

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – Supply, Distribution and Property

Infrastructure Regeneration and Economic Development Committee:

12 May 2021

Subject: Update on Clyde Regional Shopping Centre

1. Purpose

1.1 The purpose of this report is to update Committee on the activities of the Clyde Regional Shopping Centre.

2. Recommendations

2.1 It is recommended that the Committee:

- (i) Note the terms of the Report and authorises Chief Officer, Supply, Distribution and Property to negotiate terms of a possible purchase of the leasehold interest subject to a final report to be submitted at a future Infrastructure Regeneration and Economic Development Committee.

3. Background

- 3.1 Clyde Regional Shopping Centre is a key retail and leisure destination service the West of Scotland. The Centre has over 555,000 sq. ft of retail and leisure space. The Centre comprises of over 120 retail units, a 10 screen cinema and a parking provision for 2,500 vehicles.
- 3.2 The first phase of the centre opened in 1978 with extensions in 1980, 1987 and 2003. The original phase was comprehensively refurbished in 2003. The strong mix of retail and leisure units are anchored by Asda, Empire Cinema, Wilko, Primark, TJ Hughes and Dunelm.
- 3.3 Currently it has a low vacancy rate and recent letting activity highlights strong occupational demand with annual footfall of approximately 10 million visitors and a weekly footfall of almost 200,000 visitors.
- 3.4 The Property is held on five separate ground leases from West Dunbartonshire Council Expiring November 2103. The leases benefit from a tenant's option to extend to 16 August 2151.

- 3.5** Currently WDC receive payment in respect of the ground rent payable is higher of £1.00 per annum, or 19.43% of net rental income payable quarterly in arrears.
- 3.6** The tenant benefits from a pre-emption right in the event that landlord wishes to dispose of their heritable interest.
- 3.7** The current leasehold was purchased by Cerberus in 2015 and is operated by Managing Agents Edinburgh House Ltd.

4. Main Issues

- 4.1** Officers were asked by elected members to explore the possible opportunity of acquiring the long leasehold interest. If the Council were to acquire the leasehold interest this would simplify the ownership structure and assume better short term and long term control over the Centre.
- 4.2** A number of other councils in England & Wales have utilised this structure to take control of a declining shopping centre within their town centres in order to proactively transform and re-energise their town centre.
- 4.3** By acquiring the leasehold interest this would allow direct ownership to
- adopt an active approach to managing the asset to arrest the decline in income.
 - Include the Centre in part of a wider town centre regeneration plan.
 - actively influence the repositioning of parts of the centre by increasing the leisure and food and beverage provision, redevelopment or use other asset management initiatives to re-energise the Centre.
 - assess and influence medium/long term proposals for (re)development in the Clydebank Town Centre along with other council assets.
- 4.4** Currently WDC has little ability to influence the trajectory of the Centre.
- 4.5** Officers have reviewed a number of financial options for acquiring the leasehold interest and seek Committee approval to proceed to formally note interest with the agents acting for the owners and engage with a consultant to progress negotiations. Such consultant will be appointed in line with Corporate Procurement regulations.

5. People Implications

- 5.1** There are no significant people implications as a result of this Report.

6. Financial and Procurement Implications

6.1 There are no significant financial implications arising from this report.

6.2 There are no procurement implications arising from this report.

7. Risk Analysis

7.1 It was not necessary to carry out a risk assessment on the proposal contained within the report.

8. Environmental Sustainability

8.1 Any requirements would be taken into account in the future use of any disposed sites and captured through the Planning Application process.

9. Equalities Impact Assessment (EIA)

9.1 An Equality Impact Assessment is not applicable.

10. Strategic Assessment

10.1 A full Strategic Assessment was not required for this Report but will be included in any future assessment.

Angela Wilson

Chief Officer

Date: 19 April 2021

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Appendices: None

Background Papers: None

Wards Affected: 5 and 6