

FALKIRK COUNCIL

**Subject: TELECOM SERVICE CENTRES t/a WEBHELP UK
CENTRAL PARK, LARBERT**
Meeting: EXECUTIVE
Date: 24 FEBRUARY 2015
Author: DIRECTOR OF DEVELOPMENT SERVICES

1.0 INTRODUCTION

- 1.1 The purpose of this report is to seek Executive approval to a lease extension to Telecom Service Centres (TSC), now trading as Webhelp UK at 1 Central Park Avenue, Central Park, Larbert.

2.0 BACKGROUND

- 2.1 Webhelp UK is a call centre operator that has 10 centres in the UK employing over 6000 people. The Group's headquarters are located in London and internationally it is present in 58 locations across Europe, Africa and the Americas. The company was successfully attracted to Central Park in June 2000 where it now employs 841 people.
- 2.2 The property occupied by Webhelp UK is leased by Falkirk Council from Trumros Ltd until 29 September 2019 at an annual rent of £206,000. It is then sub let to TSC who presently pay a rent of £206,000 per annum in a lease due to expire on 18 June 2015.

3.0 PROPOSAL

- 3.1 The company would like to remain at Central Park and has requested terms to extend the lease until 29th September 2019 which is the expiry date of the Council's head lease from Trumros Ltd.
- 3.2 The proposed terms are that the rent will be reduced to £186,000 per annum for the remainder of the lease. This represents an incentive equivalent to 4 months rent free which amounts to £68,677. This is in line with current property market incentives on similar types of transactions. Should TSC decide to leave in June 2015 the cost of securing a new tenant, is likely to be far greater than the cost of retaining TSC as a tenant on the revised terms until the end of the Council's head lease in September 2019. There is limited interest in the market for properties of this size (4250 sqm) and a significant void period would be anticipated.

4.0 IMPLICATIONS

4.1 Financial

The Council is paying a head rent of £206,000 per annum on this property and will suffer a loss as a consequence of this agreement with TSC. The loss over the 5 year period of the lease will amount to £68,667. This is offset against the risk of the property being vacated, with the potential loss of jobs and failure to secure another tenant for a significant period of time.

4.2 Legal

The proposal will be subject to the conclusion of missives of lease.

4.3 Planning

There are no planning issues.

5.0 RECOMMENDATION

5.1 It is recommended that the Executive approves the lease extension with TSC/Webhelp UK on the terms detailed above.

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Director of Development Services

Date: 12th February, 2015

Contact Officer: John Smith. Tel: 4973.

LIST OF BACKGROUND PAPERS

Nil.