



West Lothian Council

COUNCIL EXECUTIVE

36A INCHMUIR ROAD, WHITEHILL INDUSTRIAL ESTATE, BATHGATE PROPOSED LEASE TO CUTTING EDGE ENGINEERING (SCOTLAND)

REPORT BY HEAD OF FINANCE AND ESTATES

A. PURPOSE OF REPORT

To seek Council Executive approval to the surrender of existing lease and the granting of a new eight year lease to Cutting Edge Engineering (Scotland) Limited.

B. RECOMMENDATION

Council Executive is recommended to approve the surrender of the existing lease and granting of a new eight year lease of 36A Inchmuir Road, Whitehill Industrial Estate, Bathgate to Cutting Edge Engineering (Scotland) Limited.

C. SUMMARY OF IMPLICATIONS

I Council Values	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)	None.
III Implications for Scheme of Delegations to Officers	None.
IV Impact on performance and performance Indicators	Contributes to the appropriate performance indicators for income received from the Tenanted Non Residential 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)	Rent of £47,400 per annum will continue until 2018 consequent to the grant of a new lease.
VII Consideration at PDSP	Not applicable.
VIII Other consultations	The local elected members for the ward have

been provided with a copy of this paper for their information.

D. TERMS OF REPORT

Unit 36A Inchmuir Road is self-contained industrial unit with ancillary offices and large enclosed yard. Built in 1990, the unit measures 10,600 sq.ft. A location plan is attached for information.

Cutting Edge Engineering (Scotland) Ltd is an established engineering business in Blackburn. In March 2013, they set up a division specialising in steel fabrication for the offshore oil industry as a new venture and 36A Inchmuir Road was leased on a three year lease from 1 March 2013 to accommodate the business. The division has become established and the venture has been successful to date.

The existing lease expires on the 28 February 2016. In order to secure grant assistance to expand the business, Cutting Edge Engineering (Scotland) Ltd Edge has approached the council with a request for a new eight year lease.

The agreement of a new lease to company provides the council with certainty of income on this unit through to 2018 and potentially through to the lease end 2022.

The main terms of the lease would be as follows:

1. The lease will be for an eight year term from 1 March 2014.
2. The subjects leased shall be 36A Inchmuir Road, Bathgate shown hatched black on the attached plan.
3. The rent shall be £47,400 per annum. There will be an open market rent review and tenant break option on 1 March 2018.
4. The existing lease will be surrendered on the grant of the new lease.
5. The tenants will be responsible for payment of the council's legal fees and expenses reasonably and necessarily incurred in formalising the transaction.

E. CONCLUSION

It is considered to be in the council's best interest to grant a new lease to Cutting Edge Engineering (Scotland) Ltd in accordance with the terms and conditions set out above.

F. BACKGROUND REFERENCES

None.

Appendices/Attachments: Location plan attached

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