

Subject: Rossendale Gateway (Re-development of the Valley Centre)

Status: For Publication

Report to: Cabinet

Date: 17th February 2010

Report of: Director of Business

Portfolio

Holder: Regeneration

Key Decision: Yes

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 To provide Members with an update on the activities required to secure the redevelopment of the Valley Centre, Rawtenstall.
- 1.2 To seek approval for the Director of Business and the Head of Regeneration to commence formal negotiations with AshCap regarding the re-development and/or disposal of the site.
- 1.3 To seek approval for the Director of Business and the Head of Regeneration to commence the OJEU procurement process for the selection of a preferred development partner.
- 1.4 To seek approval for the installation of decorative wraps for the properties fronting Bank Street and Kay Street, subject to the approval of the owners.
- 1.5 To establish a budget to support the work of the Gateway Programme Steering Group.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report impact directly on the following corporate priorities:-
- Delivering quality Services to our customers
 - Delivering regeneration across the Borough
 - Encouraging healthy and respectful communities

- Keeping our Borough clean, green and safe
- Promoting the Borough
- Providing value for money services

3. RISK ASSESSMENT IMPLICATIONS

3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- Without local authority intervention, it is highly likely that the Valley Centre site would remain in poor condition for the foreseeable future. This would have a detrimental effect upon the local economy and the visitor perception of the Borough.

4. BACKGROUND AND OPTIONS

4.1 The Council has been working to develop regeneration projects for a number of sites within Rawtenstall Centre. These include:

- The Valley Centre/former town hall site;
- The Rawtenstall Bus Interchange;
- Rawtenstall to Manchester commuter rail link
- New Hall Hey
- Ski Rossendale

4.2 There are linked benefits from all of these projects and therefore it is suggested that they fall under the broader heading of the Rossendale Gateway Programme.

4.3 This demonstrates to both funders and investors that the Council has a focused and linked regeneration programme which aims to accrue added value to each of the sites.

4.4 A multi agency Steering Group has been established to drive forward the gateway programme, Chaired by the Leader of the Council and including senior Rossendale and County Councillors, members of the Rawtenstall Chamber of Commerce and senior officers from the Council, Lancashire County Council and Regenerate Pennine Lancashire.

4.5 The main focus of the Steering Group has been to bring forward the re-development of the Valley Centre and the group has identified a series of actions which are required to support more formal action to secure the visual improvement and re-development of the site.

4.6 Over the past 12 months, despite officers having held several meetings with the owners of the Valley Centre, AshCap, progress has been slow and there has been no real activity on site to give confidence that the owners have any real intentions to redevelop the site.

- 4.7 Suggestions have been made about how the condition of the Valley Centre could be improved through more appropriate boarding, re-glazing and/or building wraps. However, these suggestions have not been taken up and the site remains unsightly and in a generally poor condition.
- 4.8 There is now only one remaining tenant trading within the Centre, the Post Office, and it is understood that the lease for these premises expires in November 2010. However, formal notice would have to be given to this tenant by the owners to comply with the 12 months notice requirement under the terms of the lease.
- 4.9 It has been suggested that any partial demolition of the Valley Centre whilst this tenant is in situ could result in a legal claim and challenge due to a breach of 'quiet enjoyment' and for this reason AshCap have resisted any suggestion that work should commence on site before this last shop is vacated.
- 4.10 At the last formal meeting with AshCap it was clear that they would not be prepared to commence the redevelopment of the site in the near future whilst the current economic climate prevails. In fact, they were considering the potential of seeking new temporary tenants for the vacant units.
- 4.11 The lack of development on the Valley Centre site represents a major detraction from the economic prosperity of the town and its attraction to customers and visitors. Whilst meetings have been held with AshCap a more formal negotiation needs to take place requiring them to either commence re-development works or provide their proposals for the disposal of the site for re-development.
- 4.12 At the same time, and as a parallel process, it is felt that in order to now progress the re-development of the site, the Council will have to take more direct action, independently of AshCap, to develop a deliverable scheme which is suitable for the site.
- 4.13 In doing this, it is important for the Council to demonstrate that Rawtenstall is, in fact, a key gateway into Pennine Lancashire which provides the most relevant opportunities to benefit from the planned growth within the Manchester City Region including the development of the Mediacity in Salford.
- 4.14 The Steering Group has discussed and outlined the processes which would be required to progress the project. This is very much a case of ensuring that the necessary building blocks are in place to support the future actions which may be necessary to secure re-development and regeneration of the key gateway sites.
- 4.15 It is felt that it will be necessary to undertake work to refresh the Rawtenstall 'Masterplan' with the aim of identifying a preferred scheme, thus enabling planning approval and funding streams to be secured.
- 4.16 This will entail developing a Supplementary Planning Document (SPD) to ensure that, in planning terms, the site has the necessary planning 'weight' to support the potential for re-development.

- 4.17 It is also felt that it will be advantageous to procure a development partner, possibly a joint venture partner, from the private sector to support the process of regeneration and bring access to much needed financial resources into the project.
- 4.18 This would also strengthen viability case for re-development, demonstrating that the Council has the necessary delivery mechanism, planning approvals and financial capacity to deliver the scheme.
- 4.19 In view of the timescales associated with the OJEU (Official Journal of the European Union) process it is recommended that the Council begins this procurement procedure immediately.
- 4.20 In the meantime, officers from the Communities Team have inspected the site to draw up a list of works required to improve the appearance of the vacant site. The details of these works were sent to AshCap by the Director of Business as the first formal stage of commencing s215 procedures. Estimates for the value of the work required ranged from £66,000 to £90,000 depending upon the approach AshCap wish to take.
- 4.21 AshCap were given 28 days to respond to the letter and provide the Council with a schedule of works. A formal acknowledgement of the contents of the letter had been received from AshCap and, other than a site visit by AshCap's team on the 10th December, no direct action was taken.
- 4.22 As a consequence of Ashcaps failure to deal with 1st s.215 letter they were served with a 2nd letter requesting the works listed in the schedule be completed by 8th February. Failure to comply with this notice would mean legal formal legal proceedings can be commenced to compel them to undertake the works otherwise they will be done by the Council and the cost would be recharged to them.
- 4.23 AshCap have provided an informal response to this 2nd letter, suggesting a solution which would involve re-boarding the internal parts of the centre and granting permission for the Council to improve the appearance of the Bank Street and Kay Street frontages which had been suggested in earlier meetings.
- 4.24 The Head of Regeneration had contacted a retail design company to develop a mock up image of how a more design led building wrap could look. This installation comprises of a vandal proof coloured vinyl image attached to the boarding around the structures, the design of which can be dictated by the local authority.
- 4.25 A detailed estimate for this work has been developed and the total cost for installing this 'wrap' is approximately £15,000.
- 4.26 To proceed with this initiative the AshCap would need to give their formal permission which is being sought, subject to the approval of their Board of Directors.

- 4.27 In order to support these and future activities it will be necessary to establish a specific budget which provides sufficient resources to support the work of the Steering Group and the re-development process, meet associated costs and fees and provide capital support where necessary. At this time it is estimated that an initial budget of £200,000 would be required. This budget could be established from the existing resources within LABGIS.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

- 5.1 The report identifies the source of funding from previous LABGIS receipts. After the allocation of £200k and other commitments a balance of £445k remains uncommitted.
- 5.2 The report refers to the potential cost of a Compulsory Purchase Order option, though Council resources to fund such action are not identified and would need to be explored in future reports to Cabinet.

6. MONITORING OFFICER

- 6.1 Comments are included within this report.

7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

- 7.1 No HR Implications.

8. CONCLUSION

- 8.1 The development of a Rossendale Gateway Programme comprising of key site regeneration is a positive step forward in bringing about the redevelopment of priority sites within Rawtenstall.
- 8.2 It will be necessary for the Council to demonstrate its support for the programme by taking a range of pro-active measures which are detailed in this report and this will be monitored and driven forward by the Gateway Steering Group.

9. RECOMMENDATION(S)

- 9.1 That Cabinet grant approval for the Director of Business and the Head of Regeneration to commence formal negotiations with AshCap regarding the redevelopment and/or the disposal of the site.
- 9.2 That Cabinet grant approval for the Director of Business and the Head of Regeneration to Commence the OJEU procurement process for the selection of a preferred development partner

9.3 That Cabinet grant approval for the installation of decorative wraps for the vacant properties fronting Bank Street and Kay Street, Rawtenstall, subject to the approval of the owners.

9.4 That Cabinet approves the establishment of a dedicated budget of £200,000 to support the programme.

10. CONSULTATION CARRIED OUT

10.1 Chief Executive

11. COMMUNITY IMPACT ASSESSMENT

Is a Community Impact Assessment required Yes

Is a Community Impact Assessment attached Yes

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

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No background papers