

WEST DUNBARTONSHIRE COUNCIL

Report by the Acting Director of Housing, Regeneration & Environmental Services (Housing Services)

Community Safety and Environmental Services Committee : 13 June 2007

Subject: Developments at Clydebank – Progress Report No. 2

1. Purpose

- 1.1** To report progress concerning proposed (i) Leisure and Heritage, (ii) Supermarket, and (iii) Other Developments at Queens' Quays and other areas within Clydebank and to seek endorsement/agreement in respect of actions taken and proposed.

2. Background

- 2.1** On 2 February 2005, a report entitled "Proposed Developments at Clydebank" was considered and Members agreed a number of recommendations relating to proposed Leisure/Heritage and Supermarket developments.
- 2.2** On 2 November 2005, a report entitled "Proposed (i) Leisure/Heritage and (ii) Supermarket Developments at Clydebank" was considered and again, Members agreed a number of proposals to progress development and regeneration.
- 2.3** On 1 March 2006, a report was submitted to the Community Safety and Environmental Services Committee by the Director of Development and Environmental Services, indicating progress in relation to a number of developments/regeneration projects currently taking place and proposed within the Clydebank area.

3. Main Issues

- 3.1** It is now considered appropriate to submit a further report outlining progress.
- 3.2** Proposed Town Centre Development and Queens Quays Leisure Development
- 3.2.1** In 2004, the Planning Committee granted outline planning consent for a supermarket development at the Council's Play Drome site in Clydebank. This application had been submitted by the CIS, the Council's tenants and partners in the Clydebank Shopping Centre, with a view to ensuring that an opportunity would exist for future retail and supermarket development to be concentrated within the existing town centre area in preference in line with Planning policy to

development sites which had become available elsewhere. It was proposed that the Council's leisure facility should be relocated to a site measuring 4.25 acres which could be acquired from Clydeside Regeneration Limited, the private sector owners of the large development site at Clydebank Waterfront. This leisure development would be funded by the sale of the Play Drome site for a supermarket development in line with the planning consent which had been granted. On 2 February 2005, the Committee instructed that the supermarket site at Clydebank Shopping Centre be offered for disposal on the open market. Having regard to a previous Council decision that the Play Drome should not close until such times as an alternative leisure facility was available, the Committee authorised the relevant Directors to progress indicative drawings and specifications to facilitate the tendering of a contract for this new facility.

3.2.2 On 2 November 2005, the Community Safety and Environmental Services Committee considered a further report in that agreement had been arrived at with Clydeside Regeneration Limited concerning the transfer to West Dunbartonshire Council of an area of land extending to 4.25 acres or thereby at Queens' Quays. This transfer would be subject to a number of conditions including that the land should be used for leisure and/or heritage facilities and that the Council are obliged to have commenced development, including having obtained detailed planning permission, a building contract in place and foundation and super structure work completed and superstructure works commenced by September 2008. There is provision to extend this date by a year for the purposes of awarding the building contract. In the event that this condition is not met, the site would be conveyed back to Clydeside Regeneration.

3.2.3 Clydebank Rebuilt Limited, an Urban Regeneration Company established jointly by the Council and Scottish Enterprise Dunbartonshire, were engaged to act as the Council's agents in respect of this matter. Subsequently, Kennedy Fitzgerald (Architects) and a team of design consultants were appointed to undertake design work in respect of the leisure centre to a level of detailed design and the submission of a planning application. Through Clydebank Rebuilt Limited utilising funds provided by the Council from its budgeted commitment to the Urban Regeneration Company, a figure of £602,000 has been expended on site investigations and fees in respect of the design of the new leisure facility.

3.2.4 The report by the Director of Development and Environmental Services to the Community Safety and Environmental Services Committee of 1 March 2006, indicated that it was intended to put the Play Drome site on the market in the near future for supermarket development.

3.2.5 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 was agreed that it would be necessary to approach the CIS with a view to securing a variation of lease in respect of certain matters concerning access as a necessary forerunner to the successful marketing of the site, having regard to the fact that the CIS were instrumental in

promoting the notion of a supermarket development at this location in the first place. In the interim, the CIS had appointed AXA Fund Managers to manage their portfolio. Contact was made with AXA and meetings took place. However, AXA declined to agree to the necessary variation of the lease terms and the marketing of the Play Drome site was delayed. Subsequently, AXA acting on behalf of the CIS have put their interest in the Clydebank Shopping Centre on the market. Marketing documents have been issued and AXA anticipate that they will identify a preferred purchaser by July 2007, though it remains to be seen whether this will prove to be overly optimistic.

3.2.6 While the terms of the transfer of the 4.25 acres from Clydeside Regeneration to the Council to facilitate the leisure development have been agreed, the transfer has not taken place. Clydeside Regeneration first seek the transfer of a small area of land at Glasgow Road and Cart Street, owned by the Council. This was agreed at the Community Safety and Environmental Services Committee held on 6 December 2006. Subsequently, officers approached Clydeside Regeneration with a view to securing an extension to the tight deadline for the completion of the leisure development. Clydeside Regeneration have not been in a position to agree to this pending the conclusion of their negotiations with a prospective development partner, and it is clear that this matter must now be revisited with a view to securing an appropriate conclusion.

3.2.7 The next steps which it is proposed to take with respect to this matter are as follows:

- (i) that officers enter into discussions with the new tenants at the Clydebank Shopping Centre once these are known with a view to resolving matters concerning the sale of the Play Drome site;
- (ii) that issues concerning transfer of land to and from the Council involving Clydeside Regeneration be the matter of further discussion and conclusion in line with previous Council decisions having regard to the desirability of the Council's securing an extension to the deadline for initiating the new leisure development;
- (iii) that a planning application for the new leisure development be submitted in line with previous Committee decisions at an appropriate date; and
- (iv) in the event that (i) and (ii) above are not met by the end of July 2007, consultation should take place with agents appointed by Clydebank Rebuilt with a view to marketing the Play Drome site with a further report being submitted to Committee at the first opportunity.

3.3 Animating the Canal Projects 2006-08

3.3.1 On 3 May 2006, the Community Safety and Environmental Services Committee received a report concerning the above. It was indicated that £1M had been allocated by the Clyde Valley Community Planning Partnership from the Cities Growth Fund 2006-08. Subsequently, a further contribution of £400,000 was obtained from the Urban II European Community Initiative. A contribution of

£400,000 would be made from Clydebank Rebuilt from budgets set aside for this purpose and an additional £150,000 was made available from the Scottish Executive direct funding. The proposed works included improvements to the Canal tow path, a major environmental improvement project on the north bank of the Canal at the Clydebank Shopping Centre and the replacement of the pedestrian bridge canopy and other major improvements to the bridge there. Members authorised the Director of Housing, Regeneration and Environmental Services in consultation with the relevant service spokesperson and the Head of Legal and Administrative Services to appoint contractors for these works.

3.3.2 Designs have been completed and tender exercises have commenced. With respect to the North Bank of the Canal Environmental Project, despite savings and a re-tendering exercise, the project remained £213,000 over the original budget. Clydebank Rebuilt identified a further £200,000 of funding from their existing budgets to allow the project to proceed bearing in mind that there are tight time limits concerning the expenditure of both the Cities Growth Fund and Urban II funding.

3.4 Clydebank Property Company

3.4.1 Clydebank Property Company has the objective of carrying out property developments. It is a subsidiary of Clydebank Rebuilt Limited. The Clydebank Property Company has completed the development of industrial units at John Knox Street and these are now almost wholly occupied. A Managed Business Centre is under construction at Queens' Quays and this development is almost complete. These developments have been funded by contributions from the various funding partners. The company is investigating the feasibility of constructing a further business pavilion at Queens' Quays. On this occasion, this project could be financed to a significant degree by bank lendings raising the need for careful risk appraisal of the project.

3.4.2 The company has expressed an interest in acquiring 1 acre of land at Cart Street from the Council for a residential development and land at Cable Depot Road for a business pavilion development. Discussions are taking place between the Estates Section and the company's agents with a view to arriving at agreed valuations. The proposed acquisition at Cable Depot Road is associated with the removal of the redundant railway bridge and improvements to Agamemnon Street.

3.4.3 A portion of the 20 acre site secured for Clydebank Rebuilt Limited as part of planning negotiations with the private sector owners was transferred to Clydebank College. The replacement college building at Queens' Quays is now nearly complete and is scheduled for opening in August. This is a major investment on the Clydebank Waterfront and will prove a significant catalyst to further regeneration.

3.4.4 The Titan Crane was acquired from the private owners by Clydebank Rebuilt and will be managed by a Community Trust. The crane is being refurbished at significant cost with significant financial contributions from the Lottery and European Funding. A lift will be provided and the business plan has been developed to market the crane as a visitor attraction.

4. Personnel Issues

4.1 There are no personnel issues.

5. Financial Implications

5.1 The Council's contribution to Clydebank Rebuilt is contained within the budget sums made available in support of the Urban Regeneration Company's business plan and as agreed as part of the Council's budget exercise.

6. Risk Analysis

6.1 Where appropriate, risk analysis is carried out in respect of individual projects as they are developed.

7. Conclusions

7.1 There has been significant progress in respect of the regeneration of Clydebank implemented by the Council together with its partners and its urban regeneration company, Clydebank Rebuilt Limited. There is a need to revisit major aspects of the significant proposal concerning supermarket and leisure development at Clydebank Town Centre and at Queens' Quays in order to make progress, given the problems which have been encountered and which have resulted in delay.

8. Recommendations

8.1 **The Committee is invited to note the report, in particular the actions which are being taken by Officers' in pursuit of securing the supermarket and leisure development as described in paragraph 3.2.7 above.**

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Date: 23 May 2007

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Appendix: None

Background Papers: Report to the Community Safety and Environmental Services Committee dated 1 March 2006.

Wards Affected: Ward 6