



COUNCIL EXECUTIVE

LETTING OF 1A LIGGAT SYKE PLACE EAST MAINS INDUSTRIAL ESTATE, BROXBURN TO EXCEL VENDING LIMITED

REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES

A. PURPOSE OF REPORT

To seek Council Executive approval for the letting of 1a Liggat Syke Place, East Mains Industrial Estate, Broxburn to Excel Vending Limited.

B. RECOMMENDATION

It is recommended that Council Executive:

1. Approves the letting of 1a Liggat Syke Place, East Mains Industrial Estate, Broxburn to Excel Vending Ltd for a period of fifteen years on the terms outlined in this report; and
2. Authorises the Head of Finance and Property Services to negotiate any further terms and conditions or changes to those outlined in the report on the basis that these continue to represent the achievement of best value for the council.

SUMMARY OF IMPLICATIONS

I	Council Values	Focusing on our customer's needs; being honest, open and accountable; making best use of our resources; working in partnership.
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	Rental income as set out in the report will contribute towards the councils revenue budget targets for the Commercial Property Portfolio.
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)	Rental income as set out in the report will accrue to the councils revenue budget. The project will be managed within existing staff resources.
VII	Consideration at PDSP	None.
VIII	Other consultations	None. The local elected members for the ward have received a copy of this report for their information.

D. TERMS OF REPORT

D1 Background

The property at 1a Liggat Syke Place is a semi-detached industrial unit with ancillary offices and small enclosed yard. Built in 1968, the unit measures 930.5m² (10,016 sq.ft.) A location plan is attached for information.

Following vacation of the property in October 2017, by the previous tenant Nexus Precision Engineering Limited, the council has undertaken a refurbishment of the property to extend its economic life and enable the proposed lease.

Established in 1993, Excel Vending Limited has grown to be Scotland's leading vending machine supplier. Its head office is based in East Kilbride. The company has expanded its operations in the east of Scotland and this property provides a service depot for its expanding business.

D2 Proposed Lease Terms

The main agreed terms of the lease are:

Tenant – Excel Vending Limited.

Use – Workshop stores and ancillary offices for the supply & servicing of vending machines.

Date of Entry – On completion of the refurbishment in early March 2019.

Lease Duration – Fifteen years, with a tenant only option to break the lease on the fifth and tenth anniversary of the lease on giving six months prior notice.

Rent - £24,260 per annum (net of VAT) rising to £36,400 per annum for the second to fifth years of the lease.

Rent free – No rent free.

Rent Review – The rent to be reviewed to the open market level on the fifth and tenth anniversary of the lease.

Repair - The tenant has a full repairing and insuring responsibility.

Legal Expenses - Each party to meet their own legal costs.

General - There will be various other detailed terms and conditions which will be included in the legal documentation which are common in leases of this type of property.

E. CONCLUSION

It is considered to be in the council's best interest to grant a new lease to Excel Vending Limited in accordance with the terms and conditions set out above.

F. BACKGROUND REFERENCES

None

Appendices/Attachments: Appendix 1 – Location Plan

Contact Person:

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Donald Forrest, Head of Finance and Property Services

Date of meeting: 15 January 2019