

ANGUS COUNCIL

POLICY AND RESOURCES – 8 JUNE 2021

PROPERTY TRANSACTION

REPORT BY DIRECTOR OF INFRASTRUCTURE

ABSTRACT

The report seeks approval of a property rental transaction.

1. RECOMMENDATION

It is recommended that the Committee:

- (i) Approves the property transaction as detailed in **Appendix 1**.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/COUNCIL PLAN

2.1 This report contributes to the following local outcomes contained within the Council Plan 2019-2024 and Community Plan 2017-2030:

- an inclusive and sustainable economy;
- safe, secure, vibrant and sustainable communities; and
- an enhanced, protected and enjoyed natural and built environment.

3. BACKGROUND

Section 17.1 of the Council's financial regulations requires the Head of Technical and Property Services to submit a report for consideration where the value of a lease (the annual rental multiplied by the period of the lease) exceeds delegated authority.

4. CURRENT POSITION

Safety-Kleen UK Limited, a leading provider of environmental services, currently lease 5 units at Broomfield Road, Montrose with the original lease dating back to 2002. The rent for the 5 units is currently £24,370 per annum.

5. PROPOSALS

Negotiation has taken place with Safety-Kleen's agent to agree a 6-years' extension of lease of the properties with a rent review on the third anniversary from the date of extension.

6. FINANCIAL IMPLICATIONS

The property transaction at Appendix 1 will result in an average income of £26,000 per annum to the General Fund.

7. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment is not required for the extension of an existing lease.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report

REPORT AUTHOR: Ian Cochrane, Director of Infrastructure
EMAIL DETAILS: Communities@angus.gov.uk

List of Appendices:
Appendix 1 – Property Transaction

Appendix 1 – Open Market Rental Transactions

Item no: 1

It is recommended that the Committee approve the renewal of the lease of Units 5a -5e Broomfield Road, Montrose to the current tenant Safety-Kleen UK Limited for a period of 6 years with provision for a rent review after 3 years at a stepped rent over the first 3 years as follows:

Year 1 £25,500 per annum
Year 2 £26,000 per annum
Year 3 £26,500 per annum