

**Schedule 2 to Report by the Executive Director of Housing, Environmental  
and Economic Development**

**Special Housing, Environment and Economic Development Committee:  
29 June 2010**

---

**Subject: Provision of New Clydebank Leisure Facility**

**1. Purpose**

- 1.1** The purpose of this report is to advise the Committee of the progress which has been made regarding the transfer of ownership to the Council of the proposed site for the new leisure facility at land owned by Clydebank Rebuilt and the transfer to Clydebank Rebuilt of the site at John Knox Street, which is owned by WDC and to seek authority to proceed to conclude missives for the land transfers.
- 1.2** The report also summarises the business case and programme for the build of the new leisure facility and seeks authority to proceed with the design development and tender for the facility.

**2. Background**

- 2.1** The Council has had an aspiration for a number of years to provide a new leisure facility in Clydebank to replace the ageing Play Drome. The provision of a new leisure facility has been the subject of much development work during that time.
- 2.2** The provision of a new leisure facility is totally dependent on the Council obtaining a capital receipt for the sale of the existing Play Drome site. The new facility will complement the regeneration activity within Clydebank and further increase visitor numbers to the area. It will also improve the facilities available to the West Dunbartonshire public.
- 2.3** On 29 April 2009, the Housing, Environment and Economic Development Committee agreed to the immediate release of a development brief for the existing Play Drome site to the market, to test the level of interest and the value that the market may put on this site.
- 2.4** The Housing, Environment and Economic Development Committee agreed on 2 September 2009, to delegate the authority to the Executive Director of Housing, Environmental and Economic Development and the Head of Legal and Administrative Regulatory Services to negotiate with Clydebank Rebuilt for the transfer of ownership to the Council of the proposed site for the new leisure facility at land owned by Clydebank Rebuilt at the Queens' Quay site. The terms of any possible agreement and a full business case and programme for the development of the new leisure facility would be brought before an appropriate committee for approval, no later than the date on which approval was sought for the disposal of the site to the preferred bidder, Tesco.

The details of the proposed disposal of the Play Drome site are found in Schedule 1 of this report.

- 2.5 Since September 2009, Council officers have worked closely with representatives from Clydebank Rebuilt and their legal representatives and have successfully negotiated a position whereby both parties could sign up to missives for the transfer of land at Queens Quay and John Knox Street.
- 2.6 A briefing for all members was held on 19 April 2010 to advise on progress, timescales etc.
- 2.7 A detailed business case and build programme has been developed, the timing of which will be subject to the completion of the sale of the Play Drome site.

### **3. Main Issues**

#### **3.1 Queens Quay**

Negotiations are at the final stage to conclude missives for the land swap between Clydebank Rebuilt and West Dunbartonshire Council.

- 3.2 An independent valuation of the land has been obtained and has shown that both plots are of equal value, therefore there is no monetary sum payable by either party to the other. The Valuation has been agreed by the Council's Estates Section.
- 3.3 Throughout this process the transfer of the land between the Council and Clydebank Rebuilt has been kept separate from the sale of the Play Drome site. However, in terms of procurement and provisioning of a new leisure facility, both projects are inextricably linked as the provision of the leisure facility within the agreed timescales laid down by the preferred bidder, will mean that the design and procurement process for the new facility will require to be developed during the conclusion of the sale of the Play Drome.
- 3.4 To progress this issue there will be a requirement for the Council, in partnership with Clydebank Rebuilt, firstly to continue the appointment of the existing project design team to carry out design to Stage D and receipt of planning permission, and secondly, thereafter to proceed to procurement of the full facility. The funding to carry out the work to stage D is available as it is part of the Council's annual contribution to Clydebank Rebuilt. The Capital sums for the work would become available from the completion of the sale of the Play Drome site.

**3.5** As with any sale of land in a developed area, there are a number of conditions which will apply to the proposed and any subsequent use of the land at Queens Quay. These are to be found both in the title deeds for the land as conveyed to the Clydebank Property Company Limited, the property arm of Clydebank Rebuilt, and also in further conditions which Clydebank Rebuilt would require in order to preserve the amenity and character of the site. It is therefore proposed that the design of the site would, for the first 10 years be in keeping with the plans prepared for the Leisure Centre, and thereafter any use would be within one of the approved use classes and always in line with the title conditions.

**3.6** As Queens Quay remains one of the key development sites in Clydebank it is proposed that there would be a requirement on the Council to offer to reconvey the site in the event that the works were not commenced within a specified period which will be linked to the ultimately agreed longstop date for the transfer of the current Play Drome site. If re-conveyance were required this would be either in return for the undeveloped John Knox Street site, or for the agreed value of the John Knox Street site.

**3.7** Available site investigation reports indicate that there should be no difficulty in accommodating a development of the nature proposed and any future site investigations would only require addressing issues such as the depth and nature of foundations etc., relative to the specific design to be proposed. As noted below, authorisation for expenditure on such matters is required by committee.

**3.8** John Knox Street

As noted above the “price” for the acquisition of the Queens Quay site takes the form of a transfer of a currently cleared site in the Council’s ownership at John Knox Street. The site is listed in the Local, Plan under “Potential Marketable Industry and Business Class Opportunity Sites”. It is proposed that this site would be developed as workshops.

**3.9** The site currently houses an environmental monitoring station. The costs of the relocation of this station (estimated at around £5000).

**3.10** Leisure Centre Business Case

A study has been carried out to look at the business case for replacing the current Play Drome with a new facility. The study has concluded that the capital receipt proposed from the sale of the Play Drome site will fund the building of a new fit for purpose leisure facility that will reflect the future needs of the community of Clydebank as far as practicable within the financial envelope available. The capital receipt at this time will not fund the provision of new equipment for this facility and other funding streams will require to be found. The cost of this equipment is in the region of £750,000. A summary of the business case is attached as Appendix A.

- 3.11** The study also highlighted the opportunity to reduce the General Services Revenue Cost by reducing utility costs and increasing use of the new centre which will increase income streams.
- 3.12** A market audit including supply and demand for elements contained within the leisure facility was carried out. This, together with information available on usage rates, participation levels and income generated, informed the business case on the theoretical content of a new facility that confirmed that the facility would be sustainable in terms of income generation and Council subsidy.
- 3.13** This package of spaces was also developed on the basis of the land available and the site footprint.
- 3.14** The indicative content of the new facility on which the business case was developed would include:
- A larger more modern pool area containing 25m pool, teaching pool and leisure pool with health suite.
  - 8 court games hall
  - Appropriate changing facilities with wet and dry side
  - A modern river facing gym that would have 3 times more equipment than currently available.
  - Studio space for a range of dance, fitness and combat classes.
  - A flexible space that could be used for a number of possible uses. It was felt this could increase footfall.
  - Café and meeting rooms

Re-provisioning of the Play Drome will result in a mix of space that meets the appropriate needs of the wider West Dunbartonshire community and will be supplemented by available space within other facilities in the West Dunbartonshire portfolio.

- 3.15** The aim of this process is to achieve a mix of facilities both within the new centre and existing community facilities. A full consultation process will commence during the autumn of 2010 that will involve user groups, the wider community and any other interested parties. This will take the form of a series of workshops similar to successful consultation previously delivered in the Clydebank area by Clydebank Re-built.
- 3.16** Provision of alternative facilities for user groups that may not be accommodated within the new Council facility may result in that activity being relocated to other existing Council operated facilities in the geographic area.
- 3.17** A detailed business plan for the new facility will be produced once the final design has been discussed through consultation, this will detail the content and scale of any new facility within the parameters of the site footprint and available funds.

### **3.18** Programme

A detailed programme has been developed which maps out the timescale to deliver a new leisure facility. This looks at the programme from securing ownership of the site through to the centre opening. It includes the steps of:

First Stage:

- Conclusion of design to Stage E
- Obtain Planning Permission
- Commence the OJEU procurement process
- Preparation of tender documents
- Tender period
- Tender review

Second Stage:

- Appointment of contractor
- Construction phase
- Practical completion
- Operational transfer
- Centre opening

**3.19** Detailed dates for each stage cannot be applied, as the actions noted above could be carried out in 2 stages, with the conclusion of the design the planning process and the commencement of the procurement process starting now and appointment of contractor only starting on receipt of the funding from the sale of the Play Drome site.

**3.20** The full design and works timescale from design to practical completion and opening is 32 months, taking a period of 10 months to complete the planning process. Within this timescale the actual construction phase of this work would take approximately 17 months. However as noted above, the ability to proceed to construction is dependent on the completion of the sale of the Play Drome site, which, as noted in Schedule 1 has, at the extreme, a longstop date of 7 years for purification of the conditions.

**3.21** The project timescale can meet the conditions laid down in respect of the disposal of the Play Drome site.

## **4. People Implications**

**4.1** Ultimately, assuming a successful conclusion of all the transactions and the build of the new facility, it is anticipated that as far as practicable staff employed at the Play Drome will transfer to the new facility at Queens Quay. All appropriate Council policies in relation to employees will be followed throughout the process.

## **5. Financial Implications**

- 5.1** The provision of a new Clydebank leisure facility can only be progressed on completion of the sale of the existing Play Drome site.
- 5.2** The design development work that needs to be carried out in the interim period, prior to the sale completion amounts to £198,000.00. This funding being part of the Council's contribution to Clydebank Rebuilt. As above noted there will be further sums required in respect of ancillary matters, such as supplementary site investigation and also planning application fees of approximately £15,000 would be required.
- 5.3** The provision of a new facility should reduce the annual revenue costs the Council pays for its leisure provision; however a full business analysis will be carried out once the final content of the centre has been agreed.

## **6. Risk Analysis**

- 6.1** There are risks are identified throughout the main report, Schedule 1 and elsewhere in this Schedule 2. However the main risks arising from the proposal in relation to the project could be that:
- a) should we not proceed with the design and procurement process for the new facility, we will not meet the agreed timescales laid down by the purchaser of the new Play Drome site and may therefore incur the expense narrated in Schedule 1. This risk will be mitigated by agreeing to proceed with the design and procurement process.
  - b) should we carry this work out and the sale is not concluded, this work may be considered abortive, however this is a direct consequence of the nature of the funding and cannot reasonably be managed otherwise;
  - c) should we not proceed with the proposed new facility the existing Play Drome will require significant investment to upgrade existing facilities. This would put a financial burden on the Council's General Services Capital Plan. Members would require to consider further investment in an aging centre or look at its future operation.
  - d) should the current favourable market conditions change markedly, savings would require to be found within the project. This would result in the project being value managed and the scale of development being reduced.
  - e) Should the outline content of the proposed new facility be significantly reviewed, the business case for provision of a new facility would require to be reconsidered.

- f) There is a risk that the funding of new equipment for the centre at a value of £750,000 is not available through either the General Services Capital Plan or external funding sources. This would result in the facility not being able to operate to its full potential. This risk can be mitigated with early discussions with potential funding partners and the potential use of funds released through reduced revenue costs.

## **7. Equalities Impact**

- 7.1** The new facilities will be constructed in accordance with current good practice on disabled access and use.
- 7.2** It is essential that facilities for all age groups are adequately provided across the authority.

## **8. Conclusions and Recommendations**

- 8.1** It is believed that the terms of proposed land swap and redevelopment of part of the Queens Quay site for a new leisure centre represents the best opportunity for the future provision of high quality leisure facilities in the Clydebank area, as well as complimenting the redevelopment of the Queens Quay area. It is also believed that the proposed use of the John Knox Street site represents an opportunity to stimulate opportunities for employment and economic development.
- 8.2** Further work requires to be undertaken to develop the current designs to the point that the tender process for the main works can be commenced. This will be subject to consultation with centre users and the wider community as referred to at 3.15 and will commence during autumn 2010.
- 8.3** If this is not progressed timeously the project timescales for the sale of the Play Drome will not be achieved.
- 8.4** It is therefore recommended that Committee:
- (i) delegate authority to the Head of Legal, Administrative and Regulatory Services, in consultation with the Executive Director of Housing, Environmental and Economic Development to conclude missives on terms acceptable to them for the Acquisition of the Queens Quay subjects and the Disposal of the John Knox Street Subjects;
  - (ii) agree to expend the appropriate sums, always subject to budget availability and procurement requirements, on necessary design development and thereafter submission of planning applications;
  - (iii) agree the relocation of the environmental monitoring station at John Knox Street with costs being met in a manner acceptable to the Head of Finance and ICT; and

- (iv) note that the consultation process will inform the final design and if necessary a report will be brought to a future HEED committee, should there be any material changes that may affect the affordability and deliverability of the new leisure centre.
- (v) delegate authority to officers to proceed to tender for the works contract to build the new leisure facility.
- (vi) revert to the Tendering Committee any decision on contract award.

**Elaine Melrose**  
**Executive Director of Housing, Environmental and Economic Development**  
**Date: 15 June 2010**

---

**Person to Contact:** Ronnie Dinnie - Head of Land and Environment,  
Garshake Road, Dumbarton, G82 3PU, telephone: 01389  
737401, e-mail: [ronald.dinnie@west-dunbarton.gov.uk](mailto:ronald.dinnie@west-dunbarton.gov.uk)

**Appendix:** Business Case - Leisure Facility

**Background Papers:** None

**Wards Affected:** Ward 6