

DRAFT

FINANCE AND RESOURCES COMMITTEE

28 January, 2010

RETAIL ROCKS! – ABERDEEN PROPERTY ACQUISITIONS (EPI/10/025)

The Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which requested authority to enter into negotiations for property acquisitions in relation to the project known as “Retail Rocks! Aberdeen”, a highly innovative Scottish Government backed concept which aimed to regenerate town centres by focusing on the creation of successful, local retail businesses, with the help of monies from a Town Centre Regeneration Fund.

The report before members (1) explained that Retail Rocks Limited (a private company limited by guarantee) owned the concept which was designed to revitalise town centres and communities by encouraging, enabling and supporting sustainable retail entrepreneurship; (2) advised that it was proposed to bring vacant retail units in Torry back into use involving acquisition (either through purchase or lease); (3) indicated that the retail led regeneration project would provide initial support to aspiring entrepreneurs who wished to start up a retail business in Torry; and (4) confirmed that the initial support would take the form of a rent free retail unit for one year plus mentoring support to be provided by major high street retailers. The report continued that “Retail Rocks” was a competition based programme which would engage with the local community by

inviting applicants with a retail business idea to compete for the opportunity to receive the proposed support package.

As regards property acquisitions, the report emphasised (a) that the project's success relied on a critical number of new businesses being set up; (b) that up to nine properties were being targeted, a mix of Council owned and privately owned retail units; (c) that this meant that a number of exiting retail units (5 units were envisaged) needed to be acquired or leased by the Council so that all potential units could be made available in due course to the project; and (d) that in order to comply with the conditions of the grant, all nine units had to be either owned or legally secured (by missives) by 31 March, 2010. In view of the tight timescales within which the conditions of the grant that were required, the report advised that "Retail Rocks Limited" were identifying the private shop units and entering into negotiations with the owners; that the Council's Asset Policy Manager and their external property adviser would subsequently satisfy themselves that any proposed purchase complied with Best Value and all statutory regulations/legislation; that the Council's standard Property Protocol would be adhered to; and that the cost involved would be funded from the Retail Property Acquisition budget.

Having highlighted the need for delegated authority in respect of the property transactions, in order to meet the deadlines involved, the report also indicated that a Project Steering Group would be established to oversee implementation

and to report on progress. This Group would be chaired by the Council's Chief Executive and would include one Elected Member from the Council, the City Council's Project Director for Economic and Business Development, the Council's Project Manager and the Council's Regeneration Manager for the Torry area of the city. Also to be represented on the Group were Retail Rocks Limited and the Federation of Small Businesses.

The Committee heard the Economic and Business Development Project Director, who advised that he had been in discussions with the Scottish Government who had intimated that they would accept this project as legally committed when it had been approved by two Standing Committees of Council. It was therefore suggested that this report be referred to the Enterprise, Planning and Infrastructure Committee in this regard.

The report recommended:-

- (a) that the Committee authorise the use of up to four empty retail units in Torry owned by the Council as "in kind" match funding to the Town Centre Regeneration Fund;
- (b) that the Head of Resources Development and Delivery be authorised to undertake immediate negotiations for the acquisition (through lease and/or purchase) of up to five additional privately owned properties for the project to be known as Retail Rocks! Aberdeen;

- (c) that the Director of Enterprise, Planning and Infrastructure be authorised, in consultation with the City Solicitor, the City Chamberlain and the Convener of the Finance and Resources Committee to exercise delegated authority to acquire appropriate suitable property for the project, reporting back on the actions taken to future meetings of this Committee;
- (d) to authorise the Director of Enterprise, Planning and Infrastructure, in consultation with the City Solicitor, the City Chamberlain and the Convener of the Finance and Resources Committee to exercise delegated authority to negotiate on any potential Joint Venture Partnership;
- (e) that it be agreed that the City Solicitor report to a subsequent Committee meeting on the proposed legal structure of Retail Rocks Aberdeen and also on a mechanism for making appropriate properties available to Retail Rocks Limited; and
- (f) that an Elected Member be nominated to sit on the Project Steering Group of Retail Rocks! Aberdeen.

The Committee resolved:-

- (i) that the report recommendations be approved and appropriate officers authorised accordingly, in particular the City Solicitor be authorised to enter into all necessary arrangements with Retail Rocks to facilitate the project in terms which protect the Council's interests;

- (ii) that the Convener of the Enterprise, Planning and Infrastructure Committee be appointed to sit on the Project Steering Group of Retail Rocks Aberdeen; and
- (iii) that the report be referred to the Enterprise, Planning and Infrastructure Committee as per the Economic and Business Development Project Director's suggestion.