

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead, Regeneration

Infrastructure, Regeneration and Economic Development Committee:

20 November 2019

Subject: Update Clydebank Town Centre

1. Purpose

- 1.1 The purpose of this report is to update the Committee on the progress of the disposal of the Clydebank Town Centre Development Opportunity Site - Playdrome Site, 2 Abbotsford Road, Clydebank, G81 1PA and seek Committee approval to proceed to demolish the building formerly known as the Playdrome and to update on Clydebank Regional Shopping Centre.

2. Recommendations

- 2.1 It is recommended that the Committee:

- (i) Note the withdrawal of Henry Boot Developments Limited from the purchase of the Playdrome site and approve the demolition of the building formerly known as the Playdrome;
- (ii) Note the update in relation to Clydebank Regional Shopping and authorise the Strategic Lead, Regeneration and Strategic Lead to carry out due diligence in relation to acquiring the leasehold interest in Clydebank Regional Shopping Centre and report back proposals at a future Infrastructure Regeneration and Economic Development Committee.

3. Background

Former Playdrome Site

- 3.1 The Infrastructure Regeneration and Economic Development Committee held on 14 December 2016 authorised Executive Director of Infrastructure Regeneration to conclude negotiations with Henry Boot Developments Limited for the sale of the Clydebank Town Centre Development Opportunity Site - Playdrome Site, 2 Abbotsford Road, Clydebank, G81 1PA for a consideration of Three Million, Nine Hundred and Eighteen Thousand, and Three Hundred Pounds Sterling (£3,918,300)
- 3.2 The developer Henry Boot Developments Limited have now withdrawn from the purchase of this site.

Clyde Regional Shopping Centre

- 3.3** 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.
- 3.4** 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 and TJ Hughes.
- 3.5** 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.
- 3.6** 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. Currently West Dunbartonshire Council 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.
- 3.7** The tenant benefits from a pre-emption right in the event that landlord wishes to dispose of their heritable interest.
- 3.8** The current leasehold was purchased by Cerberus in 2015 and is operated by managing agents Edinburgh House Ltd. Cerberus have approached West Dunbartonshire Council with a view to purchasing the leasehold interest.

4. Main Issues

Former Playdrome Site

- 4.1** The estimated cost of demolition exclusive of fees surveys and other costs is in the region of £380,000 based on 2016 prices and a tender process would be conducted in accordance with the Procurement Reform (Scotland) Act 2014 and Council's Standing Orders and Financial Regulations relating to Contracts. This budget for this demolition would sit under Building Upgrades budgetary line.
- 4.2** Following Henry Boot Developments Limited withdrawal from the proposed purchase, officers have reviewed the approach to marketing and now consider that it is advantageous to demolish the building formerly known as the Playdrome will allow a future report to come to Committee to market the site on a mixed use basis.
- 4.3** The Playdrome was closed in March 2017 and all services to the premises

were terminated in order to facilitate the necessary investigations to allow for a demolition contract to be specified. The property currently is held by the West Dunbartonshire Leisure Trust who are exempt from paying rates on operational properties. However the Council will ultimately be required to take possession of the property and thereafter pay empty rates until a future sale completes.

- 4.4** The current Rateable Value for the property is £580,500 with a year 1 liability for empty rates at £214,000 and £256,000 thereafter.

Clyde Regional Shopping Centre

- 4.5** Acquiring the long leasehold interest in the Centre allows West Dunbartonshire Council to simplify the ownership structure and assume better short term and long term control over the Centre.
- 4.6** 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.
- 4.7** Direct ownership would allow WDC to adopt an active approach to manage 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, partially redevelopment or other asset management initiatives to re-energise the Centre. The current leaseholder does not appear to be willing to invest in the centre long terms and this will have a significant impact going forward.
- 4.8** Currently West Dunbartonshire Council has little ability to influence the business of the Centre but a proposed purchase of the existing leasehold would allow the Council WDC to assess and influence medium/long term proposals for (re)development in the Clydebank Town Centre along with other Council assets.

5. People Implications

- 5.1** There are no significant people implications other than the resources required by the Asset Management.

6. Financial and Procurement Implications

- 6.1** The financial implications of the proposed demolition shall be funded from Building Upgrades budgetary line which is an existing capital budget.
- 6.3** The procurement implications are narrated at 4.1.

7. Risk Analysis

- 7.1** The main risk in relation to the demolition is that should this not progress

there is a potential for significant vandalism to take place. Carrying out the demolition will mitigate this.

8. Equalities Impact Assessment (EIA)

8.1 An Equality Impact Screening did not indicate any further action required in relation to this assignation.

9. Consultation

9.1 Consultation was undertaken with officers of Resources in preparing this paper;

9.2 No further consultation was deemed necessary.

10. Strategic Assessment

10.1 By agreeing to this proposal the Council will assist in the improvement to the local economic growth and employability of the area.

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Date: 11 November 2019

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Appendices: None

Background Papers: Report by the Executive Director of Infrastructure and Regeneration to the Infrastructure, Regeneration and Economic Development Committee on 17 June 2015 2015: Disposal of Playdrome Site.

Report by the Executive Director of Infrastructure and Regeneration to the Infrastructure, Regeneration and Economic Development Committee on 14 December 2016.

Wards Affected: 6