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<b>Report To:</b>	<b>Environment and Regeneration Committee</b>	<b>Date:</b>	<b>30 April 2015</b>
<b>Report By:</b>	<b>Corporate Director – Environment, Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>E&amp;R/15/04/10/SJ/JH</b>
<b>Contact Officer:</b>	<b>Stuart Jamieson</b>	<b>Contact No:</b>	<b>712402</b>
<b>Subject:</b>	<b>Commercial Voids</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to provide the Members with an update on the number of voids in Council shop premises along with further information in respect of voids in the “whole” town centres retail stock along with an update what initiatives are used for occupiers.

## 2.0 SUMMARY

- 2.1 As part of the budget setting process and the resultant budget action plan a report was requested for Committee highlighting voids in Council shop premises and what interventions were being used to address this.
- 2.2 Traditionally the level of voids in the Council's Commercial and Industrial Portfolio of 115 shops has been relatively low. Voids have tended to have been as a result difficult to let circumstances centred around location, condition, redevelopment, and to a lesser extent market forces.
- 2.3 The Council has supported investment in its portfolio in recent times dealing with issues such as flooding, shop front improvements, signage, security, electrical upgrades etc which all make the portfolio fit for purpose bearing in mind tenants' obligations under our standard full repairing and insuring leases.
- 2.4 Since March 2014 two premises have been returned to the Council. In the same timescale six have remained vacant and although a number of premises are effectively removed from the portfolio due to redevelopment options, a further four premises are under offer and two have been let.
- 2.5 As well as specific interventions and initiatives at West Station and Dubbs Road, the Council's property assistance remains very popular both with Council tenants and non Council owners/tenants and once again this programme was over subscribed in the last financial year.
- 2.6 Voids in premises can be dependent on a number of contributory factors, such as rental values, term of lease, landlord flexibility, and of course market forces. Active support through business support measures can address some of these factors however it would not be appropriate to try to analyse why voids exist in non Council properties.

## 3.0 RECOMMENDATION

- 3.1 That the Committee note the level of voids in Council owned shops and the interventions which Economic Development staff employ to support businesses.

## 4.0 BACKGROUND

- 4.1 The Council has a portfolio of one hundred and fifteen retail premises in a variety of town centre and non town centre locations.
- 4.2 The lease arrangements for the properties are full repairing and insuring leases.
- 4.3 Voids in Council properties have tended to remain relatively low and indeed generally premises which have been capable of let have tended to have been let, however a number of premises have provided difficult to let due to condition etc. The current status of the Council owned shops which are leased or void is outlined in the table below:-

<u>Location</u>	<u>Leased</u>	<u>Vacant</u>	<u>Under offer</u>
Gourock	6	1	1
Port Glasgow	41	3	3
Greenock	44	6*	0

\*A further ten properties at Cumberland Walk have been removed from the active portfolio due to redevelopment

- 4.6 The Council, through a number of property assistance initiatives, has supported improvements to both Council owned and non Council owned properties.
- 4.4 A number of market forces can affect the viability of a lease including the economy, lease and rates costs, lease duration, lease flexibility, location and premise condition.
- 4.5 Following a survey in early April 2015 the level of voids in all shops within the 3 main shopping centres are as follows:-

Gourock	7= 8%
Port Glasgow	12 = 15%
Greenock	45= 14%

## 5.0 CURRENT POSITION

- 5.1 Regular reports are provided to Committee on the Council's non operational property portfolio.

## 6.0 IMPLICATIONS

### Finance

6.1 None.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

**Legal**

6.2 There are no legal implications arising from this report.

**Human Resources**

6.3 There are no HR implications arising from this report.

**Equalities**

6.4 There are no equalities implications arising from this report.

**Repopulation**

6.5 The appearance and level of voids in our town centres has a bearing on repopulation issues.

**7.0 CONSULTATIONS**

7.1 None.

**8.0 LIST OF BACKGROUND PAPERS**

8.1 None.