

Subject:	Rawtenstall Bus Station	Status:	For Publication
Report to:	Council	Date:	27 th February 2013
Report of:	Stuart Sugarman	Portfolio Holder:	Leader of the Council
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
Contact Officer:	Stuart Sugarman	Telephone:	01706 252447
Email:	stUARTSUGARMAN@ROSSENDALEBC.GOV.UK		

1.	RECOMMENDATION(S)
1.1	That members support the proposed investment of £3.5m in relation to a bus station in Rawtenstall, note the contents of the report and confirm their preferred approach for dealing with this site.

2. PURPOSE OF REPORT

- 2.1 To update Members on the progress of negotiations with the Lancashire County Council for the development of a new bus station in Rawtenstall on the site of the former Valley Centre. It is proposed by Lancashire County Council that Rossendale Borough Council grant the County Council a long lease for the site to develop a new bus station (as detailed on the attached plan).
- 2.2 If the county's proposal is considered agreeable in principle then it would be suggested that delegated authority be granted to the Director of Business in consultation with the Portfolio holder for Regeneration, Leisure and Tourism to finalise the details of the Agreement with Lancashire County Council and dispose of the site (as detailed on the attached plan) by way of a long lease at an undervalue.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **A clean and green Rossendale** – creating a better environment for all.
 - **A healthy and successful Rossendale** – supporting vibrant communities and a strong economy.
 - **Responsive and value for money local services** – responding to and meeting the different needs of customers and improving the cost effectiveness of services.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 There are no specific risk issues for members to consider arising from this report.

5. BACKGROUND AND OPTIONS

- 5.1 Members will recall that Lancashire County Council has previously announced it would be investing in a new bus station in Rawtenstall. Modern, fit for purpose bus facilities in a secure town centre environment are necessary to encourage use of public transport, more specifically, such facilities in Rossendale will:

- i) give ease for connections between local and trunk services, and provide easy connections between services on the North/South and East /West axis.

- ii) ensure the quality of bus facilities in Rossendale are consistent with other new facilities being provided in a number of locations across the County.
- iii) provide a central point in Rawtenstall for passengers wanting public transport information.

The County Council recognises that a new bus facility in Rossendale needs to be of a mass and scale commensurate with Rawtenstall's primary function as a small market town and that the design of the bus facility needs to reflect this and not be a "dominant" presence in the town.

5.2 Identification of a Preferred Site

County Council officers have assessed the feasibility of siting a new bus station on a footprint approximate to the area outlined on the attached plan. The proposed site is within a wider development site to be brought forward by the RTB Joint venture between Barnfield Construction, the Council and the Together Housing Group. Officers from both Councils have met to consider a number of factors regarding the siting of a bus facility in this location, and these are summarised below:

- (i) Statutory Factors - The proposed site is within a conservation area and the design will need to contribute to the quality and setting of the area in line with the Rawtenstall Townscape Appraisal undertaken in 2012. The existing bus station site, on Bacup Road, is within a part of the Town likely to be declared an Air Quality Management Area (AQMA), primarily due to high concentrations of Nitrous Oxide. Locating a new facility away from the Bacup Rd will serve to assist with any forthcoming measures to improve air quality within the possible AQMA.
- (ii) Locational Factors - The proposed site is closer to Rawtenstall Town Centre, and will, therefore, be more accessible to passengers using the facilities and services in the town centre than the existing bus station site. The site will also work well with the wider development being brought forward by the Joint venture mentioned above.
- (iii) Operational Factors - Officers from the County Council have met with bus operators to get an early and indicative view on the operational suitability of the proposed site with issues regarding routing, facilities and timescales being raised. These issues will be considered as the details of the proposals are developed. The inclusion of a bus station within the proposed development site would potentially benefit the development as a whole and the viability of the town centre.
- (iv) Development Factors – A new permeable bus station integrated within the wider town centre development site, presents an opportunity to kick-start development, to complement the different elements of the development, and to integrate the current bus station site with the town centre development and the existing town centre.

5.3 Proposed New Facility

The County Council has not yet undertaken any design work for the new facility other than determining a functional layout. The County Council does acknowledge that the new facility needs to be permeable in order for it to complement future development proposals. The County Council has confirmed that the new facility will comprise 8 stands, a staffed information point, toilets, including a disabled/baby change facility. A small management

facility for Rossendale Transport may also be included.

5.4 **Proposals for Existing Site**

The County Council will take full responsibility for ensuring that the existing site is fully remediated and that this will be done on or before the new facility is operational.

5.5 **Funding**

The County Council has allocated a budget of £3.5m for the capital costs of delivering a new facility. All capital costs, including on and off site public realm works, highway works and existing site remediation works must be met from within this budget. Due to the County Council's available budget from their Transport Capital Programme, the County Council has confirmed it would not be possible to proceed with this project if the County Council had to acquire the necessary land at an open market value. It should be noted that the bus station will also have a long design life of around sixty years. For this reason the County feel it is appropriate to grant them a long lease on the required land at less than market value for the lease.

Maintenance and management of the new facility will be responsibility of the County Council, and the County Council. As noted in section 6.4 the setting of departure charges which are affordable is important to the overall viability of the scheme and negotiations will need to be concluded with the various bus companies who may use the facility.

5.6 **Development and Delivery**

If the Council grants the County Council a long lease for the site to develop a new bus station, a joint officer bus station working group will be established and work will commence immediately on a number of work streams including design principles, routing strategy, on site public realm works, off site highways works, existing site options and potential delivery scenarios and timescales.

The County Council's present Capital Programme makes provision to fund the detail design and Planning Application requirements in the 2013/14 financial year with construction commencing during 2014/15.

5.7 **The proposal**

The proposal is to provide the County Council with a Building Lease to the land identified on the attached plan.

The basis of the Building Lease is that this will then transfer the site to the county council by way of a long lease once the development commences. The development will be completed against an agreed timescale and subject to the usual planning and consultation processes.

The land transaction details have not yet started but the County Council have advised that the land will have to be leased at less than market/commercial value in order to contribute towards the overall viability of the scheme.

In mitigation, Rossendale Borough Council will not be making any financial contribution towards the development costs, reinstatement of the old bus station and the beneficiaries from the development will include not only users of the new bus station but the wider public and local businesses who will benefit from the facilities and increased footfall to the area.

However, the Borough Council will lose an existing revenue stream from the existing bus station as detailed in para 6.

5.8 Land valuation

The Council acquired the Valley Centre in November 2011 for 2.1million pounds.

Officers have sought valuation advice from Lambert Smith Hampton (LSH) and our in house Property Services Manager (FRCS qualified) regarding the effect on the Council's current and future property holdings in the vicinity of the former Valley Centre of locating a new Bus Station in the position shown on the attached plan. The advise provides that:

1. The value of Rossendale Borough Council's land identified for the bus station is between £500,000 to £742,000.

LSH advise that 'by splitting the site in this way we consider that the proposal to site the bus station here would permanently sterilise 0.5 acre which we initially assess as a loss in development value of £500,000'.

2. The wider development site has a value of circa £1m per acre assuming a comprehensive development. LSH advise that following the development of a new bus station in this particular location 'a comprehensive redevelopment would not be possible. We also have concerns as to whether any developer would be prepared to develop the land fronting Bank Street as a town centre retail scheme and feel that this smaller site is more likely to be developed for smaller scale uses such as local food retail use which would generate a value of circa £750,000 per acre.'
3. The land to the rear of the site fronting Bacup Road would in LSH opinion 'suffer the greatest impact. This land would no longer have the appeal to the development market and as such its value would be reduced. We would expect this site to be suitable for secondary retail development which gives the site a value of circa £500,000 per acre, which would equate to circa £550,000 for the whole site'.
4. There will also be a loss capitalised value of Rossendale Borough Council's net rental income from Bus Station equating to £220,000.
5. Possible reduction in value of other Council assets, Liberal Club, Kay St properties-due to sterilizing effect on the land.

It should be noted that there would be some residual value in the existing bus station site for Rossendale Borough Council, but this will be limited due to the shallow plot depth.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 A number of financial matters and implications are noted above.

6.2 Whilst this development is not intended to require any additional financial contribution from the Council, there is an opportunity cost commensurate with:

- the value of the land being transferred (between £500,000 and £742,000)
- the potential reduction in land and property values adjacent to the proposed site:
 - LSH estimate the whole town centre site including the police station reducing from £3.3m to £1.6m
 - The Council's Property Services manager estimates at least a 25% reduction on

the residual element of the £2.1m Valley Centre investment to £1.0m (£2.1m-0.74m - 0.34m)

- The Property Services manager also estimates a further 25% reduction in the development value of the old Town Hall and One Stop Shop sites of c. £330,000. Other Council assets such as Kay St and the Liberal Club may also suffer from negative revaluations.
- the existing terminal in respect of:
 - current net income (£11k pa after costs),
 - holding costs on cessation of use and
 - the value of any suitable and alternative use for the site.
- Any reduction in the Councils land values will be reflected in the Council's statutory accounts.

6.3 Officers will continue to investigate the benefits listed above in the report to ensure that these represent value for money for the Council in balance with the value of land.

6.4 The Council's 100% trading subsidiary, Rossendale Transport Ltd (RTL), is the primary user of the existing terminal and contributor to Councils departure charges income at c £19.8k pa. This is based on 31p per departure which is significantly less than other areas (Burnley, Bury, etc). Any increase in departure charges as a result of a new facility will be an additional financial pressure for the company. In addition RTL will incur further opportunity costs and operational challenges as a result of its own service base at Peter Street (adjacent to the existing terminal). Any use of the new site by RTL will require, amongst other things, driver and security facilities.

7. MONITORING OFFICER

7.1 This transaction is a disposal of the Council of property interests in accordance with s123 of the Local Government Act 1972.

b) The council need to obtain a land valuation which values the land on an open market basis.

c) The Council is not receiving any consideration for entering into the building lease and therefore the grant of this equates to a disposal at less than best consideration. If any undervalue does not exceed £2,000,000.00 (two million pounds), Secretary of State for Communities and Local Government consent will not be required as the disposal would be permitted by the Local Government Act 1972: General Disposal Consent 2003.

The council also owes council taxpayers a fiduciary duty and must exercise its powers reasonably by taking into account all relevant matters, disregard irrelevant considerations and avoid doing something so unreasonable that no other authority acting reasonably might do.

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

8.1 No HR Implications

9. CONSULTATION CARRIED OUT

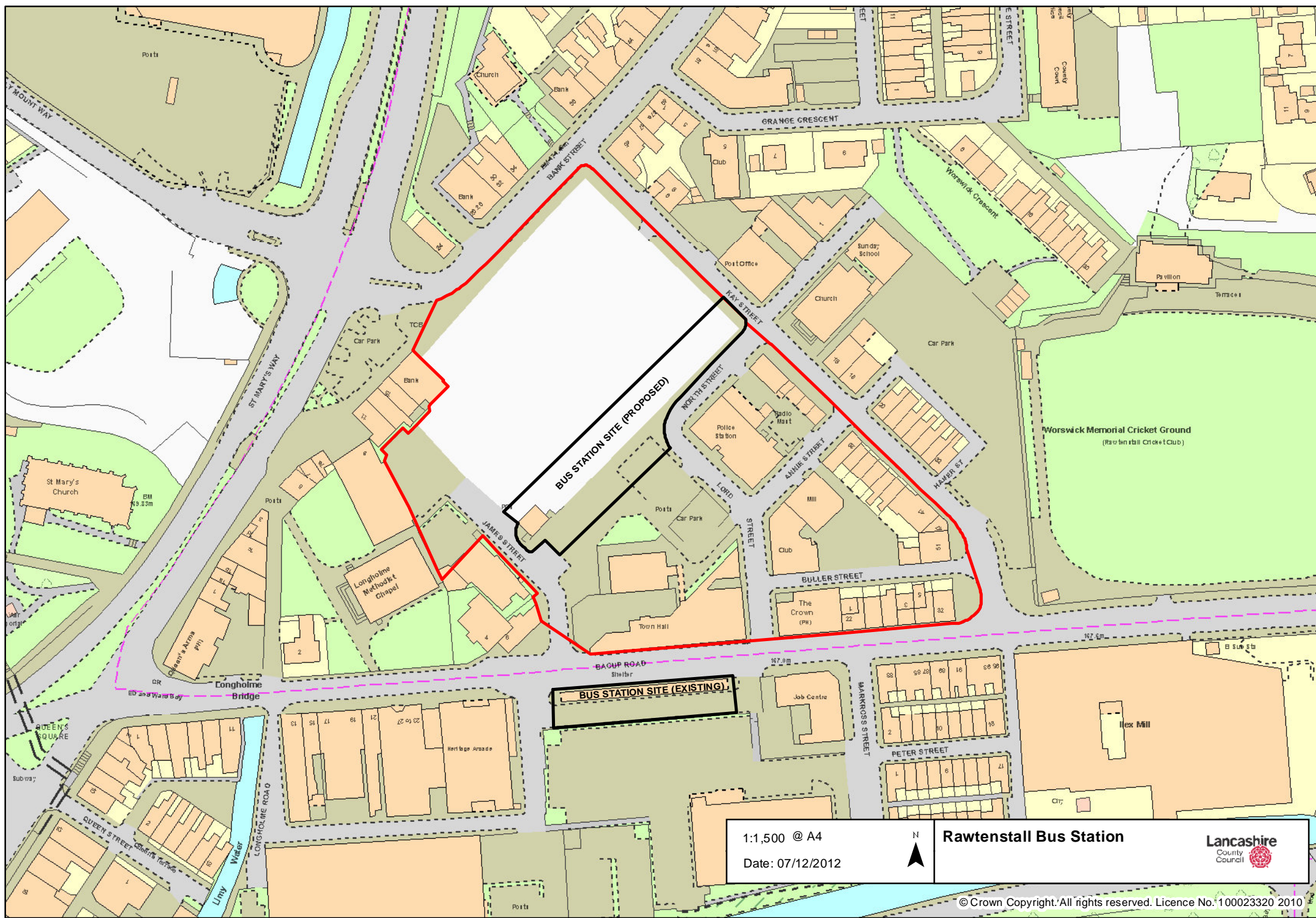
9.1 Portfolio Holder

10. CONCLUSION

10.2 A new bus station fits with the Council's wider regeneration priorities.

Background papers

LSH advice received on 14.2.13.



BUS STATION SITE (PROPOSED)

BUS STATION SITE (EXISTING)

1:1,500 @ A4
Date: 07/12/2012



Rawtenstall Bus Station

