

10. LAND AT ALDERSTONE ROAD, LIVINGSTON

The Council Executive considered a report (copies of which had been circulated) by the Head of Finance and Estates seeking approval for the sale of 0.49HA of land at Alderstone Road, Livingston to Lidl UK GmbH Ltd and the relinquishment by Lidl of rights over adjoining land.

The report advised that the subject land at Alderstone Road, which was shown, hatched on the plan and which extended to a total of 0.49HA or thereby, formed part of an option agreement between Livingston Stadia Management Ltd (LSM) and the council.

While discussions were taking place with LSM for the renunciation of the option agreement, Lidl UK GmbH approached the council with a proposal to purchase the subject land, between their existing unit and Alderstone Road. Lidl was proposing to develop a new superstore for circa 10,000sqft in their new format. Following completion the existing store would be refurbished and reconfigured to facilitate a letting to a third party.

The Head of Finance and Estates advised that Lidl was considered a special purchaser in this case as there was an element of marriage value between the subject property and their existing property by virtue of the existing car park which would enable Lidl to use the subject property more extensively than other potential purchasers.

Given the specific property characteristics and that the Lidl proposal would increase economic activity in the area it was decided that it was appropriate, in this case, to negotiate direct with Lidl.

The land was currently let to LSM under the terms of the ground lease but would be returned to the council on 1 July 2014; however the rights that had been granted made the land of limited use and as a consequence of little value to the council.

With the removal of these rights, the council would have an unencumbered site that was available for letting or sale and would therefore have a significantly higher value in future. The renunciation of rights would only occur with Lidl's agreement.

The purchase price of the subject land along with the relinquishment of Lidl's existing rights over the additional area of land would provide an aggregated value to the council in line with the external valuation that had been obtained.

The report provided details of the proposed terms of the sale and special conditions.

In conclusion the Head of Finance and Estates advised that the overall state of the property market and the specific circumstances of this case, it was considered to be in the council's best interest to sell the site at Alderstone Road in accordance with the recommendations of the report.

The report recommended that the Council Executive:-

1. Approve the sale of land at Alderstone Road, Livingston to LIDL UK GMBH for £800,000 subject to the terms and conditions set out in the report.
2. Grant delegated powers to the Head of Finance and Estates 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 represented best value for the council.

Decision

To approve the terms of the report.