

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Housing, Environmental and Economic Development

**Housing, Environment and Economic Development Committee:
11 February 2009**

**Subject: Clydebank Leisure Centre Development and Sale of the Play
Drome Site**

1. Purpose

- 1.1** The purpose of this report is to inform the Committee of the continuing progress being made in relation to the marketing of the existing Play Drome site and the progress made towards obtaining a further Option on the site for the proposed new Leisure Centre at Queens' Quay.

2. Background

- 2.1** A progress report on the subject was taken before the Housing, Environment and Economic Development Committee on 3 December 2008, for information and the Committee agreed to continue consideration of the report to the next meeting of the Committee. The report was considered at the Committee on 4 February 2009 and it was agreed that a further report providing an update on activities with recommendations be brought to a Special Meeting of the Committee as soon as practicable to facilitate progress.

3. Main Issues

- 3.1** On behalf of the Council, Clydebank Rebuilt have finalised the preparation of the Development Brief for the sale of the existing Play Drome site (see Appendix 1).
- 3.2** Discussions are planned to take place this month with the near neighbours of the existing Play Drome site to allay fears of any interruption to vehicular access to the Abbotsford Church, Salvation Army or Credit Union sites.
- 3.3** A meeting is planned for 5 February 2009, with DTZ Property Consultants who operate in this instance for AXA, agents for CIS, to discuss the vehicle access to the site and their views on our development proposition.
- 3.4** The Option held by West Dunbartonshire Council for this area of land within the Queens' Quay development extending to 4.25 acres which would accommodate the proposed new Leisure Centre lapsed in September 2008.

3.5 Following extensive discussions and negotiations with the legal representatives of Clydeside Regeneration, the owners of the site, agreement has been reached on the main elements of the contract agreement. As reported to Committee on 3 December 2008, a number of important issues needed to be clarified and understood.

- The final Option extension and Target Date, we have managed to move from 1 September 2008 to 31 December 2012. However, the Council must take entry to the site no later than 31 March 2012. Failure to achieve this could result in the Option Agreement ending prematurely.
- Any contribution to the maintenance and up-keep of the Quay walls on the Queens' Quay site (estimated between £640,000 and £732,000) made by West Dunbartonshire Council through Clydebank Rebuilt, would be refunded in full if WDC do not exercise the option to purchase the site. If this scenario were to happen, Clydeside Regeneration's legal representatives are recommending that a date of 28 days after the Option has not been exercised for the monies to be returned.
- Clydeside Regeneration have confirmed that they remain committed to make a £300K Heritage Contribution. On investigation of the previous missives, a bond for £300K was required to be set in place. This was not done during the time of the last Option Agreement. Clydeside Regeneration wish for the relevant provision in the missives to establish a bond to be deleted as they state that in the current economic climate it is not realistic to expect a sum of this level to be bonded.
- The 4.25 acre site will be cleared of any dumping and levelled prior to the Council taking entry to the site.

4. Personnel Issues

4.1 There are no Personnel Issues.

5. Financial Implications

5.1 The key expenditure in relation to this project is the maintenance costs which would be incurred in maintaining the quay walls at Queens' Quay. However, this sum of money would be offset from the commitments that West Dunbartonshire Council has already made to Clydebank Rebuilt for their budget for next year of £1.737 Million.

5.2 A re-engineering of the design of the new Leisure Centre will have to take place to reduce capital costs. It is estimated that the original design indicated that this project would cost around £15M. Work has begun on the re-engineering of the design and the development of a business plan to properly assess capital and revenue implications for the new centre.

6. Risk Analysis

- 6.1** There still exists a risk that CIS or one of the other neighbours of the existing Play Drome site may disagree with the development plans for the site. Whilst every effort will be made to allay fears on access etc., it is essential for West Dunbartonshire Council to move forward by putting the Development Brief out to the market immediately after the 4.25 acre option site at Queens' Quay is legally agreed with Clydeside Regeneration and WDC.
- 6.2** There is a risk that the Development Brief for the sale of the existing Play Drome site does not identify any interest from the Development Market. However, discussions with John Duffy, Director of Colliers, a retail consultancy, suggest that interest in this development site will materialise.
- 6.3** If a developer is identified, a risk still exists that their valuation for the site does not match that of WDC and therefore a deal cannot be done.
- 6.4** There is a continuing risk of reputational damage to the Council arising from possibly being obliged to withdraw from this project despite substantial funds having already been invested.

7. Conclusions

- 7.1** Very good progress has been made in clarifying the agreement to take up the Option to buy the 4.25 acre site at Queens' Quay to host the new Leisure Centre.
- 7.2** The Development Brief for the sale of the existing Play Drome site has been finalised and is ready to be sent out to the Development Market immediately after the Option Agreement for the site of the new Leisure Facility at Queens' Quay has been completed and signed by both WDC and Clydeside Regeneration.

8. Recommendations

8.1 It is recommended that the Committee:

- (i) note the progress being made in terms of securing an option for the land at Queens' Quay for the proposed new Leisure Centre;**
- (ii) note that the Development Brief has been finalised and is ready to be sent out to the Development Market to obtain interest; and**
- (iii) grant authority to the Head of Legal, Administrative and Regulatory Services to extend the Option Agreement with Clydeside Regeneration in relation to the Queens' Quay site in the terms detailed in paragraph 3.5 hereof.**

- (iv) agree that the Development Brief for the Play Drome site be released to the market upon conclusion of (iii) above.

Elaine Melrose

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Date: 4 February 2009

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Appendix: Clydebank Town Centre: Retail Food Superstore Site for Sale - Development Brief

Background Papers: Report to Housing, Environmental and Economic Development Committee dated 3 December 2008

Wards Affected: Ward 6