

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by the Acting Executive Director of Housing, Environmental and Economic Development (Housing and Regeneration Services)**

**Housing, Environment & Economic Development Committee: 7 November 2007**

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**Subject: Developments at Clydebank**

#### **1. Purpose**

- 1.1** To report progress concerning Leisure Heritage and Supermarket Developments at Queens' Quays and Clydebank Town Centre.

#### **2. Background**

- 2.1** On 13 June 2007, a report entitled 'Developments at Clydebank' and Progress Report Number 2 was submitted for consideration by the Community Safety and Environmental Services Committee.
- 2.2** This report summarised events concerning proposals to dispose of the Playdrome site for supermarket development and to construct a new leisure centre on a 4.25 acre site which the Council proposed to acquire from the private sector owners at Queens' Quays. The report noted that the transfer of land at the Queens' Quays site had not yet taken place and that under the terms of the provisional agreements which had been arrived at, the Council was obliged to have a building contractor in place with respect to the proposed leisure centre and foundation work completed and superstructure works commenced by 10 September 2008. A provision had been agreed to extend this date by a year for the purposes of awarding the building contract. In the event that the condition could not be met, the site would be conveyed back to the private owners, Clydeside Regeneration.
- 2.3** The report noted that via Clydebank Rebuilt Limited, the Architects, Kennedy Fitzgerald had been appointed to undertake design work and sums had been expended on site investigation and fees in respect of the design of the new leisure facility.
- 2.4** In order to protect the Clydebank Shopping Centre from competing interests, it had been determined to sell the Play Drome site at Clydebank for a supermarket development. Progress had been made in respect of this proposal and a planning brief had been prepared. Following the appointment by Clydebank Rebuilt Limited of private sector agents charged with the responsibility of marketing the Play Drome site and given ongoing legal advice, it had been agreed that it would be advisable to approach the CIS with a view to securing a variation of lease in respect of certain matters concerning access

as a forerunner to the marketing of the site. AXA declined to agree to the necessary variation of the lease terms and the marketing of the Play Drome site had been delayed. Subsequently, AXA acting on behalf of CIS had put their interest in the Clydebank Shopping Centre on market.

**2.5** The Community Safety and Environmental Services Committee of 13 June 2007, agreed a resolution concerning this matter but also agreed to continue the report to the meeting of the Council on 27 June 2007, to enable further consideration to be undertaken.

**2.6** At its meeting held on 27 June 2007, the Council agreed as follows:

- (i) that the Council notes, with concern, the current position of the ongoing issues in relation to the proposed supermarket/leisure development and, in particular, the level of expenditure that had been committed in respect of land not yet in the Council's ownership;
- (ii) that the Council notes, with concern, that risks to the Council had not been properly identified by the report;
- (iii) that there be no further expenditure committed, or any expressions of further funding given unless with the express prior approval of the Council; and
- (iv) that the Council's Internal Auditors be requested to investigate the matter forthwith and provide a report on their findings to the Council at the appropriate time.

### **3. Main Issues**

**3.1** The matter has been referred to the Council's Internal Auditors who are continuing to investigate the issue.

**3.2** In respect of the proposed development of the leisure centre, a key issue was the demanding timetable which had been placed on the Council with respect to securing the completion of this project. Discussions have taken place with Clydeside Regeneration concerning this issue. Clydeside Regeneration have confirmed in writing that they would be happy to extend the option agreement for a further four years from August 2008. They indicate that they would like to work this through the system to coincide with the granting of a detailed planning application in respect of their first phase of development at Queens' Quays. Clearly, securing an extension of the time limit in respect of completing this project allows a significant opportunity to deal with issues concerning the proposed sale of the Play Drome site.

- 3.3** With respect to the proposed sale of the Play Drome site, given the difficulties encountered with AXA/CIS, Senior Counsel's opinion has been obtained. Senior Counsel has responded as follows.
- 3.4** The Council is advised that it is possible to proceed with the marketing of the Playdrome site including the adjacent car parking areas as long as it is marketed with a provision requiring the maintenance of vehicular access along a line to be determined by agreement which will allow continuing suitable vehicular access to Abbotsford Church, 3 Queens' Square, the two service yards behind the Clydebank Co-operative building and the back of the units on the east side of Sylvania Way South.
- 3.5** The absence of any agreement with CIS (or any successors of CIS as Head Tenant) and if existing access arrangements are to be altered in respect of the new development, the only remaining step for the Council would be to make application to the Lands Tribunal to vary the restrictive conditions in the leases. The prospects of success for the Council in this connection are considered reasonable in Counsel's opinion assuming that appropriate vehicular access is maintained; however due to the complexity of the application, Tribunal proceedings are unlikely to take less than one year and perhaps considerably longer.

#### **4. Personnel Issues**

- 4.1** There are no Personnel Issues.

#### **5. Financial Implications**

- 5.1** The Council's contribution to this project is contained in the budget made available to Clydebank Rebuilt in support of the Urban Regeneration Company's Business Plan and as agreed by the Council's budget exercise.

#### **6. Risk Analysis**

- 6.1** There is a risk that the funds invested in this project to date could be lost in the event that the overall project concerning the relocation of the Play Drome and the sale of its site cannot proceed. This matter is presently the subject of an investigation by Internal Audit.

## **7. Conclusions**

- 7.1** The proposed extension of the deadline for completion of the leisure centre project at Queens' Quays is welcome and offers the opportunity to resolve other matters prior to developing the new leisure centre. The advice offered by Senior Counsel strengthens the Council position in respect of the proposed marketing of the Playdrome and allows this project to gain fresh momentum and be reconsidered further.

## **8. Recommendation**

- 8.1** The Committee is invited to note the agreement by Clydeside Regeneration to extend the deadline in respect of completion of the proposed leisure centre at Queen's Quays on land to be acquired by the Council at that location and the advice offered by Senior Counsel in respect of access rights as they affect the proposed sale of the Play Drome site.

**Irving Hodgson**

**Acting Executive Director of Housing, Environmental**

**And Economic Development (Housing and Regeneration Services)**

**Date: 31 October 2007**

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Appendix: None

Background Papers: Report to CS&ES: 13 June 2007  
Report to Council: 27 June 2007

Wards Affected: Ward 6.