

<b>Subject:</b>	Spinning Point Development Phase One		<b>Status:</b>	For Publication	
<b>Report to:</b>	Cabinet		<b>Date:</b>	30 <sup>th</sup> November 2016	
<b>Report of:</b>	Chief Executive		<b>Portfolio Holder:</b>	Leader of the Council	
<b>Key Decision:</b>	<input type="checkbox"/>	Forward Plan	<input type="checkbox"/>	General Exception	<input type="checkbox"/>
				Special Urgency	<input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	<del>Yes</del> /No	Attached:	<del>Yes</del> /No	
<b>Biodiversity Impact Assessment</b>	Required:	<del>Yes</del> /No	Attached:	<del>Yes</del> /No	
<b>Contact Officer:</b>	Paul Walker		<b>Telephone:</b>	01706 252443	
<b>Email:</b>	paulwalker@rossendalebc.gov.uk				

1.	<b>RECOMMENDATION(S)</b>
1.1	To note progress with delivery of the Spinning Point project.

## 2. PURPOSE OF REPORT

- 2.1 To provide an update on progress with the delivery of the Spinning Point development, Phase 1, following the recommendations agreed by Full Council on 6<sup>th</sup> July 2016.

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **Regenerating Rossendale:** This priority focuses on regeneration in its broadest sense, so it means supporting communities that get on well together, attracting sustainable investment, promoting Rossendale, as well as working as an enabler to promote the physical regeneration of Rossendale.
  - **Responsive Value for Money Services:** This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.
  - **Clean Green Rossendale:** This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below and were included in the report to Council of 6<sup>th</sup> July 2016:
- The Phase 1 scheme has already received planning consent and therefore the risk that the scheme may not proceed should consent be refused has been eliminated;
  - There is some risk on the long term recovery of the Council's investment in the Spinning Point site. Revised valuations following a change of use may see temporary negative book valuations in the short term;
  - Phase 2 will be subject to further design and consultation during 2016/2017 and whilst there is growing interest in the development the precise timing and content of these phases is still unknown;
  - The financial risk of multiple tenant management and transition has been mitigated via agreeing Heads of Terms on a single 25 year lease with Together Housing, however they do retain an option to invoke a break clause after 10 years.
  - The final terms to be agreed in the contractually binding agreement to lease with Together (service charges, rent free periods, etc), LCC (ongoing maintenance arrangements) and TransDev (transferring to using the new bus station) are not yet

fixed. However positive discussions and draft agreements indicate a positive outcome.

- The ability to secure tenants at appropriate rents for the 3 to 4 retail unit facilities in the bus station.
- There is a risk that costs of delivery may not match the available funding. It is proposed that the LEP RGF funding is used as contingency in Phase 1 within their agreed funding terms subject to rigorous cost management and design controls. That said, any further reliance on LEP funding only reduces resources, contingency and gap funding for Phase 2 and therefore putting more reliance on a second development programme which is totally self-financing.
- The bus station is expected to positively impact on future bus patronage and other operators; however the long term sustainability of bus services within Rossendale needs to be taken account of. The underlying design of the facility is flexible, so should support changes in future bus patronage.
- The LGF funding agreement requires, amongst other things, the creation of new full time jobs, housing units developed and retail, leisure and office created. Should this not be delivered there is a risk that the funding will be subject to claw back from RTB by the Local Enterprise Partnership, the extent of which is currently being finalised. That said, phase 1 alone will not deliver the LGF outputs therefore, phase 2 must proceed and be completed in such a way as to deliver the majority of the jobs required.

## 5. BACKGROUND AND OPTIONS

5.1 Members will recall the funding approved for the project as follows:

- LCC Grant funding agreement for construction on new bus station: £3.5m
- RBC Capital for refurbishment of the Old Town Hall £900k (financed from future rental income)
- £1.9m Local Growth Fund, with c.£1.1m now set aside for pre-construction (see below) and infrastructure costs in phase 1
- **Total funding to support delivery of phase 1, £5.3m**

5.2 Through the Rossendale, Together Housing and Barnfield (RTB) Joint Venture Partnership, a Development Agreement between the Council and Barnfield Investment Properties is currently being agreed - under-pinned by a fixed price offer from Barnfield, aligned to the available budget and which delivers the new Rawtenstall bus station, old town hall refurbishment and external works to include new car parking and landscaped areas, at Barnfield's risk.

5.3 Governance arrangement for the management of the project have been established with a new RTB Spinning Point Programme Board put in place with responsibility for delivery to the agreed project programme, in accordance with the approved budget and specified quality standards and reporting to the full RTB Board.

The Council has a designated lead senior officer for the project reporting to a chief officer steering group and has also formally commissioned a professional Employers Agent (Construction Cost Consultant) Donald Lomax and Partners to protect the interest of the Council through a schedule of services including project management, quality and cost control and to ensure progress of the works are maintained to the master programme and, report on

a monthly basis to both the Programme Board and the chief officer steering group.

- 5.4 At this stage it is expected that early in January 2017 hoardings will be erected marking out the site boundary and once in place the demolition programme for the Police station, one stop shop and the part of the old town hall not being retained will commence and site clearance work will begin. Subject to weather and any other eventualities demolition will take between 6 to 8 weeks – a site plan showing the hoardings line (and the wider site boundary) is attached as appendix 1 (a copy of the proposed hoarding design will be presented to the meeting of the Cabinet on 30<sup>th</sup> November). Construction work will formally start on site following completing of the demolition phase with completion of Spinning Point phase 1, expected in summer 2018

The current public toilet facilities are to be replaced by temporary toilet facilities throughout the duration of the construction and to compensate for a small number of lost car parking spaces off Lords Street, the new car park to be developed on the site of the old police station is to be prioritised and established as soon as practically possible following demolition and will provide approximately 30 spaces, it is intended to confirm the precise timeline as part of the scheduled Spinning Point information briefings in early January. Detailed consultation and involvement of LCC highways team and Rosso buses is currently on-going to establish an agreed highway scheme to manage the impact of the hoardings line to the front of the existing old town hall building on Bacup Road, in order to preserve a pedestrian footpath and both easterly and westerly bus and traffic flows.

- 5.5 A feature of phase 1 of the project is improvement to parking facilities in the town centre – options are to be developed to maximise use of parking facilities, respond to the needs of different users / visitors. The views of residents, local businesses and partners will be sought as a strategy is developed over the first half of 2017, with Full Council taking the final decision on the proposals.
- 5.6 All of the formal agreements for the development including the Development Agreement; Grant Funding Agreement with LCC; Agreement to lease with Together Housing and Local Growth Funding Agreement are progressing to the final stages in accordance with the report approved by Full Council on 6<sup>th</sup> July. The RTB Board is due to meet on 2<sup>nd</sup> December, to confirm use of Local Growth Fund monies for the refurbishment of the Old Town Hall, external works, retrospective claims for costs incurred in the previous planning applications and a partnership approach to delivering the final agreed outputs.
- 5.7 As part of the Council's commitment to the RTB Joint Venture, phase 2 of the Spinning Point will be developed by RTB. The vision for phase 2 and the master plan for the town centre will be the subject of further involvement and engagement with local residents and businesses, the Chamber of Commerce and key partners and stakeholders starting in early 2017.

Early and outline timescales at this stage suggest that work on site for phase 2 will begin as phase 1 is completed in summer 2018 and is expected to be completed by summer 2020.

- 5.8 A detailed communication plan has been developed by the RTB Partnership Communications Group. This document will be a working document throughout the whole of the Spinning Point development and will be updated and expanded as new milestones approach. The plan aims to deliver varied and far reaching communication so that the community are kept fully up to date with the delivery of the project. Given the magnitude of this development there will be a mix of online and printed communication, from the RTB Website hosting photos and videos of the development to key updates going in a notice board on site. Spinning Point also has a

twitter account which will be used during development as another means of communication. The use of new and varied communication methods is reflective of the type of development taking place and the importance the partnership places on effectively communicating to our community. Hoardings have been developed for the site to provide information on the RTB Partnership, how to find out more about the work being carried out and public viewing holes so that people can see the development take shape.

Spinning Point Information sessions will take place early in January, in advance of the hoardings being erected and the demolition programme starting. The sessions will be attended by senior officers from the Council and Barnfield and will be an opportunity for local residents and businesses to learn more about the programme of work for the development, the key dates and timeline for the construction, together with information and updates on car parking and how we plan to share details of progress and access to information on the development.

**COMMENTS FROM STATUTORY OFFICERS:**

**6. SECTION 151 OFFICER**

- 6.1 Financial matters and their associated risks are noted in the report.
- 6.2 Given the funding and financial arrangements the Council will be entering into a fixed price contract with Barnfield Investment Properties currently valued at £5,254,111.

**7. MONITORING OFFICER**

- 7.1 All necessary legal agreements will be executed as outlined in the body of the report. A continual review of the governance arrangements as the project progresses will be in place in order to mitigate the identified risk and to avoid legal challenge.

**8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT**

- 8.1 There are no policy implications

**9. CONCLUSION**

- 9.1 Final project arrangement will shortly be in place to commence Phase 1 of the Spinning Point development early in the New Year with ambitions for Phase 2 to commence, consecutively, immediately following phase 1 in 2018.

**Background Papers**

Document	Place of Inspection
Report to Full Council 6 <sup>th</sup> July 2016	Council website