

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Chief Executive

Council: 30 April 2008

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

#### **1. Purpose**

- 1.1 To inform Council of Internal Audit's findings with relation to the proposed supermarket/leisure developments in Clydebank. Full details can be found in the report attached to this paper.

#### **2. Background**

- 2.1 At the Council meeting of 27<sup>th</sup> June 2007, Council noted, 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 and that those risks to the Council had not been properly identified. The Council agreed:-

- (a) that there be no further expenditure committed, or any expressions of any further funding given, unless with the express prior approval of Council; and
- (b) that the Council's Internal Auditors were requested to investigate the matter and provide a report on their findings to the Council. The attached report details Internal Audit's findings.

#### **3. Main Issues**

- 3.1 Since 2003, a group of Council Officers and staff from Clydebank Rebuilt have been meeting to progress the Clydebank Plan 2003 to 2010. As part of the plan, it was proposed to build a supermarket on a site currently occupied by the Council's leisure facility, the Play Drome. A new leisure facility would be built at a site on Clydebank Waterfront, utilising the funds received from the sale of the Play Drome site.
- 3.2 The proposal to build a supermarket was in reaction to the owners of the major regeneration site at Clydebank Waterfront expressing an interest in the development of a superstore at their waterfront location. Both CIS, the Council's partners in Clydebank Shopping Centre, and Senior Council Officials were of the opinion that such a development would have a seriously detrimental effect on Clydebank Shopping Centre.

- 3.3** With regard to the sale of the Play Drome site, in December 2003, the Group's legal advisor examined the site titles and confirmed that other parties, including Clydebank Co-op, Dalmuir Credit Union and Abbotsford Church, owned small parcels of land on this site and that it would be necessary to negotiate with the other landowners to obtain a formal landowners agreement.
- 3.4** In March 2006, the group's legal advisor highlighted that CIS enjoyed rights of access across parts of the site.
- 3.5** Negotiations have been on-going with the other parties involved but have not yet concluded. Consequently, the site has still not been sold.
- 3.6** Following on from the decision to sell the Play Drome site, it was proposed that the Council's leisure facility be relocated to a site at Clydebank Waterfront. The site was to be purchased from Clydeside Regeneration Limited for £1 and in addition, the sellers would give the Council a heritage contribution of £300,000. The sellers imposed a number of conditions, including that development must commence by September 2008. However, there have been a series of problems including, titles to temporary access areas, sewage capacity, spoil heaps and delays by the sellers. Consequently, the site has still not transferred although, £780,000 has been spent on site preparations and design works for the new leisure facility, without Council being satisfactorily informed that it does not own the site.
- 3.7** During September 2007, the sellers indicated that they would be willing to extend the time constraint until August 2012 but they would like this "to coincide with the granting of the detailed planning application" for their housing development at Clydebank Waterfront.

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

- 4.1** There are no personnel issues arising from this report.

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

- 5.1** The sale of the Play Drome site for the amount required to build a replacement leisure facility is crucial to the whole project. Council has already spent £780,000 to facilitate the development of the new leisure centre. In addition, if the Clydebank Waterfront site is not purchased, the leisure/heritage contribution of £300,000 could be lost.

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

- 6.1** There are considerable risks and the Council should have been informed of these when they became known.

- 6.2 In the case of the Play Drome site, Council was not informed of the risks in selling the site, which include the possibility of delays due to the involvement of other landowners/lessees or that the value of the site is not known with any certainty.
- 6.3 Regarding the Waterfront site, Council has spent £780,000 on site preparation works and design works for the new leisure Centre on land that it still does now own.
- 6.4 Failure to build a superstore at Clydebank Shopping Centre could open the way for a rival retail development of this nature in other areas of Clydebank, which would have a seriously detrimental effect on the Council's asset of Clydebank Shopping Centre.

**7. Conclusions**

- 7.1 The sale of the Play Drome site for a sum sufficient to build a replacement leisure facility is crucial to the whole project. In the Auditors' opinion, a considerably higher priority should have been given to negotiating with the other parties involved to ensure that there were no hindrances to the sale. Latest legal opinion is that the title/lease difficulties may not be as onerous as originally feared. However, negotiations have still to be completed with the others parties that have an interest in the site, which could further delay the sale and there is still no certainty regarding the value of the site.
- 7.2 A total of £780,000 has been spent on site and design works on a site that the Council does not own. The owners of this site have indicated that they are willing to extend the deadline given to the Council to conclude the purchase and start the works but in the Auditors' opinion, this appears to be dependent on their receiving planning permission for their housing development.

**8. Recommendations**

- 8.1 Given that negotiations are on-going with all interested parties, it is recommended that the Chief Executive prepare a report on the current position for the May Council meeting in order that Members make an informed decision about whether or not to proceed with the entire project.

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**David McMillan**  
**Chief Executive**  
**Date: 24 April 2008**

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**Appendix:** Internal Audit Report, "Clydebank Leisure Centre Development"

**Background Papers:** None

**Wards Affected:** All wards