



COUNCIL EXECUTIVE

THE VENNEL CAR PARK, LINLITHGOW - PROPOSED LEASE TO HORIZON PARKING LIMITED

REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES

A. PURPOSE OF REPORT

To seek Council Executive approval for the lease of The Vennel Car Park, Linlithgow to Horizon Parking Limited.

B. RECOMMENDATION

It is recommended that Council Executive:

1. Approves the lease of The Vennel Car Park, Linlithgow to Horizon Parking Limited for an initial annual rental of £93,000 (ninety-three thousand pounds) subject to the terms and conditions set out in the report;
2. Authorises the Head of Finance and Property Services to carry out any further negotiations with the purchaser in respect of the lease of the property, on the basis that any revised terms and conditions still represent the achievement of best value for the council.

C. SUMMARY OF IMPLICATIONS

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| I | Council Values | Making best use of our resources. Being honest, open and accountable. |
| 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 approved 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. |

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| VI | Resources - (Financial, Staffing and Property) | Rental income as set out in the report will accrue to the council's revenue budget. The project will be managed within existing staff. |
| VII | Consideration at PDSP | Not applicable. |
| VIII | Other consultations | The local elected members for the ward have received a copy of this report for their information. |

D. TERMS OF REPORT

D1 Background

The Vennel Car Park is adjacent The Cross, Linlithgow and is part of the councils Commercial Property Portfolio. A plan showing the location of the car park is shown in appendix A.

The car park was previously leased to Town and Country Parking and then to Smart Parking, from 1 June 2002 until 31 May 2019 where upon it became vacant. The lease was advertised on the open market. Following healthy interest, a closing date was set for 31 July 2019, with offers received.

After evaluation, officers recommend that the offer from Horizon Parking Limited for an annual rental of £93,000, which was the highest financial offer received at the closing date, is accepted as it represents the best terms reasonably obtainable by the council. Horizon Parking Limited is one of the largest established carpark management and operating companies with a number of locations in Scotland including pay and display locations and supermarkets. They have a proven track record in the management of car parks with over 3,000 car parks under its control across the UK.

D2 Proposed Lease Terms

The proposed lease terms are as follows:

Subjects: The Vennel Car Park and Lock Ups, Linlithgow.

Rent: £93,000 per annum plus 50% of tariff income above £250,000.

Lease Term: 10 years from date of entry with a notice period 1 year and rent review at year 5.

Date of Entry: 1 October 2019 or as agreed between the parties.

Maintenance / Repairs: Lease shall be on a full repair and insuring (tenant) basis.

Outgoings: Tenant shall be responsible for all statutory and non-statutory outgoings associated with the operation of the location as a car park.

Other Terms: The lease will include provision of a redevelopment clause should the car park be subject to an approved scheme for development at the Vennel.

The proposed tenant has confirmed that current concessions for free Sunday parking will continue and that free disabled parking spaces will continue to be provided.

It is proposed that the Head of Finance and Property Services is authorised to carry out any further negotiations with the proposed tenant in respect of the lease conditions, on the basis that any revised terms still represent the achievement of best value for the council and are not material.

D4 Community and Other Interests

Whilst a number of offers were received two other offers should be noted by the Council Executive. These are:

Linlithgow Mill Road Business Improvement District (BID) – A commercial offer was received for a period of five years. The offer did not confirm the rental to be paid and stated “we understand the council want £69,000 per annum and we are willing to discuss this in detail”. This does not represent a quantified rental offer that can be evaluated. The proposal was to operate a not for profit organisation with any surplus after operating, staff, repair and lease costs contributing towards the funding of the committed BID programme. The BID have no track record in the management of commercial car parks.

Historic Environment Scotland (HES) – A commercial offer was received for a period of ten years with a tenant break option after five years. HES have a track record of managing car parks associated with their attractions. The proposal would involve the ability to temporarily reserve access / spaces for specific HES events. The offer was on lower terms than the recommended offer from Horizon Parking Limited.

To ensure the councils commercial interests are preserved should the proposed lease to Horizon Parking Ltd not conclude financial and others terms have not been stated within the report.

E. CONCLUSION

It is considered to be in the council’s best interests to lease The Vennel Car Park, Linlithgow on the basis of the recommendations set out in this report.

F. BACKGROUND REFERENCES

None.

Appendices/Attachments: Location plan attached

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Donald Forrest,
Head of Finance and Property Services

Date of meeting: 20 August 2019