



West Lothian
Council

COUNCIL EXECUTIVE

UNIT 1 THE MILL CENTRE, BLACKBURN
PROPOSED LEASE TO CORAL RACING LIMITED

REPORT BY HEAD OF FINANCE AND ESTATES

A. PURPOSE OF REPORT

To seek Council Executive approval for the grant of an eight year lease to Coral Racing Limited.

B. RECOMMENDATION

Council Executive is recommended to approve an eight year lease to 29 February 2020 in respect of Unit 1 The Mill Centre, Blackburn to Coral Racing Limited.

C. SUMMARY OF IMPLICATIONS

I	Council Values	Making best use of our resources
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	None.
III	Implications for Scheme of Delegations to Officers	None.
IV	Impact on performance and performance Indicators	None.
V	Relevance to Single Outcome Agreement	None.
VI	Resources - (Financial, Staffing and Property)	The council will receive an initial rent of £9,800 per annum, which is subject to a single review in March 2015.
VII	Consideration at PDSP	Not applicable.
VIII	Other consultations	Local members have been provided with a copy of report for information.

D. TERMS OF REPORT

The subject property is currently leased to Martin's Newsagents, who have served notice to terminate their lease on the contractual lease end date of 29 April 2012. Terms have provisionally been agreed with Martins Newsagents to accept an earlier surrender of their lease, conditional on a new lease being granted to Coral Racing Limited.

Subject to the lease being granted, Coral Racing Limited, propose to relocate their existing operation at 63 Bathgate Road, Blackburn (opposite The Mill Centre) into unit 1 The Mill Centre.

The council hold a head lease until 29 February 2020 over the 12 units that comprise The Mill Centre. Under the terms of the head lease the council pays a market rent for the development, which is subject to five yearly rent reviews, the next review being in March 2015. Unit 10 is occupied by Blackburn Connected and the remaining 11 units are underlet by the council at market rents.

The agreement of a lease to Coral Racing Limited avoids the risk to the council of potential void property costs in May 2012. The proposed lease length also ensures that the market rent in respect of unit 1 is covered until the expiry of the council's lease on 29th February 2020.

The main terms of the lease would be as follows:

1. The lease will be for a term from the agreed date of entry up to 29 February 2020.
2. The subjects of the lease shall be Unit 1 The Mill Centre, Blackburn shown hatched black on the attached plan.
3. The rent shall be £9,800 per annum payable quarterly in advance.
4. The rent shall be reviewed on 1 March 2015 to market rent (the same review date as the head lease review).
5. The tenant will be responsible for securing all statutory consents required in connection with their use of the subjects.

E. CONCLUSION

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

F. BACKGROUND REFERENCES

None

Appendices/Attachments: Location plan attached

Contact Person: Stephen Letch, Commercial Property Surveyor, Direct Dial: (01506) 281122
Stephen.letch@westlothian.gov.uk

Donald Forrest, Head of Finance and Estates

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