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## New 'Tesco town' row as secret land deal revealed

Published on **Wednesday 1 September 2010 00:10**

SUPERMARKET giant Tesco has been forced to admit it used a local property company as cover to buy a shopping centre that was then allowed to fall into near dereliction to make way for a "Tesco Town" development.

- At first, local people were delighted when it was revealed Tesco, led by Sir Terry Leahy, pictured, was taking over the site

Linwood town centre, in Renfrewshire, was bought by Balmore Properties in 2001 in a 1.7 million deal and fell into decline over the next six years before Tesco stepped in as a "knight in shining armour" and snapped up the site.

Community leaders claim that, under Balmore, dozens of shops were closed as it ruthlessly evicted retailers for minor misdemeanours – and refused shopkeepers' requests to have their leases extended. The precinct became blighted with derelict shops and graffiti-covered walls, and plagued by antisocial behaviour from local gangs.

When Tesco appeared, promising a multi-million-pound superstore, new health centre and library – all paid for by the retailer – the residents of Linwood were delighted to welcome an organisation with the [financial](#) firepower to invest in their town.

But it has emerged that Tesco, far from being Linwood's saviour, had actually been involved in the centre throughout its years of decline.

The news that Balmore, run by Edinburgh-based entrepreneur Dallas Rhodes, was a front company acting on behalf of the retail giant has sparked anger among local residents.

Critics claim that Tesco intentionally let the centre fall into a state of disrepair, paving the way for a positive community response to its plans for the area.

"It had been run down by Balmore for a long time, then Tesco came in like a knight in shining armour and said they were going to fix it," said Anne Hall, who represents Linwood on West Renfrewshire Council. "It was all a con."

In 2006, local MSP Wendy Alexander launched a petition to "boot out Balmore", calling for a massive regeneration in Linwood. The result was the Tesco acquisition.

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"From 2001, Balmore's stewardship was simply a disgrace, following on from years of neglect," she said. "Balmore repeatedly refused to meet community or elected representatives.

"In 2005 and 2006, when I and many in the community were actively looking for a major retailer to step in and assist the regeneration of the town, the Tesco representatives who came forward and met the community, set up the Love Linwood site and held regeneration meetings, gave no indication to the community of any longstanding relationship with Balmore. They should have done so."

When a group of Tesco executives first drove into the run-down community three years ago, they were greeted with a sound not usually associated with supermarket developments – that of tumultuous applause.

"I am not used to people clapping," a representative of the firm was reported as saying, at a time when scores of other communities were fighting against the rapid expansion of Britain's biggest retailer, amid fears for future of locally owned shops.

The firm that acquired Linwood town centre in 2001 – and sold it on to Tesco six years later for a similar sum – was a new development company called Balmore Properties. Mr Rhodes, the man behind the firm, already owned a string of property firms including Rosemount Properties, headquartered in Glasgow. But Balmore was different.

Mr Rhodes, who is known in the property community as a low-profile developer and often worked on behalf of other firms, had already been approached by Tesco officials to buy the land on the supermarket's behalf – and operate the centre until it was ready to put forward a detailed plan. "It is common for Tesco to use an agent and secure land," a spokesman for Tesco admitted. "Balmore Properties was an agent for Tesco at that time."

It is thought to be common practice that Tesco uses agents to make initial acquisitions of land to ensure

a lower price, before later buying it from the agent.

"This is a complex but important town centre regeneration scheme which, by its nature, can take a long time to pull together and get through the planning process," the Tesco spokesman added. "However, we shared our plans at the earliest opportunity with the community.

"No other developers or retailers have expressed an interest in Linwood in years and it is only Tesco's plans which will bring the change and regeneration which will attract shoppers and business back to Linwood."

Property experts say the retailer would have used a front company to ensure the cheapest possible price. "If you've got someone like Tesco or Sainsbury's looking at a site, as soon as a brand like that comes in, people start to double or triple their prices overnight," one Glasgow property insider said. "A lot of major developers will have companies they use to front a deal.

"The core thing here is what was the intention of Tesco from the outset. It is more that they orchestrated the run-down of the asset, so it meant it was a no-brainer for them to walk in and save the day. I haven't heard of anything of this level of skulduggery before."

Residents claim the previous owner, Tyne & Wear-based Ellison & Co, had attracted tenants for almost every unit in the centre, which at the time, boasted a hairdresser, dentist, post office and Chinese restaurant.

"There were only a couple of shops out of 30 or so which were not filled," said Iain Wilson, secretary of Linwood Community Council. "When Balmore first came in, there was talk that they might try to get a supermarket in and I was one of the people who was opposed to that."

He criticised the way the centre had been managed by Balmore. "Any resident who was just a wee bit behind on his rent was evicted and no leases were renewed, even if the shopkeeper really wanted to stay on," he said.

"Six years later, when Tesco put their proposals to us, I spoke with the feeling of most of my community – that anything would be better than what we had. I welcomed them." Mr Wilson was even featured in a promotional video for Tesco's Linwood plans, a decision he now regrets. "I'm just a wee bit disappointed in them," he said. "We believed that Balmore Properties was an independent company. We knew they would probably sell the centre on at some point, but we didn't realise they were working on behalf of a specific supermarket."

Documents filed with Companies House at the time of Balmore's incorporation in 2000 suggest a link to the supermarket. Unlike Mr Rhodes's other companies, the law firm behind the incorporation was Glasgow-based Semple Fraser, which has acted on behalf of Tesco for more than 15 years.

Mr Rhodes was listed as a director of a string of disparate property companies, including Rosemount Properties, founded 21 years ago, and Camerson. According to Companies House, he is a director of 12 firms, while a number of others have been wound up. The Scotsman was yesterday unable to contact him.

Tesco's plans include a community hall, library and health centre, as well as a store and space for a number of smaller retailers. But the discovery earlier this year of a Victorian crypt underneath the site has delayed work on the project.

"The town centre continues to decline while the locals wait to see what will happen next," said one resident, on the Tesco-run lovelinwood.com website.

But the Tesco spokesman insisted: "Our plans will regenerate Linwood."

#### HOW THE SAGA UNFOLDED

2000 - Balmore Properties is incorporated with Companies House.

2001 - Balmore Properties acquires Linwood town centre for 1.7 million.

2007 - Supermarket giant Tesco acquires Linwood town centre from Balmore Properties for an undisclosed sum, believed to be around the 1.7 million figure.

2008 - Tesco secures planning permission for the regeneration of Linwood town centre.

2010 - Regeneration work is delayed due to the discovery of a Victorian crypt under the site.

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