

**CLACKMANNANSHIRE COUNCIL**

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**Report to Council : 14th August 2008**

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**Subject: Marketing of Zones Leisure Centre**

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**Prepared by: Gordon Stewart, Property Services.**

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**1.0 SUMMARY**

- 1.1. It is proposed to place the former Zones Leisure Centre on the open market for lease or sale with the proviso that its use be restricted to sports; recreational or business purposes. This follows a period during which expressions of interest were elicited to assess the marketability of the property and its potential alternative uses.

**2.0 RECOMMENDATIONS**

- 2.1. It is recommended that the Council approve the marketing of the former Zones Leisure Centre with immediate effect subject to the condition that it be used for sports; recreational or business purposes.
- 2.2. It is further recommended that any lease or sale be linked to an agreed investment plan by the purchaser to ensure the property meets standards appropriate to continuity of use and serve the best interests of the community.

**3.0 BACKGROUND**

- 3.1. At its meeting of January 2008 the Council agreed to :
- Approve the permanent closure of Zones in its current guise with immediate effect.
  - Review the opportunities for future use and possible disposal of the building and seek expressions of interest.
- 3.2. In accordance with this decision Property Services engaged in a provisional marketing exercise in order to elicit enquiries and determine the level of interest which a sale or lease of the property might generate.
- 3.3. It was also considered essential to establish the nature of any interest particularly in relation to intended uses enquirers had in mind.
- 3.4. Local press advertising took place and signs seeking enquiries were affixed to the building. Sets of particulars were issued in response to all enquiries generated. These particulars contained a description of the building and also provided indicative guidance as to planning and other related matters.

- 3.5. Representatives of Clackmannan Brass Band who occupy that part of the building known as the Band Hall were also contacted to inform them of the Council's position. The band have been kept apprised of the situation throughout and are aware that the matter is to be considered by Council at today's meeting.

#### **4.0 BAND HALL**

- 4.1. Clackmannan District Brass Band currently occupy that part of the building known as the Band Hall. This has been provided at a peppercorn rent and runs until February 2091.
- 4.2. It follows that any lease or sale of the property must take cognisance of the presence of the band and existence of this lease.
- 4.3. The band hall is linked to the main building by a fire corridor and although originally a separate structure it is to all intents and purposes an integral part of the building with linked and shared services.
- 4.4. Any lease or sale of the building incorporating the Band Hall will permit the opportunity for its inclusion in any new investment plan.

#### **5.0 PLANNING AND DEVELOPMENT**

- 5.1. Informal dialogue with Council planners confirms that the building falls within Use Class 11 incorporating leisure provision. Alternative uses considered acceptable would be those compatible with the immediate environs and include business purposes.
- 5.2. It will be incumbent upon a tenant or purchaser of the building to submit a detailed planning application for consideration and assessment prior to the conclusion of any lease or sale unless such proposals already fall within the existing use classification.

#### **6.0 MARKET RESPONSE**

- 6.1. During the period when enquiries were being elicited to determine levels of interest in the building some eleven approaches were received. In the main these fell into two main categories of use; namely, Leisure and Business.
- 6.2. Three of these enquirers were considered to be serious in their intent and emphasized their willingness to submit offers. It is therefore considered that were the building to be marketed at least three bids can be anticipated that would fall within acceptable planning use classes.

#### **7.0 OPTIONS**

- 7.1. **Retain within Council Portfolio.** The Council will be faced with significant costs in the form of essential repairs and high capital costs associated with upgrading, refitting and refurbishing the property. Leisure Services have previously stated that limited customer demand renders the property of little use for the provision of Council-Operated leisure facilities.

7.2. **Lease or Sale.** The building may be placed on the open market for lease however Council needs to be aware that given the high costs associated with upgrading it is unlikely that prospective operators would be willing to incur the costs without recourse to ownership and the ability to offer the building as security for loan funding. This difficulty is likely to be exacerbated by the present lending restrictions imposed by the banks. Equally, by offering the property for sale the Council is likely to find itself in the best position to obtain maximum financial bids from prospective purchasers. Nevertheless, any bids can be linked to future use, investment and occupation of the property with the possibility that the band hall could also benefit from additional investment.

## 8.0 CORPORATE PRIORITIES

8.1. The Council is committed to the provision of a full range of well equipped community and leisure facilities. The building no longer fulfils this function. The Council also seeks to attract investment into the community. It is considered that by inviting bids from prospective tenants or purchasers allied to a predetermined investment plan then private sector capital can be sourced.

## 9.0 CONCLUSIONS

9.1. The former Zones building fails to meet current operational standards and is not fit for purpose and potentially requires significant capital expenditure to reopen it. Customer numbers have previously declined to uneconomic levels with little prospect that recovery could reasonably take place.

9.2. In the light of the positive response received from the exploratory marketing assessment the Council is urged to place it on the open market for lease or sale with the proviso that any bid must be restricted to the provision of sports; leisure or recreational use or compatible business purposes linked to a predetermined investment plan.

## 10.0 SUSTAINABILITY IMPLICATIONS

10.1. The lease or sale of the building reduces the Council's carbon footprint while new investment will improve building efficiency and energy consumption.

## 11.0 FINANCIAL IMPLICATIONS

11.1. The closure and sale of the Zones facility will result in a capital receipt to the Council.

## 12.0 DECLARATIONS

(1) The recommendations contained within this report support or implement Corporate Priorities, Council Policies and/or the Community Plan:

• **Corporate Priorities (Key Themes) (Please tick )**

Achieving Potential  
Maximising Quality of Life  
Securing Prosperity

Enhancing the Environment   
Maintaining an Effective Organisation

- **Council Policies** (Please detail)
- **Community Plan (Themes)** (Please tick )

Community Safety   
Economic Development   
Environment and Sustainability   
Health Improvement

- (2) In adopting the recommendations contained in this report, the Council is acting within its legal powers. (Please tick )
- (3) The full financial implications of the recommendations contained in this report are set out in the report. This includes a reference to full life cycle costs where appropriate. (Please tick )



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Head of Service



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Director

**Report to Council**

To accompany all Reports to Council

To: Head of Administration And Legal Services

Author: George Adamson	Date: August 2008
Service: Development and Environment	
Date of Meeting: 14 August 2008	
Title of Report: Zones Leisure Centre. Potential Sale.	

Recommendation that the attached report be:

1. Given unrestricted circulation	<input checked="" type="checkbox"/>	
2. Taken in private	<input type="checkbox"/>	

(tick appropriate box)

By virtue of paragraph \_\_\_\_ of schedule 7A, Local Government (Scotland) Act 1973.

Appendices attached to this report (if none, state "none")

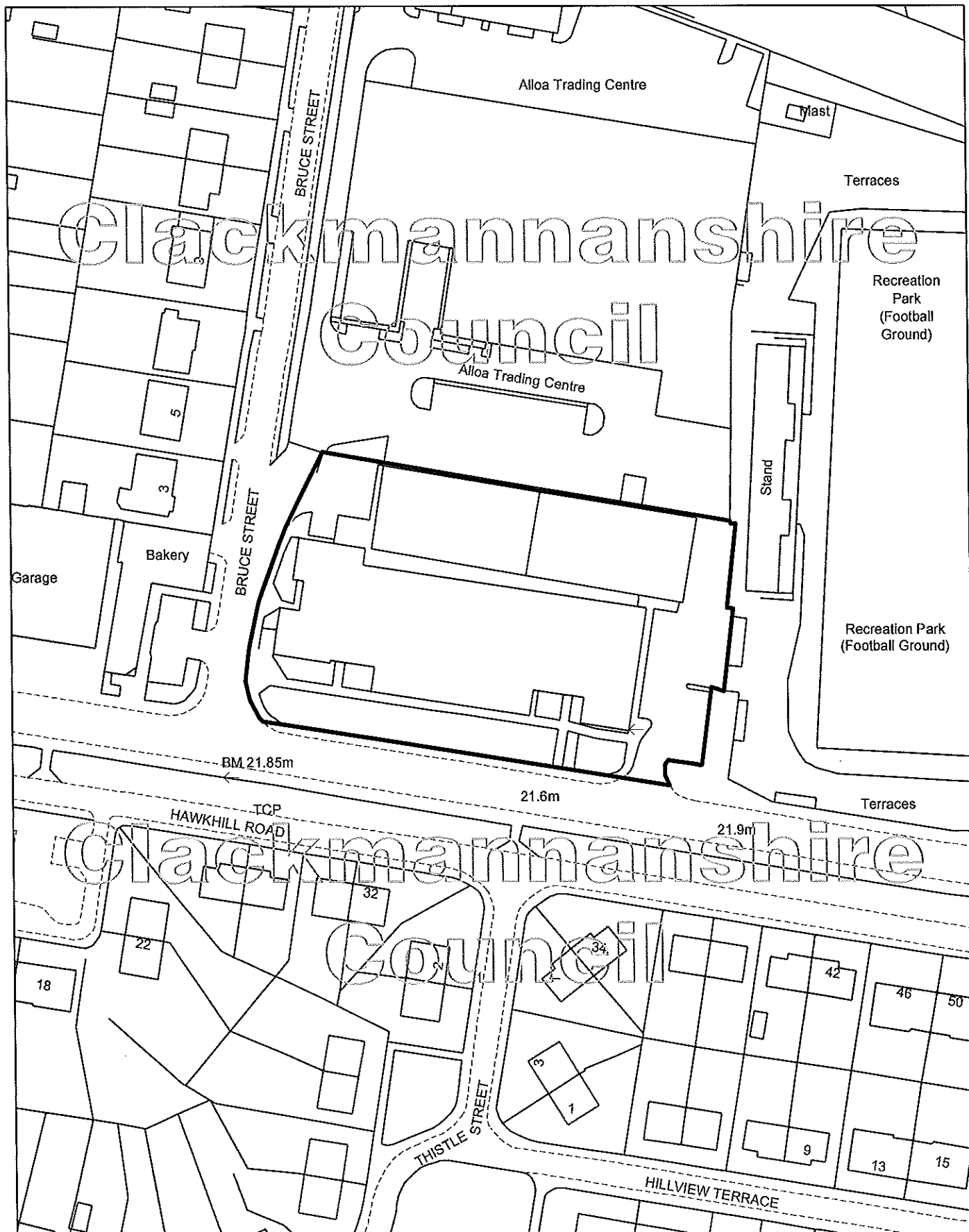
1. Site Plan Appendix I
- 2.
- 3.
- 4.

List of Background Papers (if none, state "none")

1. Zones Leisure Centre. Council 31 January 2008 Agenda Item No11.
- 2.
- 3.
- 4.

Note: All documents specified must be kept available by the author for public inspection for four years from the date of the meeting at which the report is considered.





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**Zones Leisure Centre, Clackmannan Road, Alloa.**

Scale 1:1,000



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