and the existing tenant has requested that the Council grant a new 10 year lease from 31 March 2016.
- 3.2 The tenant has fulfilled all his legal and financial obligations in terms of the existing lease.
- 3.3 The following terms have been provisionally agreed:
 - Subjects: Retail shop at 299 Canongate, Edinburgh;
 - New Lease: 10 years from 31 March 2016 until 30 March 2026;
 - Break Option: Tenant only break option on the third and seventh anniversaries;
 - Rent: £28,100 per annum (current market rental value);
 - Rent Reviews: Reviewed on each fifth anniversary of the term to open market value;
 - Use: Newsagent & Convenience Store;
 - Repairs: Full repairing and maintaining obligation.

Measures of success

- 4.1 Granting a new 10 year lease will allow the existing tenant to continue their long term financial planning of the business and, in turn, sustain employment for his workers and also help maintain the vibrant mix of retailers found in the Canongate.

Financial impact

- 5.1 An increase in rent of £12,850 per annum payable to the General Property Account.

Risk, policy, compliance and governance impact

- 6.1 This is a new 10 year lease to the existing tenant who has been trading from the property since December 1998. 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 new lease, it will ensure that the existing tenant can continue to plan both financially and in terms of developing his business. This will allow him to continue to provide a high level of service and experience to his 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 offering a new lease to the current tenant 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 a new lease is not granted, the impact is considered to be proportionate and justifiable.

Sustainability impact

- 8.1 There are no sustainability issues arising from this report as the property has been leased out as a retail shop for many years and this is set to continue.

Consultation and engagement

- 9.1 N/A.

Background reading/external references

N/A.

Hugh Dunn

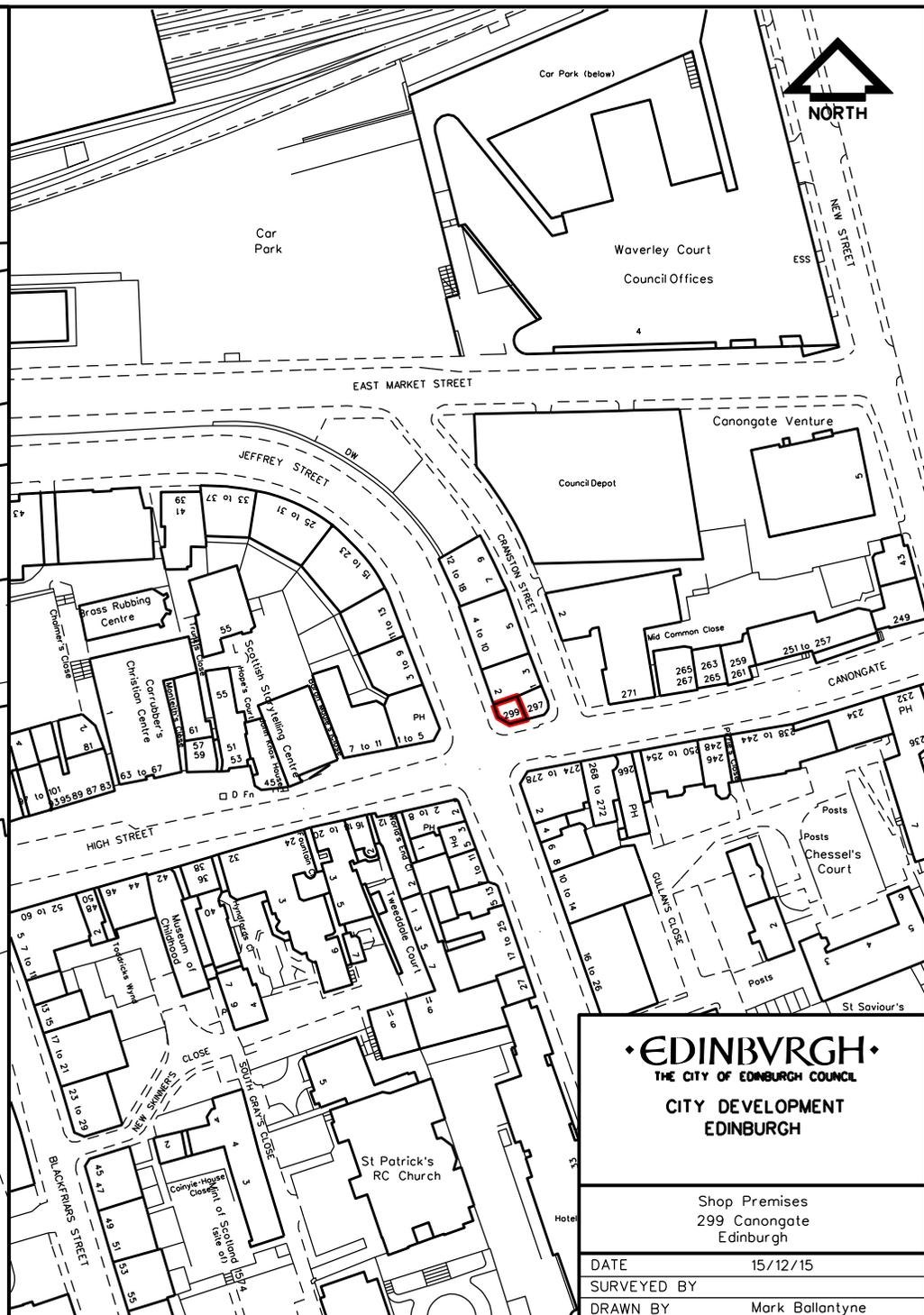
Acting Executive Director of Resources

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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.



SITE PLAN

PHOTOGRAPHICALLY REDUCED NOT TO SCALE

LOCATION PLAN

• EDINBURGH •
 THE CITY OF EDINBURGH COUNCIL
 CITY DEVELOPMENT
 EDINBURGH

Shop Premises
 299 Canongate
 Edinburgh

DATE	15/12/15
SURVEYED BY	
DRAWN BY	Mark Ballantyne
FILE NO.	
NEG. NO.	A3/1638