

NORTH LANARKSHIRE COUNCIL

REPORT

To: POLICY AND RESOURCES (REGENERATION AND INFRASTRUCTURE) SUB COMMITTEE		Subject: PROPOSED VARIATION – M & D (LEISURE) LIMITED SUBJECTS AT STRATHCLYDE COUNTRY PARK, MOTHERWELL
From: ACTING DIRECTOR OF REGENERATION AND ENVIRONMENTAL SERVICES		
Date: 19th May 2016	Ref: MAR/HG	

1. PURPOSE OF REPORT

1.1 The purpose of this report is to seek Committee authorisation to a variation in lease terms in respect of the current arrangements with M & D (Leisure) Limited at Strathclyde Country Park.

2. BACKGROUND

2.1 M & D (Leisure) Limited (M & D's) have approached the Council with a request that additional areas of land are to be included within the leased area. M & D's have indicated that they wish to expand the current operation to upgrade the facility providing more rides, formal parking area and improve services offered.

2.2 The subjects are currently leased to M & D's for a period of 99 years from 2 March 1996. An extension of lease incorporating further areas to accommodate the construction of the Hotel on site, was agreed with additional areas being granted on 10 October 2003. The current passing rent is £205,200 per annum, this is calculated on a turnover basis.

3. COMPANY POSITION

3.1 The company's principle business is the operation of M & D's, Scotland's theme park which opened in April 1996. The business has grown significantly over the period of lease, and currently in addition to the theme park, a 16 lane bowling alley, hotel, and the Amazonian rainforest animal attraction have been included within the park. The company have estimated some £40M in the facility.

3.2 The tenants are an investor in the local area, employing between 300 and 400 local people including summer seasonal workers who are mainly drawn from young people gaining their first experience of work. The facility has over 750,000 visitors a year and in order to continue to expand the business, it is necessary to extend, as the theme park is currently at capacity. The proposed offer has potential to create approximately a further 80 – 90 jobs.

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4. PROPOSALS

- 4.1 The area shown shaded grey on the plan attached details the area leased to M&D's. The facility covers additional areas and it is proposed to regularise this occupation in the variation of the current subjects of lease, also to lease further areas to allow the expansion and investment in the park.
- 4.2 It is therefore proposed that the additional areas shown hatched on the attached plan are incorporated into the lease area for the facility at Strathclyde Park, it is anticipated that by including these areas within the management area for M & D's will allow further expansion and development of the facility, and generate additional revenue for the Council in the form of additional rent as a result of increased level of turnover. Under the terms of the lease the rent is subject to review on a five yearly basis, with the next scheduled rent review anticipated for 2016 at which point the rent would be reviewed in accordance with the provisions of the lease, which reflect increases in line with turnover for the facility.

5. CORPORATE CONSIDERATIONS

- 5.1 The proposal will generate significant additional investment in Strathclyde Park over the course of the next 5 years, together with further job creation and benefits to the local economy.

6. RECOMMENDATIONS

- 6.1 That Committee authorise the variation of the lease granted to M & D (Leisure) Limited to incorporate the areas shown hatched on the attached plan to be included in the area leased.
- 6.2 All other terms and conditions to be adjusted by the Head of Corporate Property and Procurement.



KENNETH WILSON
Acting Director of Regeneration and Environmental Services

Members seeking further information on the contents of this report are asked to contact Mary Anne Robb, Business Manager (Estates) on 01236 632667.

LOCATION PLAN - For Information Only

Title: M & D's Strathclyde Park

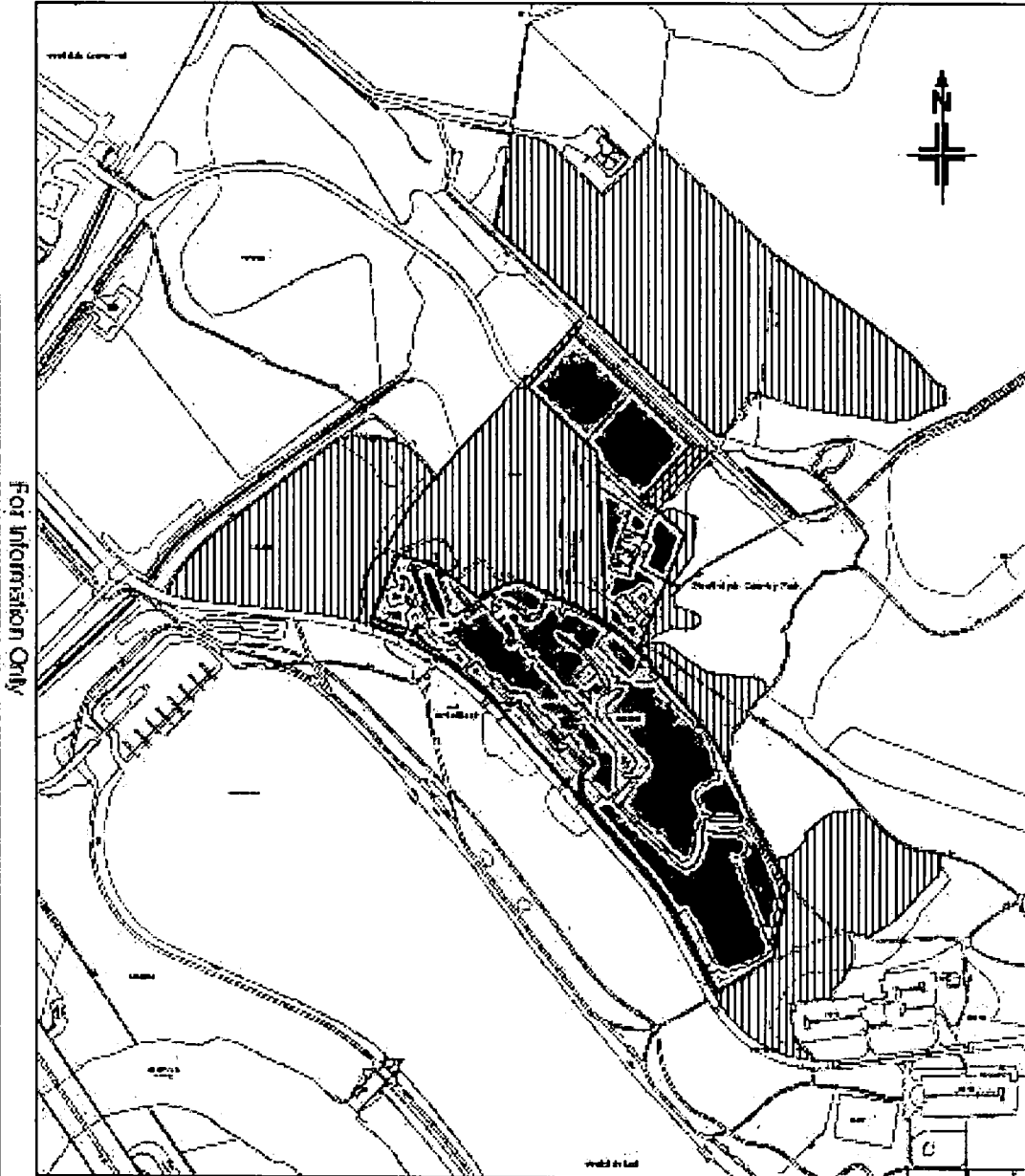
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Town: Motherwell

Date: 27/10/15

ENVIRONMENT & ESTATES



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