

Subject:	Re-appraising Rawtenstall - a 2040 vision	Status:	For publication
Report to:	Council	Date:	26 th February 2020
Report of:	Chief Executive	Portfolio Holder:	Leader of the Council
Key Decision:	<input checked="" 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
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1.	RECOMMENDATIONS
1.1	Members note the positive contribution of the Spinning Point project to date, including the opening of the new bus station in Rawtenstall.
1.2	Members agree to not progressing a further project on the Spinning Point Phase 2 development at this time and accept the associated financial implications outlined in this report.

2. PURPOSE OF REPORT

- 2.1 To seek Member's agreement to not progress a further project at the Spinning Point development in order to take stock and reappraise the town centre's vision. The work will enable a clear future for Rawtenstall town centre to be developed, providing opportunities for local people and businesses to be consulted on future options for the town centre.

3. BACKGROUND

- 3.1 The 2010 Rawtenstall Town Centre Vision identified the Valley Centre as a Priority Investment Area; with the redevelopment of the Valley Centre, Police Station, One Stop Shop and former Town Hall to create a new high quality mixed use development with open spaces.

The council has worked hard over a number of years to improve Rawtenstall town centre, particularly given the significant challenges following the global financial crisis and recession. The council took positive action acquiring and demolishing the old Valley Centre which kick started the regeneration of the town centre.

- 3.2 The vision for Spinning Point has been based on preserving the heritage of the existing space while creating improved facilities for local residents, a vibrant town centre as a destination, increasing footfall and supporting the visitor economy. The council progressed with Spinning Point Phase 1 in July 2016 to create a significant development in the town centre. This proposal reconfigured the Old Town Hall as office space now occupied by Together Housing and created a new bus station and two retail units. This has been a positive addition to the town centre and a good repurposing of this plot.
- 3.3 An application was made for Lancashire Enterprise Partnership Growth Deal grant, resulting in an award of £900k for Phase 1 and a further £1m earmarked to fund infrastructure costs for Phase 2. This was agreed by the council in July 2016. The council progressed the Spinning Point project using the joint venture with Barnfield Investment Properties.

- 3.4 Full planning permission was approved by the Planning Committee on 27 March 2018 for Spinning Point Phase 2: a mixed use development comprising leisure, hotel, housing and commercial uses including the creation of an area of public open space with associated landscaping and highways works.
- 3.5 Members agreed in principle that the council would explore a preferred option for Spinning Point Phase 2 comprising a spa, 6 residential apartments, 80 bed branded hotel with restaurant, 7 retail/food & beverage units at the Full Council meeting on 11 July 2018. Officers and established a politically balanced cross-party Working Group to explore the option, undertake further due diligence and examine the risks.
- 3.6 During 2018 the preferred option was identified not to be feasible and this is explored later in this report. As a result, over the last eighteen months the Working Group has explored a number of further possible options for the site. Members concluded at their meeting in December 2018 by identifying a final option for a scheme for Spinning Point Phase 2 comprising a spa plus, a residential offer and 7 retail/food & beverage units; with a gross value of £9.4m (and net value of £5.4m based on the sale of the residential). All the options explored for the site have associated risks, although the specific risks vary with the nature of the option.

4. RAWTENSTALL'S RENAISSANCE AND THE SUCCESS OF SPINNING POINT

- 4.1 Rawtenstall town centre is a major success story. The town has changed significantly over recent years, and now boasts a thriving day and evening economy that is successfully attracting visitors and residents.
- 4.2 There has been a radical visible improvement to the centre of Rawtenstall with the council's action to buy and demolish the former Valley Centre which has triggered a renaissance in the town; helping to give businesses the confidence to open new shops, bars and restaurants. Town centre vacancy rates remain low and praise should be given to both new and existing traders for their contribution to re-energising the town centre. New Hall Hey has been transformed from boarded up premises to provide a larger scale complementary edge of town facility attracting top names such as M&S Simply Food, TK Maxx and Costa, which together with recent investment in the town centre, has attracted £14m private investment and created over 175 new jobs.
- 4.3 Without doubt the investment at Spinning Point has contributed to the town's success. The refurbishment of the Old Town Hall has provided circa 10,000² ft of modern office space to house Together Housing Group and has safeguarded 30 jobs in the borough, providing local spend opportunities directly within Rawtenstall town centre.
- 4.4 The new state of the art bus station was opened to the public in November 2019, achieving a design standard worthy of an architectural award. The council has entered into a management arrangement with Transdev, which has helped to both safeguard and create jobs. The bus station also accommodates 2842² ft of new retail/food & beverage floor space provided across 2-4 units. Discussions are in an advanced stage for businesses to take up the two retail/food units, which will bring additional services to the town centre and create jobs locally.
- 4.5 Extensive public realm improvements have been undertaken. Quality landscaping materials have been installed around the perimeter of the new Transport Interchange Facility and along existing public footpaths to Kay Street, Bacup Road, James Street, North Street and Annie Street. The public highways to Bacup Road, Kay Street, James Street, North Street and Annie Street have also been resurfaced. Works to form new parking areas are nearing completion along Bacup Road and North Street which will provide additional parking

spaces for town centre visitors and shoppers.

5. RE-APPRAISING RAWTENSTALL - A 2040 VISION

5.1 Two significant changes have taken place which have caused the council to review the appropriateness of the proposal for Phase 2. Firstly, the local economy has begun to recover from the national recession and this has seen a growth in the number of town centre businesses and associated footfall locally. Secondly, there has been a lack of interest expressed from national retailers/food & beverage offerings or from local providers. The council has continued to explore a number of options for the site. This has included a mixed use development including leisure facilities such as a spa and residential and also business space combined with residential. It is critical that any development on the site meets local need and would be a positive addition to the town centre, particularly as high street retail continues to change nationally. It is also important that a preferred scheme does not unduly burden the existing road and car parking infrastructure. Developing a scheme where risks are acceptably mitigated has also a challenge.

5.2 'Thriving Town Centres' remain a key priority cited within the council's 2018 Economic Development Strategy. Within the context of evolving town centres, the changing nature of retail and the recent significant improvement in Rawtenstall, there is a need to take stock and refresh the town centre's vision; draw together a clear vision for the kind of town centre Rawtenstall should be in the future. Further investment is needed in Rawtenstall to maintain the town centre's vibrancy, but within a direction of travel which is strongly supported by the community including local businesses. It is therefore proposed, that before any further substantial investment, that the vision for Rawtenstall is refreshed. Much work has been undertaken already which will contribute to this work including public consultation, market analysis and survey information relating to an upcoming car parking strategy. This will be an opportunity to examine national trends, particularly in retail, leisure and housing and give local people an opportunity to shape the kind of town centre which will be economically sustainable, vibrant and attractive both to existing residents and visitors.

5.3 The council will now focus its efforts on revisiting the vision for the town centre to resolve issues around notable larger empty buildings, developing and implementing a new car parking strategy to address parking issues in the town centre, tidying up the public realm on the town square and advancing an improvement scheme for the gyratory.

5.4 As a result, the council has decided not to proceed with a further development to the Spinning Point project (Phase 2). Previous reports have noted the risks for the council of undertaking a second phase alongside putting added pressure on Rawtenstall's finely balanced transport infrastructure including car parking and traffic build up.

6. RISK

6.1 The risk implications are covered in the body of the report.

7. FINANCE

7.1 The council received £900k funding from the Lancashire Enterprise Partnership through the Growth Deal and £3.5m from Lancashire County Council towards a £5.2m fixed price contract for Phase 1 of the Spinning Point project. Not proceeding with Phase 2 will require the council to pay back the £900K Growth Deal grant to the Lancashire Enterprise Partnership.

7.2 £540,000 of funding is to be set aside for costs accrued to the Phase 2 project to date. This includes work related to design, architects, feasibility studies, the planning application and the completion of outstanding public realm works. This also includes a contingency, set

aside as part of the project. The completion of the outstanding public realm works will be undertaken to make good the site.

7.3 £1.45m (outlined in 7.1 and 7.2) will be funded from reserves. The income projected to be received from Spinning Point Phase 2 would have enabled the council to mitigate future revenue challenges associated with the MTFS. The utilization of reserves reduces the capacity of the council to manage future risks or to fund potential gaps in the MTFS.

7.4 Delivery of Spinning Point Phase 2 has been acknowledged as a specific risk in the council's Corporate Risk Register since the inception of the project. The likelihood and impact of the project being either delayed or not going ahead has been monitored on a regular basis as different options for the potential scheme have been considered.

7.5 The project has been progressed using the joint venture between the council and Barnfield Investment Properties. The joint venture's approach for this project is based on the principle of 50/50 profit and cost sharing. The apportionment of design, architects, feasibility studies and planning application costs will need to be finalised with the Joint Venture Board and this issue is being pursued by the council.

7.6 The council has estimated receiving an annual revenue stream of up to circa £105k from Spinning Point Phase 1 to underpin the Medium Term Financial Strategy, which it will still receive.

8. LEGAL

8.1 The legal implications are covered in the body of the report.

9. POLICY AND EQUALITIES IMPLICATIONS

9.1 The 2018 Economic Development Strategy for Rossendale has a priority to establish thriving Town Centres of Rawtenstall, Bacup and Haslingden, each providing its own unique offer and a destination for shoppers and visitors. The 2010 vision for Rawtenstall is now out of date. A refreshed vision for Rawtenstall will contribute directly to all three of the council's corporate priorities.

An Equality Impact assessment will be undertaken in due course.

10. CONCLUSIONS

10.1 Whilst recognising the success of Rawtenstall's town centre, prior to any further substantial investment, it is proposed that the vision for Rawtenstall is refreshed. This will mean that Phase 2 at Spinning Point will not proceed at this point in time.

Background Papers	
Document	Place of Inspection
Spinning Point Phase 2, Report to Council, 12 December 2018	www.rossendale.gov.uk
Spinning Point Phase 2, Report to Council, 11 July 2018	www.rossendale.gov.uk
Spinning Point Development Phase One, Report to Council, 6 July 2016	www.rossendale.gov.uk
Development of the Former Valley Centre, Old Town Hall and former One Stop Shop Sites, Report to Council, 18 March 2015	www.rossendale.gov.uk
Rawtenstall Town Centre Masterplan, Report to Council, 14 October 2010	www.rossendale.gov.uk