

6. PURCHASE OF GROUND LEASE 9 INCHMUIR ROAD, WHITEHILL INDUSTRIAL ESTATE, BATHGATE

The Council Executive considered a report (copies of which had been circulated) by the Head of Finance and Property Services seeking approval for the purchase of the ground lease of 9 Inchmuir Road, Whitehill Industrial Estate, Bathgate.

The Head of Finance and Property Services advised committee that the land at 9 Inchmuir Road comprised of 0.519 Ha (1.28 Acres) and had been let on a ground lease from 18 September 1978 for a term of 99 years with an expiry date of 17 September 2077. There were ten yearly rent reviews with the next one due in September 2019. The current rent was £14,000 per annum and the land was currently let to National Grid Property Holdings Limited (NGPH).

The land had been developed by the tenant to provide an office building of approximately 630sqm and a secure surfaced yard. The property was sub-let to National Grid Gas Plc (NGG) on full repairing and insuring lease until 9 February 2021 at a rent of £35,000 per annum.

NGPH as part of a major rationalising of property assets had offered to surrender the ground lease to the council and sell the building and secure yard, subject to the lease remaining in place, for a purchase price of £21,000 plus VAT.

West Lothian had a limited supply of yards with premises and whilst it was likely that NGG would ask to extend their lease beyond February 2021, should this not occur officers were of the opinion that re-letting or disposal should be reasonably straightforward.

The proposed acquisition would be funded from within the existing Commercial Property Portfolio resources and through the securing of the additional £35,000 per annum up to February 2021.

The proposed terms and conditions were summarised in the report.

It was recommended that Council Executive :-

1. Approve that the purchase of the ground lease at 9 Inchmuir Road, Whitehill Industrial Estate, Bathgate for £21,000 (twenty one thousand pounds); 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 achievement of the best value for the council.

Decision

To approve the terms of the report