

All Committee meetings were cancelled with effect from 23rd March, 2020 due to the COVID-19 emergency.

The recommendations in this report were approved by an Executive Director of the Council, acting under delegated authority in terms of paragraph 2.1.1 of the Council's List of Officer Powers

21st May 2020 (CANCELLED)

Approved by Executive Director, Enterprise & Environment – 4th May, 2020

Units 4,6,7,18 & 19, Fife Food & Business Centre, Faraday Road, Glenrothes

Report by: Gordon Mole, Head of Business and Employability

Ken Gourlay, Head of Assets, Transportation and Environment

Ward Affected: Ward 13 – Glenrothes & West Kinglassie

Purpose

The purpose of this report is to seek authority from the Committee to dispose by lease of Units 4,6,7,18 & 19 Fife Food & Business Centre, Glenrothes to the Pitreavie Group Ltd, as the rent terms provisionally agreed are above the delegated authority as outlined in the List Of Officer Powers, effective from 4th July, 2019.

Recommendations

It is recommended that the Assets & Corporate Services Committee approves the disposal by lease of Units 4,6,7,18 & 19 Fife Food & Business Centre, Glenrothes to the Pitreavie Group Ltd on terms and conditions to the satisfaction of the Head of Legal Services.

Resource Implications

The lease will provide a receipt for the Economic Development Trading Account in the amount of £112,194 per annum over the lease term.

Legal & Risk Implications

No significant risks have been identified though appropriate legal documentation will be required to secure the Council's position.

Impact Assessment

An EqlA has not been completed and is not necessary for the following reason: the item in this report does not propose a change or revision to existing policies and practices.

Consultation

Councillors Julie Ford, Altany Craik and Craig Walker were consulted on this proposal.

1.0 Background

- 1.1 Glenrothes is located approximately 22 miles to the south of Dundee and 15 miles east of Dunfermline. Fife Food & Business Centre is located on Faraday Road within the Southfield Industrial Estate, one of the principal commercial districts within Glenrothes. This Industrial Estate is a well-established location benefitting from several major occupiers located on the southern edge of the town and is bounded by a mature tree belt and open countryside to the south, with good quality landscaping.
- 1.2 Fife Council holds title to blocks 1-7 within Fife Food & Business Centre. This comprises 29 industrial units and/or offices of varying sizes ranging from 28,000 sqft down to circa 1000 sqft. Block 6 is the Food Resource Base which comprises of smaller starter units generally geared for the catering industry. Most of the units/offices managed by Fife Council at the Fife Food & Business Centre are tenanted.
- 1.3 The Pitreavie Group Ltd (formerly DEL Office Support Ltd) was established in 2010 and has acquired Sorba-Freeze and CP Cases in Glenrothes, Andersons Packaging in Aberdeen, and Snapco Industrial Supplies in Glasgow. It also has a factory in Worcester. The group serves customers in sectors including food and drink, the energy sector and logistics. The Pitreavie Group has developed its business over the past number of years to become the largest independent packaging solutions and industrial supplies company in Scotland.
- 1.4 Currently the Pitreavie Group Ltd occupies 4 units of various sizes within the Fife Food Business Centre. The combined rent of these units is £89,803 per annum.

| <u>Premises</u> | <u>Area/sqft</u> | <u>Tenant</u> | <u>Lease Commenced</u> | <u>Lease End</u> |
|-------------------|------------------|--------------------------|------------------------|------------------|
| Unit 4 FFBC | 28,290 | Pitreavie Packaging Ltd | 21st August 2015 | 20th August 2020 |
| Unit 6 FFBC | 8,435 | Pitreavie Packaging Ltd | 21st August 2015 | 20th August 2020 |
| Unit 7 FFBC | 8,414 | Pitreavie Packaging Ltd | 21st September 2016 | 20th August 2020 |
| Office 18 FFBC | 2,168 | Pitreavie Packaging Ltd | 21st August 2015 | 20th August 2020 |
| Office 19 FFBC | 2,473 | Vacant (formerly Unison) | | |

2.0 Proposal

- 2.1 The Pitreavie Group can bring their occupation to an end and vacate all 4 units in August 2020 however following negotiation their preferred option is to remain and expand in their current location whilst taking on additional office space of unit 19 also located with the Fife Food Business Centre.
- 2.2 The Pitreavie Group have requested to surrender their existing leases and take a new lease combining all 4 leased premises plus unit 19, formerly occupied by Unison, under the same occupancy to support their continued expansion.
- 2.3 Unit 19 Fife Food & Business Centre is a self-contained office building of some 2473 square feet which has been vacant since Unison relocated of late.

2.4 Discussions/negotiations have taken place and the following lease terms have been provisionally agreed.

- surrender the existing lease of Units 4,6,7 & 18.
- take a single lease of Units 4,6,7,18 & 19 Fife Food and Business Centre, Faraday Road, Glenrothes.
- The lease will endure for 5 years.
- The rent will be £112,194 per annum.
- The lease will be on Internal repairing and Insuring terms.
- There will be no break options for the tenant.
- There will be no rent reviews.

2.5 The rent provisionally agreed is representative of market value for accommodation of its size, age, type and location.

2.6 The matter is supported at Senior Officer level within Business and Employability and Assets, Transportation and Environment.

3.0 Conclusion

3.1 Authority is sought to grant a lease to The Pitreavie Group Limited on the terms outlined above and otherwise on terms and conditions satisfactory to the Head of Legal Services.

List of Appendices:

Appendix 1 - Location Plan

Background Papers

No background papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973.

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