
LEASE OF OLD CORN EXCHANGE, HIGH STREET, PEEBLES

Report by Chief Executive

PEEBLES COMMON GOOD FUND

26th November 2012

1 PURPOSE AND SUMMARY

- 1.1 **This report informs the Peebles Common Good Sub-Committee of the leases for the ground floor of the Old Corn Exchange and seek their views on future uses and proposals for the property.**
- 1.2 The ground floor of the Old Corn Exchange has been leased to John Scott Bakers since 2001. Their lease terminates on 30 November 2012 and they have confirmed that they do not want to continue. The current rent is £24,000 per annum.
- 1.3 John Scott Bakers have sub let the front shop to Muriel Urquhart and the rear of the premises to Ish'uze Youth Action.
- 1.4 Muriel Urquhart has now vacated the Old Corn Exchange and relocated to the shop at 25 High Street, Peebles.
- 1.5 Ish'uze Youth Action has indicated that they wish to continue to occupy the premises until May 2013.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Peebles Common Good Sub-Committee:**
 - (a) notes the changes to the tenancies at the Old Corn Exchange and agrees to investigate possible renovation and improvement works to the property by an architect.**
 - (b) agrees to enter into a temporary 6 months lease with Ish'uze Youth Action for the part of the building they currently occupy.**

3 BACKGROUND & PROPOSALS

- 3.1 John Scott Bakers took an assignation of the lease of the Ground Floor of the Old Corn Exchange from Chas N Whillans in December 2001. They subsequently sub-leased the premises to the Volunteer Centre Tweeddale (now Ish'uze Youth Action) and Muriel Urquhart.
- 3.2 The premises consist of a front shop which has been used as Central Baguette and rear rooms used as a youth centre with storage rooms. The toilets are at the rear of the premises and are shared by both sub-tenants along with the cold store used exclusively by Muriel Urquhart.
- 3.3 The front shop is disadvantaged because the toilets and cold storage are at the rear of the premises and the rear premises are disadvantaged because access is required to the toilets. Therefore neither of the occupiers have exclusive use of their premises and this reduces the rental value and potential demand for the property.
- 3.4 It is believed that Ish'uze currently pay a rent of £8,000 pa to John Scott Bakers.
- 3.5 In 2006 Scottish Borders Council architects section investigated the possibility of sub-dividing the property so that each occupier could have exclusive use. The splitting of services and disruption to the occupiers were problematic and no works were carried out. The estimated cost at the time was between £100k and £150k.
- 3.6 With the front shop now vacant an opportunity has arisen to re-examine the layout of the premises with a view to the possible sub dividing and creating exclusive areas and services for the front and rear areas. Architects could produce drawings of the proposed changes and seek estimate costs for the work involved.

4 IMPLICATIONS

4.1 Financial

- (a) The termination of the lease by John Scott Bakers and vacation by Muriel Urquhart shall reduce the rent from £24,000 pa to £8,000 although this is still to be discussed and agreed with Ish'uze.
- (b) The premises are not in an easily lettable state due to the shared accommodation and so expenditure may be required to renovate and improve the property.

4.2 Risk and Mitigations

- (a) There is a risk that the empty front shop will deteriorate and require substantial repairs and maintenance expenditure.

4.3 **Equalities**

There are no adverse equality implications arising from this report.

4.4 **Acting Sustainably**

There are potential effects on the sustainability of the building if it is left vacant for a long time.

4.5 **Carbon Management**

There are no significant effects on carbon emissions.

4.6 **Rural Proofing**

None.

4.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made.

5 CONSULTATION

- 5.1 The Chief Financial Officer, Clerk to the Council, Head of Legal & Democratic Services, Head of Audit & Risk have been consulted and their comments have been incorporated into the report.

Approved by

Chief Executive

Signature

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Author

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Background Papers: None

Previous Minute Reference: None

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