

**HELENSBURGH WATERFRONT DEVELOPMENT (COMMERCIAL AREA)
– UPDATE & SHORTLISTING OF OFFERS**

1.0 EXECUTIVE SUMMARY

- 1.1 The development of Helensburgh Waterfront has been a long term project and following completion of the construction of the leisure centre focus moves to the site of the old swimming pool which is proposed primarily for commercial development. The completed leisure and public realm development has been credited with being a finalist of one of the best 'Placemaking' developments of 2023 in the national *Planning Awards* and is also shortlisted for 'Best Construction Projects GB&I' for the *Construction Employers Federation (CEF)*.
- 1.2 A two stage marketing process has commenced with the closing date for initial proposals set for 3rd May 2023. This 2 stage process has allowed for a public engagement exercise to be undertaken and shortlisting of the most economically beneficial and deliverable propositions prior to financial proposals being received.
- 1.3 This report aims to highlight the assessment of the propositions and agree the shortlisted candidates to move onto the final stage. The report also updates on the outcomes of the public engagement exercise and a separate report has been prepared concerning the reinstatement of the skatepark equipment to satisfy planning conditions attached to the Leisure Centre consent.

2.0 RECOMMENDATIONS

- 2.1 That the H&L Area Committee:
 - 2.1.1 Note the outcomes of the public engagement exercise undertaken by Ryder Architecture contained at Appendix A and that this report will be made available to the public.
 - 2.1.2 Note the varied interest in the site and the summary of the nine proposals received as outlined paragraph 3.4 below and in Appendix B.
 - 2.1.3 Note the Property Development Working Group (PDWG) have met in August 2023 to score and assess the 9 proposals with 7 being shortlisted to proceed to next stage for full financial offers as outlined in Appendix C.
 - 2.1.4 Note appendices B and C are publically restricted given commercially and financially sensitive nature of the live bidding process;
 - 2.1.5 Agree that for the second stage of full financial offers will be assessed against criteria outlined at paragraph 5.2 below and Appendix C.

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1.0 INTRODUCTION

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3.0 BACKGROUND & SUMMARY OF OFFERS

- 3.1 The development of Helensburgh Waterfront is a key project for the council. Following completion of the Leisure Centre and car park in early 2023 the focus

has now moved onto the commercial area.

- 3.2 Given the public interest in the site and taking cognisance of Helensburgh Community Council's (HCC) representations it was agreed to undertake a 2 stage marketing process to allow for a public engagement exercise to be undertaken after the first stage. It should be noted that this engagement processes focussed at local groups and businesses is additional to formal community consultation that will come once a firm proposal is formed and planning application submitted. It was also recommended by our commercial agent to undertake a 2 stage process as it allows a shortlist of most credible proposals to be worked up to more developed business cases and financial modelling.
- 3.3 The first stage (non-financial) marketing exercise had a closing date of 3rd May 2023 and the 9 proposals received are summarised in Appendix B. This Appendix is restricted as it contains commercially sensitive information.
- 3.4 The 9 expressions of interest are a mix of international, national and local bidders ranging in use from community, infrastructure, retail, hotel and food retail. The proposals also range in scale from open space through small scale buildings to multi storey developments.
- 3.5 Some proposals have been fairly detailed whereas others are submitted in summary at this stage. Additional detail from all will be required to be formally assessed as part of Stage 2.

4.0 PUBLIC ENGAGEMENT EXERCISE

- 4.1 Given the public interest in the site a public engagement exercise was undertaken in June 2023. There will be a statutory period of community consultation when a formal planning application has been submitted or pre-application consultation takes place. However, the intention was to engage more widely than statutory obligations to help shape the assessment process of Stage 1 offers. The aim is also to try to engage with a wide range of groups – some of which may not tend to feedback to traditional public meetings, statutory consultations or harder to reach groups.
- 4.2 The public engagement exercise was managed by Ryder Architecture's engagement specialist team and invites were sent to 63 community groups, 8 community councils and widely advertised on social media. In total 83 people participated in the events and separate sessions were undertaken with the local schools. Helensburgh Community Council were unable to take part in the public engagement exercise as they submitted a proposal for the site which created a potential conflict of interest.
- 4.3 As noted within the report at Appendix A, **there was no single consensus on any of the options which were presented with each generating pros and cons.** However some key themes which came out of the sessions were as follows:
 - Several attendees felt strongly that **anything much higher than a single storey building would not be desirable**, as it would block the views

across the water. The site is felt to be a prime spot to attract visitors and enjoy the open aspect so, whilst many are not averse to some kind of building or units on the site, they would like an attractive design that is in keeping with the existing leisure centre.

- Overall there was a strong preference for an option with at least some outdoor recreation space, ideally with seating and activities suitable for locals and visitors. Whilst some liked the idea of event space, others pointed out that there is already plenty of provision such as Civic Centre indoor / outdoor event area, Colquhoun Square event area, Hermitage Park event area, Kidston Park, Helensburgh Pier car park pop up events facilities.
- Several attendees acknowledged that a fully open, non-commercial public space would struggle to secure funding and was therefore unlikely. Many also commented that the town lacks indoor attractions, and an open air space would not be particularly useful in poor weather for much of the year, therefore a combined indoor / outdoor offer might be preferable.
- The prospect of retail / fast food was of considerable concern to some attendees, who are worried that it will have a damaging impact on local businesses which are already struggling. Concerns included an overprovision of certain types of retail or food offerings, creating more competition, and a concentration of business in the centre of town which could detract from those businesses based further along the promenade. However, younger people were particularly interested in high street chains such as Starbucks.
- Others would welcome a retail or hospitality option, provided it is in keeping with the needs of the town. For some, this could be a supermarket. For others, a clothes shop would be desirable since the recent loss of clothing retailers in the town. Some noted the setting would be ideal for a bar or restaurant looking out over the water to create a destination with a real wow factor.
- The lack of indoor recreation space in Helensburgh was a recurring theme across most sessions, and this was felt to be lacking in the current options for the site. Many people would like to see something that appeals to both locals and visitors, perhaps with a flexible, multi-use space that could change uses throughout the year. Suggestions ranged from indoor sports courts to activities such as bowling and climbing walls, as well as some kind of art space or museum dedicated to local history, such as John Logie Baird.
- The option including a general community space received mixed feedback. People were generally positive about such a space in theory, however some pointed out that there are already many such spaces available in Helensburgh in church halls and private buildings. There was positive feedback for an event / exhibition space, if perhaps it could be combined for community use.
- Likewise, the prospect of a hotel received mixed feedback. It was

considered by some attendees to be a real need in Helensburgh, as they struggle to find rooms for friends and family. The Waterfront site could provide a very attractive spot for visitors to enjoy the view, perhaps with associated restaurants and bars. For others, there is sufficient existing provision and they were concerned a new hotel would take away customers from local businesses

- The issue of a skate park was discussed at every session, and is clearly a subject close to the hearts of many Helensburgh residents. There are strong feelings both for and against having the skate park at the Waterfront site, but most agree a park would be an asset.
- Coach parking was also a hot topic, with many people observing the need for Helensburgh to maintain its visitor numbers to support local businesses – with more coach parking a necessity. Whilst some could see the value of having coach parking on the Waterfront site, most however thought it should go elsewhere, with perhaps only a drop off and pick up point at the Waterfront.

4.4 Officers have also instructed a retail assessment to be undertaken to assess the potential impact of any retail / commercial development and to assess if it would be beneficial in retaining spend which is currently lost to other surrounding towns. While this isn't required for a town centre development site it will hopefully assist to address some of the concerns raised in the community engagement process.

5.0 ASSESSMENT OF OFFERS FRAMEWORK AND SHORTLISTING

5.1 The Property Development Working Group (PDWG) consists of officers from a wide range of services to ensure that a spread of factors are taken into account when assessing the proposal received. For this exercise officers from Estates, Economic Development, Communities & Partnerships, Planning, Roads, Legal and Finance were represented.

5.2 The group assessed the proposals based on the following criteria which will also be the format for consideration of offers at Stage 2:

1. Economic development

- Potential Economic Benefits (e.g. local employment and recruitment, salaries, level of investment, town centre economic compatibility, seasonality)
- Potential Indirect and Induced Benefits (e.g. purchase of local goods and services, leakage of expenditure to other areas)

2. Planning / Transport Considerations

- Consistency with Development Plan and deliverability in terms of parking, access and transport requirements
- Potential deliverability in terms of scale and mass based on information currently available

3. Legal Considerations / Governance / Risk

4. Community Feedback
 - Based on Community Engagement Process (June 2023)
 5. Financial outcomes
 - Potential capital or revenue income or ongoing revenue burden
- 5.3 For the initial proposals all criteria were weighted the same to give a fair reflection on varying degree of detail submitted at this initial stage. However it should be noted that for the second stage of full financial offers (i.e. once more detail has been submitted) the Economic Development benefits and Financial Outcomes will be weighted higher due to the requirement to obtain a material contribution to the cost of construction of the new Leisure Centre (which was part of the business case for its construction) and the aims of the project overall to be a mixed use and regeneration opportunity for the town centre.
- 5.4 The PDWG summary assessment of the offers and assessment criteria is attached as Appendix C which is publically restricted due to the commercially sensitive information contained within it. From this exercise it was decided to proceed with 7 of the proposals being asked to submit full financial offers. This leaves 2 proposals which will not proceed further in the process.
- 5.5 Avison Young, commercial consultants who marketed the site on behalf of the council also assisted in the assessment of the applications. They have assessed them at a high level based on quality, compliance, financial covenant, experience, jobs created and NDR revenue. Avison Young have advised that they are satisfied that a number of the parties are capable of delivering a quality development of the site and moving to the second stage.

6.0 NEXT STEPS

- 6.1 Avison Young will now be instructed to commence the second stage of the marketing process seeking full financial offers from the remaining parties who have been selected from the engagement process.
- 6.2 This will require detailed information to be issued to allow competent offers to be submitted including confirmation of titles, site investigation reports, services information, parking / access arrangements and planning considerations.
- 6.3 Officers have also instructed a retail assessment to be undertaken to assess the potential impact of any retail / commercial development and to assess if it would be beneficial in retaining spend which is currently lost to other surrounding towns. While this isn't required for a town centre development site it will respond to some of the issues raised in the community engagement process relating to retail capacity, leakage of spend and market.
- 6.4 An order has been placed to repair or replace temporary Skatepark equipment at the site to satisfy planning conditions attached to the Leisure Centre. Expectation is that it will be installed during autumn 2023. £80,000 has also been allocated by Council as part of Place Based Investment (PBI) fund to support a long term solution for the skatepark. A report focussed on skatepark matters will be considered separately H&L Area Committee.

- 6.5 On receipt of the full financial offers a further assessment will be undertaken as there may be a variety of tenures proposed to deliver the site and specialist advice may be required depending on the details received.

7.0 CONCLUSIONS

- 7.1 The initial marketing of the site has generated a strong level of interest and it is important to make the most of this interest to generate strong full financial offers. The assessment of the initial proposals has been undertaken with a number of good proposals progressing to the next stage.
- 7.2 The community engagement exercise was well received and generated a wide variety of views along with some general themes for members to consider as the project progresses. Concerns around the impact of retail / commercial development of the site will be addressed by a retail study which has been instructed.
- 7.3 The next steps are outlined within the report but it is important to note that the Economic Development and Financial Outcomes will become more important when the second stage offers are received.

8. IMPLICATIONS

- 8.1 Policy – None.
- 8.2 Financial – Depending on the delivery mechanism the project could deliver significant capital or revenue income. Similarly there could be significant capital cost if the council erects the buildings but a higher level of ongoing revenue income.
- 8.3 Legal - The terms and conditions of any transactions to follow are intended to be delegated to the Executive Director of Customer Services.
- 8.4 HR – Depending on the delivery mechanism there could be additional resources required within teams such as Estates, Legal, Major Projects, Finance and PR.
- 8.5 Fairer Scotland Duty
- 8.5.1 Equalities – Protected characteristics – None
- 8.5.2 Socio economic Duty – None
- 8.5.3 Islands – None
- 8.6 Climate change – Any large building project will have sustainability issues to address. However this development is designed to deliver local services to reduce the need for residents to travel to other destinations which will be a positive impact. There could also be potential for incorporating renewable energy systems such as solar panels to reduce the carbon footprint of the development.

- 8.7 Risk – The two main areas of risk are around costs and local interest groups. The potential increase in costs from inflation and the poor electrical network are the biggest risk. The secondary risk from local interest groups will need to be managed but as the development matches the LDP, Masterplan and Waterfront Business plan this is less of a risk.
- 8.8 Customer Service – None.

Douglas Hendry, Executive Director with responsibility for Commercial Services
Councillor Gary Mulvaney – Policy Lead, Finance and Commercial Services

9th August 2023

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