



COUNCIL EXECUTIVE

LEASE OF 19 ST HELENS PLACE, ARMADALE

REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES

A. PURPOSE OF REPORT

To seek Council Executive approval for a ten year lease of 19 St. Helens Place, Armadale.

B. RECOMMENDATION

It is recommended that Council Executive:

1. Approves a new ten year lease of 19 St Helens Place to Mohammed Aslam, at an initial rent of £3,700 per annum.
2. Authorises the Head of Finance and Property Services to agree to any changes required to the current terms in order to conclude the transaction, on the basis that any revised terms and conditions still represent best value for the council.

C. SUMMARY OF IMPLICATIONS

I	Council Values	Being honest, open and accountable and making best use of our resources;
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	Disposal of property governed by S74 (2) of the Local Government (Scotland) Act 1973 and the Disposal of Land by Local Authorities (Scotland) Regulations 2010.
III	Implications for Scheme of Delegations to Officers	None.
IV	Impact on performance and performance Indicators	Will contribute to the council's annual budget for rental income.
V	Relevance to Single Outcome Agreement	Our economy is diverse and dynamic, and West Lothian is an attractive place for doing business
VI	Resources - (Financial, Staffing and Property)	The annual rent received will be secured for a further ten years and will be subject to three yearly rent reviews.
VII	Consideration at PDSP	Not Applicable

VIII Other consultations

A copy of this report has been provided to the local elected members for information.

D. TERMS OF REPORT

The property is situated at 19 St Helens Place, Armadale in the corner of the neighbourhood development. The location of the property is shown hatched black on the attached plan. The property forms part of the council's Commercial Property Portfolio and is currently leased to Mr Mohammed Aslam at a rent passing of £3,700 per annum, for use as a general store.

Mr Aslam upon taking over the lease of the premises from the previous tenant has undertaken a major investment in the property that has included works to improve the frontage, services and the general amenity of the retail and storage areas. To justify the investment he has asked the council for a new ten year lease.

The lease has in principle been agreed on the following terms:

1. Lessee: Mr Mohammed Aslam
2. Subjects: 19 St Helens Place, Armadale
3. Initial Rent: £3,700 per annum (excluding VAT)
4. Lease commencement date: To be agreed between the two parties.
5. Each party is to meet their own legal costs.
6. Repairing obligations - the lease will be on a full repairing and insuring basis, with the tenant being responsible for all repairs to the property
7. Rent Reviews - Three year rent reviews throughout the period of lease.

There is no proposed initial uplift on the rent due to the investment by Mr Aslam and the commitment to a new ten year lease. It should be noted that the current rent reflects the market value and secures the occupancy of the property for a further ten years.

E. CONCLUSION

It is considered in the council's best interest to enter into the ten year lease at 19 St Helens Place, Armadale to Mohammed Aslam on the basis outlined in this report.

F. BACKGROUND REFERENCES

None.

Appendices/Attachments: Location Plan

Contact Person:

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Donald Forrest, Head of Finance and Property Services

Date of meeting: 15 January 2019