



MIDLOTHIAN COUNCIL

COMMERCIAL PROPERTY TENANT'S HANDBOOK

For Tenants of Commercial Properties held on
Full Repairing and Insuring Leases

Midlothian Council Estates

E: estates@midlothian.gov.uk

DATE OF ISSUE: February 2023

ABOUT THIS GUIDE

The handbook assumes you are a tenant of one of Midlothian Council's shops, offices or industrial properties on a Full Repairing and Insuring Lease. It explains the terms of your lease

in more detail and tries to cover questions or issues that have been raised by tenants in the past. However, if you have any specific queries please do not hesitate to contact a member of the Estates team. Midlothian Council (the Council) aims to provide a courteous and helpful service to all our tenants, and their representatives, at all times. Staff will be available to discuss any matters relating to your tenancy during normal office hours. This handbook is for guidance only and this handbook covers general issues that are common to all tenants, whatever the type of property you occupy – these are in sections 2, 3 and 4.

In this Handbook, when we refer to “your property” we mean that part which you have an exclusive right to occupy. Some issues will only be relevant if you occupy a particular type of property.

- Section 5 is for tenants of council SHOPS
- Section 6 for OFFICE tenants, and
- Section 7 for those in our INDUSTRIAL units.

To make the most effective use of this handbook, please keep it alongside your Lease.

We hope you find the handbook useful. But remember we are only an email away if you have a problem.

PROFESSIONAL ADVICE

This handbook gives you an indication of your rights and responsibilities as a commercial tenant of the Council. It is a reference point only, not a statement of the law, and does not alter any contractual obligations placed on either the Council (as landlord) or you (as tenant). So, while we hope that the handbook is of some help, it cannot in any way be considered a substitute for seeking independent professional advice, should it be necessary.

Before signing your lease you were advised that you should take legal advice, and you should consider this course of action if in doubt over any of the provisions of your lease during your tenancy.

Your Lease is a legally binding contract between you and the Council, which sets out the basis of your occupation of Council property. The Council expects its tenants to comply with the legal obligations they have agreed to observe, just as you will expect the Council to honour its commitments.

MIDLOTHIAN COUNCIL PROPERTY & TECHNICAL SERVICES

Council owns a small portfolio of commercial premises, including shops, industrial units/workshops and offices that are ‘non-operational’. This means they are not used for the direct delivery of Council services.

CONTACTING PROPERTY AND TECHNICAL SERVICES

Midlothian Council Estates department deals with all aspects of the letting and management of the Council’s commercial properties.

E-mail – estates@midlothian.gov.uk

Please note the Estates Department do not have a public reception and any meeting must be by appointment only. If you wish for a face-to-face meeting please send an email to the above mailbox and an appointment can be arranged within normal working hours.

MOVING IN

As the occupier of a property, you have a responsibility to comply with several legal and Health & Safety requirements. We have set out those that are most important and indicated where you can find more information. It is intended to give general advice only, and tenants should take their own expert advice concerning the assessment of risk, the detail of appropriate prevention measures required and the legal responsibility.

We strongly recommend that you familiarise yourself with these issues before you move in.

SCHEDULE OF CONDITION

At the start of your Lease, the Council will arrange for a photographic Schedule of Condition to be prepared, illustrating the actual condition of your property when you move in. It may also include a written description of the condition of the property.

This schedule can then be referred to as evidence of the actual state of repair of the property when you take entry, and the standard to which you have to maintain and repair the property, during your occupation.

INSURANCE

Under the terms of the Lease, it is the Council's responsibility to insure the property (the building and any common parts) against the main insured perils. These include:

- Fire
- Lightning
- Aircraft
- Explosion
- Riot or Civil Commotion; Strikers; Locked-out workers; Terrorism
- Impact; Impact own vehicle
- Escape of water from any tank apparatus or pipe; water discharged or leaking from any automatic sprinkler installation
- Earthquake, Storm or flood
- Malicious persons The Council will recharge the building insurance premium in addition to the monthly rental.

Details of exactly how we will collect payment can be found in the section on your type of property – shop, office or industrial. You do not need to purchase additional building insurance.

More information on the Council's policy is included in the Appendix, which also sets out what you must do if there is damage caused by an insured risk. Although you are responsible for all general repair and maintenance – as outlined below – any damage caused by an insured risk will be dealt with by the council. However, in the event of a claim you will be responsible for payment of the excess.

Please note that the council's policy does not cover the repair of burst pipes, but does cover damage caused to the building as a result of the escape of water. Repairs to any burst pipes within your property will be your responsibility.

Any incident resulting in malicious damage (vandalism) or damage as a result of theft or attempted theft should be reported to the Police. Malicious damage will be covered by the Council's policy, but damage resulting from theft or attempted theft should be part of your insurance cover – as outlined below. Before the submission of any claim for these events, you should obtain the crime number, and advice on how the incident is being treated, from the Police.

In the case of substantial damage to the property, which means that you can no longer occupy it, the Lease will terminate and we will try to find you a suitable alternative. If the damage is minor it may be possible to carry out the repairs with you still in occupation.

To ensure that the building is properly insured a surveyor's valuation will be required from time to time, and we may need access to carry out a survey.

Under the terms of the Lease, you are responsible to ensure that you have adequate insurance cover for the following: -

- Glass breakage (if applicable, it is possible that the property will not have windows or the windows are not glass)
- Loss or damage to the property caused by theft or attempted theft
- Contents (these are the items brought into the premises by you)
- Any improvements you make to the property, e.g. the addition of internal offices
- Public Liability Insurance

You should ensure that you have appropriate insurance cover in place when you move into the property. You must also be prepared to confirm that appropriate cover is in place, at any time, by showing us details, when we ask.

ASBESTOS

At your date of entry, the Council will provide you with an Asbestos Register for the property. It is a legal requirement for a Register to be kept in every property. The Register has been compiled after an asbestos survey of the property has been undertaken and will confirm the following: -

- Whether or not there is any visible asbestos in the property. The Council will presume materials contain asbestos unless there is strong evidence that they do not. (It should be noted that hidden asbestos will not be covered in the register)
- The location, condition and extent of materials that contain asbestos or are strongly presumed to contain asbestos as identified in this survey.
- An assessment of the risk of anyone being exposed to fibres from the materials.
- The survey inspection date and proposed next inspection date (to be undertaken by the duty holder)
- Recommendations to the duty holder on proposed management of recorded materials.

Thereafter, as a tenant, you will become the duty holder under the Control of Asbestos Regulations 2012 in respect of those areas for which you have responsibility for maintenance and repair. Please refer to HSE document L143-Managing and Working with Asbestos, Control of Asbestos regulations 2012 for guidance. This document and information on your responsibilities as a duty holder can be found on the Health and Safety Executives website by following the link below.

As part of this responsibility, you must also:

- Advise the Council of any changes you propose to make to the building through the permissions process.
- Provide the Council with any additional asbestos-related documents to allow the asbestos register to be kept up to date. This includes additional asbestos survey reports, asbestos air testing reports, material sample result certificates, etc.

If you are planning to carry out or instruct repair or maintenance work in an area that contains, or which may contain asbestos (including hidden asbestos), you must ensure that the work is concluded in line with the Health and Safety at Work Act 1974 and the Control of Asbestos Regulations 2012.

If during routine and periodic inspections of the property, Midlothian Council or their representatives discover suspected asbestos which has been disturbed by historic or ongoing repair/maintenance work, then Midlothian Council has a duty of care to advise the tenant of the findings. However, it is the responsibility of the tenant as the duty holder, to take appropriate steps to make the property safe.

If Midlothian Council is required to take immediate steps to make a property/public safe through a duty holder not complying with their legal obligations as set out in the Health and Safety at Work Act 1974 and the Control of Asbestos Regulations 2012, then Midlothian Council may recover the cost of such steps from the duty holder.

Further independent advice and assistance on asbestos, asbestos licensed contractors and the safe removal and disposal of asbestos can be found by logging on to www.hse.gov.uk/asbestos.

ELECTRICAL AND GAS SAFETY

You are responsible for electrical and gas safety within your property.

At the start of your lease we will ensure that the electrical fittings and gas appliances are safe, and in good working order, but after that maintenance and compliance with safety issues are your responsibility.

Any alterations proposed by a tenant must comply with current electrical safety requirements.

Alterations will require to be removed at the end of your tenancy. If your property has electric heating, maintenance during the lease will be your responsibility.

The council's insurers require that all properties undergo a periodic inspection to ensure that all electrical installations are safe. During your tenancy, you may therefore be contacted so that they can access your property to carry out the inspection.

The inspection will result in a report which may require remedial action. Depending on the terms of your lease, and the nature of any repair required, this work may be your responsibility. If we think this is the case we will send you a copy of the report and ask that you confirm to us when the works have been completed. It is essential that any work identified is carried out, both for the safety of people working within the property, and to ensure that our insurance policy is not invalidated.

If any works for which you are responsible are not completed we may have to arrange to have the work done and to recover the cost from you.

You are responsible for all portable electrical equipment. These items are those, which are connected to the supply via a plug and socket, and you must make sure that they are tested once a year. Portable electrical equipment is not covered by the Council instructed contractors' inspections.

Further independent advice and assistance on electrical safety at work can be found by logging on to www.hse.gov.uk/electricity

You are also responsible for ensuring that any gas appliance, installation, pipe work or flue is maintained in a safe condition.

All gas equipment must be maintained according to the manufacturer's instructions, which means that a Gas Safe registered engineer should service the equipment every year. You should enter into a service agreement with a Gas Safe registered engineer, as this is likely to cover minor repairs and maintenance. The council will only replace gas appliances if it is uneconomic to repair them, and then only if an annual service agreement has been in place.

We will contact tenants every year to ask you to send us a copy of your annual service agreement. If you are unable to show us a current agreement we may have to arrange to have a service carried out and to recover the cost from you.

Further independent advice and assistance on gas safety can be obtained by contacting Gas Safe, which maintains a register of consultants and companies that are competent to carry out gas work. www.gassaferegister.co.uk

LEGIONELLA

Legionnaires Disease is a type of pneumonia caused by inhaling airborne droplets or aerosols containing viable legionella bacteria. It may occur where Legionella bacteria are allowed to develop in stagnant water, including cooling tower systems, hot and cold water systems and other plants which use or store water. The growth of the bacteria is affected by many conditions including water temperature. The bacteria does not survive above 60C and does not multiply below 20C. Regular use of cold water and hot water services prevents the stagnation of standing water thus minimising the growth of legionella.

You are responsible for ensuring that the water supply to the unit is maintained in a safe condition. Please ensure that you run the water as soon as you move into the property. During your tenancy, it is recommended that hot water systems should be maintained at a temperature sufficient to kill bacteria, and stored water systems should be flushed regularly

and subject to periodic cleaning. Any tap that is not used within seven days must be flushed through for 5 minutes - you should avoid splashing to minimise the release of water droplets/aerosols.

Further independent advice and assistance on water safety and the control of Legionella bacteria can be obtained by logging onto www.hse.gov.uk/legionnaires/

FIRE SAFETY

You are responsible for fire safety within your property, including carrying out a Fire Safety Risk Assessment. You must provide enough fire extinguishers for the size of the property, and the nature of your operations, and ensure that the extinguishers are regularly serviced.

Detailed information on your legal responsibilities under the Fire (Scotland) Act 2005, including how to carry out a Fire Safety Risk Assessment, can be found on www.scotland.gov.uk/Topics/Justice/public-safety/Fire-Rescue/FireLaw/FireLaw/GeneralGuidance/FireSafetyRiskAssessment

Further independent advice and assistance can be found by logging on to www.hse.gov.uk/fireandexplosion.

Where there is a shared fire alarm system and emergency lighting, this will be regarded as part of the common parts and the council will make appropriate arrangements for maintenance and testing of the equipment, and for evacuation testing.

HEALTH & SAFETY

The Health & Safety of employees and visitors to your property is also your responsibility.

Further independent advice and assistance can be found by logging on to www.hse.gov.uk/index.htm

SMOKING

The legislation prohibits smoking in the workplace, and compliance with the anti-smoking legislation is the responsibility of the occupier of a property.

DISABILITY DISCRIMINATION ACT 1995 (DDA)

The Council has fulfilled its obligations under the DDA in the preparation of the property and will retain responsibility for compliance in respect of any common parts. It is your responsibility as occupier to ensure that you comply with your responsibilities under the DDA.

Further independent advice and assistance on the DDA at work can be found by logging onto www.hse.gov.uk/index.htm

ENERGY EFFICIENCY

Advice to businesses on energy efficiency is available from the Carbon Trust and the Energy Saving Trust. They can help ensure that you are with the best energy provider and on the best

tariff. They may be able to carry out an energy audit (possibly free of charge) and will also have the most up-to-date information on any schemes, incentives and financial assistance for energy efficiency projects that may be available.

<http://www.energysavingtrust.org.uk/business>

<http://www.carbontrust.co.uk/cut-carbon-reduce-costs/pages/default.aspx>

Where required we will provide an Energy Performance Certificate for your property

THINGS TO DO STRAIGHT AWAY

Arrange for the gas, electricity and water meters to be read on the first day of your tenancy, even if you are not moving in until later. The Council will also be notifying the utility companies (gas and electricity), Business Stream (water charges), and the Assessor and the relevant Council's section (Non-domestic rates) about the change of responsibility. Gas and electricity suppliers may require 24 hours notice to arrange a meter reading.

Find out the position of:

- The water stopcock
- The mains electricity switch
- The fuse box
- The gas isolator valve

DURING THE LEASE

Your Lease sets out the full legal responsibilities that you have accepted by signing it. The Council as the landlord has also agreed to perform certain obligations. In this section, we have tried to explain these obligations in more detail.

TENANT RESPONSIBILITIES

You must:

- Pay the rent
- You must make sure that your rent is paid, including VAT if applicable, immediately after it becomes due
- Monthly in advance on the 28th of each calendar month.
- Rent is payable by Direct Debit.

Failure to pay by the due date may result in recovery action being taken without further warning, and your Lease being terminated. If we are forced to take action to secure payment of your rent we will also seek to recover any expenses we incur and interest.

Should you find yourself facing financial difficulties in connection with the building you occupy, it is in the best interests of both you and the Council that you discuss the matter with us as soon as possible. Please contact the Estate Team Leader to discuss this.

We will do everything we can to help resolve the issue, but we can only help if we are aware of the problem. Any matter that is discussed will be treated in confidence.

Pay the utility charges

You are responsible for the direct payment of charges for all water, gas, electricity, telephone and similar services consumed on the premises, including any standing charges.

Pay the Non-Domestic Rates

Our tenants are responsible for the payment of non-domestic rates. We will be able to advise you of the rateable value and the level of rates payable. We will also provide you with an information pack on non-domestic rates, which will include information on the eligibility for rates relief under the Small Business Bonus Scheme.

Repair and redecorate the property

You must keep the premises in good condition and repair. The drains, gutters and pipes in the premises must be kept clear and you should not allow the electric circuits to become overloaded.

You are responsible for ensuring that the building is kept repaired and decorated to the standard agreed upon at the start of your lease.

We expect tenants to take reasonable precautions to prevent frozen and burst pipes inside their property in the event of extreme cold weather.

Keep your insurance up to date and not do anything that will affect the Council's Insurance Policy.

You must make sure that you are properly insured for items not covered by the Council, i.e. contents insurance and any improvements you make to the property (e.g. the addition of internal offices); cover for damage due to theft or attempted theft; glass insurance; and public liability insurance. You must also make sure that you do not do anything that will affect the Council's insurance policy.

Your unit must not be left vacant for more than a month. If the unit is left vacant you must tell us immediately, and you must comply with the requirements of the council's insurers, as outlined in the Appendix.

Only use the property for the permitted purpose.

The use clause in your Lease regulates the type of business or activity that may be carried on at the premises.

You must not use the premises for any illegal or immoral purpose

Not carry out any alterations without the appropriate permissions

As stated in the Lease you are not allowed to undertake any alterations to the unit without first getting all necessary permissions.

These include;

- The written consent of the Council as Landlords
- Planning Permission
- Building Warrant

Please remember that alterations to the property may change the liability for Business Rates, and it is your responsibility to notify the Assessor and Electoral Registration Officer so that the Rateable Value may be re-assessed.

Not transfer the tenancy

You must not transfer your occupancy of the property. If you wish to do so the Council will require a satisfactory application form to be submitted by the proposed new tenant in the normal manner. Any agreed transfer (or assignation) of the lease will be handled by the Council's Legal Services and will be subject to the payment of the Council's legal and surveyors fees.

Other Responsibilities;

- You must allow the Council, or its authorised agents, to enter the premises to carry out repairs at all reasonable times
- You must comply with all Statutory Notices served on the premises.
- You must not bring hazardous materials into the premises

NB: These are only a selection of your responsibilities as Tenant of the property. For details of all your responsibilities please refer to your Lease.

COUNCIL'S RESPONSIBILITIES

The Council will:

- Respect your right to quiet enjoyment of the property and give you exclusive possession of the premises during your Lease.
- Give you reasonable notice if the Council needs access to the premises to do repairs (except in the case of an emergency when notice may not be possible).
- If you occupy a multi-tenanted property, the Council will keep the common parts in sufficient repair and recharge the costs appropriately through the service charge levy.

GETTING REPAIRS DONE

When you moved in you accepted that the premises were in good and tenanted condition, and were fit for the purpose for which they are let.

You are now obliged to keep the premises in this state, throughout the currency of the Lease, and to hand them back in this condition.

If you think there is a repair which the council should be carrying out, for example to common parts of a shared building, you must let us know promptly via estates@midlothian.gov.uk.

If the repairs are not carried out promptly, please let us know so we can chase them up for you. Do not stop paying the rent as this could give the Council grounds for taking proceedings against you.

SIGNAGE

If you want to put external signs on your property you will be responsible for the supply, installation and costs incurred and for their removal at the end of your Lease. These signs must be approved by a member of the Estates Team, and, where necessary, you will be responsible for getting planning consent and a building warrant.

For further advice please contact estates@midlothian.gov.uk.

LENGTH OF OCCUPANCY

In Scotland, a lease is automatically extended for a further period, after its date of expiry, if neither party has served the notice required to end it.

In these circumstances, it is assumed that both parties have agreed to continue the lease. If either party wishes to end the Lease they will be required to serve a Notice to Quit (see '4. Ending your tenancy' below').

If neither you nor the Council serves the appropriate Notice to bring your lease to an end, it will continue for a further year on the same terms and conditions as the original Lease.

If we do serve Notice ending your tenancy we are normally happy to offer a new lease, on terms to be agreed, as long as you have paid your rent and complied with the other terms of your Lease. So your right to occupy the property will continue, on condition that you comply with the terms of your Lease and we can agree on the terms of a new lease.

SAFETY WITHIN THE PROPERTY

- Keep all your fire escape routes clear - don't block them with furniture, bikes, rubbish, bags or stock etc.
- Don't overload your electric sockets and wiring.
- If you go away for a long period, or during the winter, turn the water off and drain the tank to avoid frozen pipes.
- Keep the premises secure.

The property may be part of a larger development which features a door entry system. The system should be used at all times and the door should not be left unlocked under any circumstances as this contravenes building insurance rules and puts the personal safety of other tenants at risk. If the door is continually left open, the council reserves the right to enforce its first right of refusal at lease renewal.

BREACHING THE TERMS OF THE LEASE

Any breach of the terms and conditions of your Lease may result in enforcement action being taken against you. Should a dispute arise you will normally be invited to discuss any breaches with the Estates Team Leader of the Council.

If, however, a satisfactory resolution to the problem cannot be reached, then we will have no option but to end your Lease. The Council will, however, make all attempts to resolve the matter with you.

OUT-OF-HOURS EMERGENCY CONTACT

Contact details in the event of an emergency that might result in an insurance claim are covered in the Appendix.

END OF TENANCY

As outlined above the Council is happy for your lease to be extended beyond the initial period, as long as you have complied with the Lease terms and no other Council demand requires the premises, and we can agree on the terms of a new lease.

IF YOU WANT TO LEAVE

Either you or the Council may give the other a minimum of 40 days written notice, before the termination date specified in the lease, of their intention to end the Lease. Notice of termination must be given in writing and served on the Council at;

NOTICE TO QUIT

Midlothian Council Estates

E - estates@midlothian.gov.uk.

The rent will need to be paid up to and including the last day of your Lease. The Council will refund any overpayment of rent. Once your final instalment of rent has been paid you should cancel your Direct Debit.

REPAIR, DECORATION AND CONDITION

Before you leave, the Council will arrange to inspect the premises to ensure that you have met all your responsibilities.

You must give the Council full vacant possession and leave the premises in good condition and repair. All your goods and fixtures and fittings, including any tenant's improvements or alterations to the property, must have been removed from the premises and any damage caused by their removal must be made good. The decoration requirements under the Lease must be complied with. Any additions to the electrical fit-out must also be removed.

The property must be left clean and tidy and suitable for immediate occupation. You must also provide a copy of your most recent telephone, gas and electricity bills. You will also be expected to provide us with copies of inspection reports from the last routine service of any gas appliances. We will also need to make arrangements for the necessary electrical and gas safety inspections so that the property can be ready for the next occupier.

Dilapidations are those works, which, in the opinion of the Council, are necessary at the expiry of the Lease, to ensure that the tenant has complied with their repair and maintenance obligations under the Lease. These are usually repair and maintenance works necessary to restore and reinstate the premises to good, substantial and tenantable condition and repair, fit for use and consistent with the condition shown in the photographic schedule.

The Council will exercise the right to inspect the premises, before the expiry or termination of the Lease, and will if necessary serve notice on you of those matters which require to be rectified to ensure compliance with your maintenance obligations. In doing this we will have regard to the photographic Schedule of Condition agreed upon at the start of the Lease.

Usually, this notice will be served in the form of a Schedule of Dilapidations. If you do not undertake the work within a specified time, the Council reserves the right to arrange for the

work to be undertaken and to recover the costs from you. The Council may also seek to claim loss of rental income on the grounds of failure to comply with the Lease obligations if this has delayed the letting of the property to another tenant.

CLEARING THE PROPERTY

As well as carrying out any repairs we consider necessary you must make sure that all your goods and equipment are removed from the property and it is left clear, clean and tidy. If you leave any items on the property we will give you notice that they must be removed. If you do not remove the property once asked we reserve the right to sell or dispose of anything you have left. You will be responsible for any costs we incur, and we will use the proceeds of any sale towards any outstanding payments due to us, before refunding the balance. If we have to clear the building we will not accept responsibility for loss or caused as a result of the removal of any property left by a third party.

WHEN YOU VACATE

On the date you vacate you will need to:

- Read all utility meters; notify the suppliers of your departure; and provide us with the details, as outlined above.
- Notify the suppliers of your telephone and fire/security alarm connection.
- Provide us with evidence that any gas and electrical appliances have been regularly serviced and maintained under a service agreement.
- Provide an electrical inspection certificate as to the soundness of the system at the lease end. In the absence of this, the council will commission such a certificate and we reserve the right to recover the cost of the report and the cost of rectifying the defects.
- Secure the property and return all keys to a member of the Estates Team. Please note that returning the keys before the agreed vacation date will not terminate your liability unless previously agreed in writing by the Council.
- Provide us with a forwarding address

SHOPS

BUILDING INSURANCE

As described in Section 2.2 the council will insure the property but you will be responsible for repaying the insurance premium. We will collect the premium at the start of our financial year, in April, and we will use your Direct Debit to do that. We will advise you in advance of the amount of the premium and the date on which we expect to collect it.

SECURITY AND INTRUDER ALARMS

The Council does not provide Intruder Alarms, although one may have been left by a previous occupier. The provision of security measures is your responsibility, and the installation and maintenance of any security systems will be at your expense. This will allow tenants to provide the level of security appropriate to their business.

MANAGEMENT REGULATIONS

We have set general rules and regulations governing the use of our shops to ensure that all our tenants can enjoy the beneficial use of the property without interference from their neighbours. We ask all our tenants to comply with the management rules set out below.

1. Tenants must keep the property clean, neat and tidy.
2. No rubbish should be stored either inside or outside the property as this represents a fire and/or Health & Safety risk.

To obtain a wheelie bin please contact Business Waste Collections: - https://www.midlothian.gov.uk/info/1054/bins_and_recycling/169/trade_waste

3. Tenants should not bring any hazardous materials into the property.
4. Any common parts, including service yards or car parks, must be kept clear of obstruction, and should be used in a way that will not disadvantage other occupiers. No Skips or external storage containers are allowed on site.
5. Tenants should not carry on any activity that may cause damage to the property, including allowing harmful matter to enter the drains or sewers.
6. The sale of combat knives is prohibited.

OFFICES

SECURITY AND INTRUDER ALARMS

The Council does not provide Intruder Alarms to individual properties, although it is possible that one may have been left by a previous occupier.

The provision of security measures for your property is your responsibility, and the installation and maintenance of any security systems will be at your expense. This will allow tenants to provide the level of security appropriate to their business.

In buildings with common accesses, we may provide an intruder alarm covering those parts of the property only. The costs relating to the provision of this service will be recovered under the service charge.

BUILDING INSURANCE

As described in Section 2.2 the council will insure the property but you will be responsible for repaying the insurance premium. Where a Service Charge is payable the premium will be collected as part of the Service Charge. Otherwise, we will collect the premium at the start of our financial year, in April, and we will use your Direct Debit to do that. We will advise you in advance of the amount of the premium and the date on which we expect to collect it.

SERVICE CHARGES

Where an office building is leased in suites or separate parts of a larger property, there are likely to be common areas which will remain the responsibility of the council. Costs relating to the common parts of the property will be recovered through a service charge. This may include:

- Buildings Insurance
- Repair and maintenance
- Electricity
- Gas heating
- CCTV

- Fire alarms and fire extinguishers in common areas
- Security alarm systems covering common accesses
- Cleaning and hygiene services
- Window cleaning; and
- Grounds maintenance

The annual service charge will be payable from the day you move into your property, in equal monthly instalments and we will use your Direct Debit to collect payment. At the start of the council's financial year (1 April) we will provide you with an estimate of the annual service charge for your property.

As soon as possible after the end of the year, we will carry out a reconciliation, to check that you have paid the correct sum. Any overpayment will be refunded, or we expect to collect any underpayment as soon as possible after the reconciliation has taken place.

INDUSTRIAL PROPERTIES

BUILDING INSURANCE

As described in Section 2.2 the council will insure the property but you will be responsible for repaying the insurance premium. We will collect the premium at the start of our financial year, in April, and we will use your Direct Debit to do that. We will advise you in advance of the amount of the premium and the date on which we expect to collect it.

SECURITY AND INTRUDER ALARMS

The Council does not provide Intruder Alarms, although it is possible that one may have been left by a previous occupier. The provision of security measures is your responsibility, and the installation and maintenance of any security systems will be at your expense. This will allow tenants to provide the level of security appropriate to their business.

COMPLAINTS, COMMENTS AND SUGGESTIONS

Property and Technical Services regularly consults with its customers to make sure that we meet your expectations and needs, and to help us to continually improve the delivery of our services. If you wish to discuss any points, please contact the Estates Team Leader.

HOW TO COMPLAIN

If you have a complaint about our service please tell us and we will try to resolve it immediately.

In the first instance, please contact;

MIDLOTHIAN COUNCIL ESTATES DEPARTMENT

Business Hours Monday to Friday 09:00 – 17:00

APPENDIX

Property Insurance - Industrial & Commercial Units

Additional information for Tenants

Midlothian Council insures the property you occupy under a block policy. A copy of the current Insurance certificate can be provided on request.

The following notes are intended to provide additional information, to help you understand some of the important conditions and obligations imposed by the policy, and to expand on the insurance clauses in your lease.

COVER:

As outlined on the Insurance Certificate premises leased out by the council are insured against most forms of accidental damage, including fire, lightning, storm, flood, burst pipes, vandalism and impact.

There is however no cover against:

- Subsidence or heave
- Theft of the fabric of the building
- Vandalism or burst pipes for buildings that are empty or not in use for more than 30 days
- Storm or flood damage to fences, gates or moveable property outside a building.
- Accidental Glass Breakage [this is usually the responsibility of the tenant]

Depending upon the terms of your lease, either the council or the tenant has to pay a small fixed amount of each loss – known as the Excess – or the full amount of each loss if it is below the Excess.

Please remember that the council's policy only covers the fabric of the building and that you will need to provide your own insurance for your contents, fixtures and fittings. You will also need to provide your own public liability insurance.

CLAIMS:

In the event of damage that may be the subject of an insurance claim, it is important that you follow the procedures outlined below.

If the cause of loss is Malicious Damage, Wilful Fire Raising (Arson), or Riot please inform the Police immediately, and retain the crime reference number.

All potential claims should be notified to the council's Risk & Insurance Unit immediately or, if the event occurs outwith normal working hours, at the start of the next working day. Our contact details are given at the end of this document.

When notifying us of a potential claim please give:

- The date and time of damage
- Location
- Cause
- Details of the damage

Permanent Repairs:

The responsibility for repairs required because of a loss insured under the council's policy rests with the council.

Our insurers will require a minimum of two detailed estimates for all insured repairs. You will be required to provide access to contractors to enable them to cost the repair work.

A loss adjuster may also be appointed. The loss adjuster will decide if two estimates are sufficient, or if more estimates or tenders are to be sought.
The Council will wish to inspect the completed work.

Timescales:

The policy terms set limits on the amount of time allowed for claims notification. Please ensure that claims are notified promptly to enable us to comply with the policy terms.

UNOCCUPIED PROPERTIES:

Our insurance cover contains specific obligations on the council and its tenants for periods when a property is unoccupied. These must be complied with to ensure that the policy remains effective.

An unoccupied property is defined as one that is empty or not in use.

Malicious Damage or Burst Pipes cover does not apply to properties unoccupied for more than 30 days.

Tenants must contact the Estates services team immediately if the property or part of the property is to be “unoccupied”. Tenants must comply with the following conditions at any time a property is “unoccupied”.

- 1) All mains services must be turned off except
 - a) The electricity supply to maintain any automatic sprinkler system, fire alarm, intruder alarm or services for security guards.
 - b) Water supply for automatic sprinkler system
- 2) a) The water supply be completely drained, or
 - b) During the period 1 October to 31 March each year any central heating systems is to be kept working at a minimum temperature of 5°C
- 3) An authorised representative must inspect the buildings internally and externally at least every 14 days, removing waste where necessary.
- 4) All letterboxes must be sealed up and steps are taken to prevent the accumulation of mail.
- 5) The buildings must be secured against unlawful entry by closing and locking doors and windows and setting any fire or intruder alarm systems.

This handbook gives you an indication of your rights and responsibilities as a commercial tenant of the Council. It is a reference point only, not a statement of the law, and does not alter any contractual obligations placed on either the Council (as landlord) or you (as tenant). So, while we hope that the handbook is of some help, it cannot in any way be considered a substitute for seeking independent professional advice should it be necessary.