

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Housing, Environmental and Economic Development

**Housing, Environment and Economic Development Committee:
3 December 2008**

Reissued for meeting of the HEED Committee on 4 February 2009

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

1. Purpose

- 1.1** The purpose of this report is to inform the Committee of the progress being made in relation to the marketing of the existing Play Drome site and progress made towards obtaining a further option on the site for the proposed new Leisure Centre at Queens' Quay. This report also aligns itself with action recommended by KPMG within their report submitted to Council on the 26th of November 2008, in terms of providing regular updates to members on the progress of this project.

2. Background

- 2.1** In February 2005, the then Community Safety and Environmental Services Committee had agreed and instructed that the site of a proposed supermarket at Clydebank Shopping Centre be offered for disposal. The Committee noted that this site was the current site of the Play Drome and that the Play Drome should not close until such times as an alternative leisure facility was built.
- 2.2** In November 2005, the same Committee considered a further report indicating that an agreement had been reached with Clydeside Regeneration Limited, concerning transfer to West Dunbartonshire Council of an area of land extending to 4.25 acres or thereby at Queens' Quay, subject to a number of conditions including a requirement to have superstructure works commenced by September 2008.
- 2.3** Due to delays with the sale of the Play Drome site, the new Leisure Centre site which was to be purchased for £1.00 (one pound) has still not transferred to Council ownership although work is progressing on this as detailed in paragraph 3.3.

- 2.4** In relation to the proposed new supermarket site, difficulties arose regards access rights with CIS, joint owners of the Clyde Shopping Centre and in September 2007, West Dunbartonshire Council sought opinion of Counsel, Christopher Haddow QC. It was the opinion of Counsel that CIS have no rights to insist upon the car parking to the south of the Canal remaining virtually as it is now. However, it was also the opinion of Counsel that there are rights of access under the lease of the shopping centre and under the feu disposition of Abbotsford Church which must be respected. Counsel's opinion was that those are rights in general rather than rights involving specific routes.
- 2.5** At the Council meeting of 28 May 2008, Council agreed that the current Play Drome site is the best possible location for the sustainable future development of the town centre.
- 2.6** It was also agreed at that meeting that it was imperative that the Play Drome site continued to be actively marketed. In addition, the Council agreed that officers must work in partnership with the current shopping centre selling agents, AXA, regarding the sale of the site and that Officers must continue discussions with the agent.
- 2.7** The Council agreed that Officers should explore potential partnership development options for the relocation of the Play Drome site to any potential buyer of the site.
- 2.8** The Council agreed that Officers should discuss extension of the contract agreement of the Queens' Quay site.

3. Main Issues

- 3.1** On behalf of the Council, Clydebank Rebuilt are finalising the preparation of a development brief for the sale of the existing Play Drome site. The site comprises of approximately 7.81 acres (3.159 Hectares) which covers the Play Drome Leisure Centre plus associated surface car parking. The development brief takes into account the need for continuing vehicular access to Abbotsford Church which is located north-west of site and to the Three Queens' Square and to the two service yards which gives access to the rear of Clydebank Co-operative and the rear of the existing shopping centre, Sylvania Way South on the western boundary of the site.
- 3.2** Once the development brief is completed it will be brought before Committee for approval. Officers are arranging to discuss with the current shopping centre's selling agents, AXA, regarding the access rights issue and the subsequent plans within the development brief.
- 3.3** In relation to the area of land within the Queens' Quay development extending 4.25 acres, which would accommodate the proposed new leisure centre development, the Council's option on this area of land lapsed in September 2008. Subsequent discussions with the legal representatives of Clydeside Regeneration, the owners of the site, confirmed their willingness to re-negotiate a new option for the proposed development site on Queens'

Quays, giving the Council a final extension to 1st September 2012. However, every effort will be made to negotiate a full four year option extending to four years from the date of conclusion of the new missives agreement.

- 3.4** The Committee should be aware that once the option is agreed and signed, the Council would become liable for its share of the costs of the maintenance and up-keep of the Quay walls on the Queens' Quay site. Total costs for this work are not clear at present, however, the estimate puts it between £3.5 - £4M. The Council's share of that would be 18.3% (our percentage share of the overall site) of costs i.e. between £640,500 and £732,000. However, should the Council not take the option up to develop the site, then it is the intention that costs would be re-imbursed to the Council although a contractual provision still has to be reached to this effect .
- 3.5** West Dunbartonshire Council has committed £1,137,000 towards Clydebank Rebuilt for 2009/10 financial year. This contribution is predominately for access and infrastructure works within Queens' Quay and will be used to meet the costs outlined in paragraph 3.4 above. This has been confirmed by Eleanor McAllister, Director of Clydebank Rebuilt.
- 3.6** It is anticipated that discussions on the option for this 4.25 acre site will be concluded in the next six weeks and thereafter a report will be brought to Committee for consideration.

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 £1.137 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 will begin 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 shortly.

6. Risk Analysis

- 6.1** There is a risk that the Council is unable to conclude a new Option agreement with Clydeside Regeneration. However, contact with their legal representative has been positive and officers are hopeful that an agreement can be reached.

- 6.2** There is a risk that CIS refuse to vary the access rights in the lease or other interested parties prove obstructive over interference with their access rights and the Council has to make application to the Lands Tribunal.
- 6.3** Another key risk is that the development brief for the sale of the existing Play Drome site does not identify any interested parties willing to buy and develop the site. This would leave the Council with the decision on whether to proceed with the new Leisure Complex or to halt the project. Equally, there is a risk that the development brief does identify a suitable developer but that their purchase offer is not adequate for the Council to proceed in building a new Leisure Centre on the Queens' Quay site.
- 6.4** There is a risk of reputation damage to the Council arising from possibly being obliged to withdraw from this project where funds have already been invested.
- 6.5** Officers will continue to work on the project with agents and partners with a view to mitigating these risks and detailed reports will be brought to Committee for consideration as necessary.

7. Conclusions

- 7.1** The Council is committed to selling the site at the existing Play Drome and having a new Leisure Centre built on the Queens' Quay site. In order for us to do this, the Council must secure a further option extension of up to at least the 1st of September 2012 with the owners of the Queens' Quay site, namely Clydeside Regeneration. The development brief for the existing Play Drome site has to be finalised and discussions with AXA, the agents for CIS and other interested parties must progress.
- 7.2** Both elements, the option agreement and the development brief, will be brought back to Committee for approval once all the final negotiations and legal documentation have been prepared.

8. Recommendation

8.1 It is recommended that the Committee:

(i) note the current position and steps being taken to agree an option for the land at Queens' Quay for the proposed new Leisure Centre;

(ii) note the progress made in preparing a development brief for the existing Play Drome site;

(iii) acknowledge progress to date and that detailed reports will be brought to a future Committee for consideration.

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Date: 11 November 2008

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Appendix: None

Background Papers: None

Wards Affected: Ward 6