

**Report to the Deputy Leader of the County Council**  
**Report submitted by: Director of Corporate Commissioning**  
**Date: 12 January 2017**

**Part I**

Electoral Divisions affected:  
Rossendale East;  
Rossendale North;  
Rossendale South; and  
Rossendale West;

**Rawtenstall Bus Station**

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**Executive Summary**

In February 2012 an allocation of £3.5 million was approved by Full Council for the construction of a bus station in Rawtenstall to improve the economic prospects of the Borough. In addition, the Lancashire Enterprise Partnership (LEP) at its Board meeting on 14 June 2016, approved a £1.9 million Growth Deal funding allocation towards the Spinning Point development. The Spinning Point development includes the provision of a new bus station at Rawtenstall.

In July 2016, the Deputy Leader approved that, subject to Rossendale Borough Council accepting and agreeing to the terms of a Grant Funding and Management Agreement, the County Council would also provide £0.512 million towards the future maintenance and development of the facility.

This report is requesting an additional £19,350 for the Rawtenstall bus station facility comprising:

- A further £5,000 towards the future maintenance and development of the facility omitted from the report approved in July 2016; and
- £14,350 to fund County Council design fees.

### **Recommendation**

The Deputy Leader of the County Council is requested to approve that an additional £19,350, funded from prudential borrowing, is added to the Rawtenstall bus station allocation as follows:

- (i) £5,000 to be transferred to Rossendale Borough Council for the future maintenance and development of Rawtenstall bus station facility making a total allocation of £517,000; and
- (ii) £14,350 to be used to fund additional design fees.

### **Background and Advice**

In February 2012 an allocation of £3.5 million was approved by Full Council for the construction of a bus station in Rawtenstall to improve the economic prospects of the Borough. In addition, the Lancashire Enterprise Partnership (LEP) at its Board meeting on 14 June 2016, approved a £1.9 million Growth Deal funding allocation towards the Spinning Point development. The Spinning Point development includes the provision of a new bus station at Rawtenstall. The LEP's funding approval is subject to all other funding being approved and secured for the scheme and a commitment from Rossendale Borough Council that they will manage and operate the bus station for a period of 25 years. A Grant Funding Agreement is currently being prepared with the scheme sponsor to access Growth Deal funding.

In October 2014, the Cabinet Member for Highways and Transport gave approval for £0.1 million of the County Council's approved allocation of £3.5 million to be released to proceed with design works and assessments that were required to apply for planning consent. Of this £61,221 has been transferred to Rossendale Borough Council. The County Council has undertaken design checks on the proposed bus station to assist with securing planning consent. Fees in connection with this totalling £32,550 were charged to the project in 2015/16. However, only £18,200 of these fees should have been set against the approved capital allocation of £3.5 million resulting in a funding shortfall of £14,350.

In July 2016, the Deputy Leader approved that, subject to Rossendale Borough Council accepting and agreeing to the terms of a Grant Funding and Management Agreement, the County Council would provide funding of £3.4 million towards the bus station construction costs and £0.512 million towards the future maintenance and development of the facility. It was agreed that the total of £3.912 million would be funded from prudential borrowing, in line with the strategy approved by Cabinet on 21 January 2016 to cease funding capital projects from revenue and reserves and utilise more prudential borrowing. The allocation requested for future maintenance and development of the facility should have been £0.517 million, a shortfall of £0.005 million.

It is therefore proposed that an additional £19,350, funded from prudential borrowing, is added to the Rawtenstall bus station allocation comprising:

- £5,000 for the future maintenance and development of Rawtenstall bus station facility making a the total allocation of £0.517 million funded by the County Council;
- £14,350 to fund design fees.

The overall position is therefore as set out in the table below:

	<b>Design £m</b>	<b>Future Maintenance and Development £m</b>	<b>Total £m</b>
Approved July 2016	3.500	0.512	4.012
Further approval sought in this report	0.014350	0.005	0.019350
<b>Revised Total Approval January 2017</b>	<b>3.51435</b>	<b>0.517</b>	<b>4.03135</b>
Less already paid to Rossendale BC	(0.061221)		(0.061221)
Less already charged to project re LCC fees (0.018200 plus 0.014350)	(0.032550)		(0.032550)
<b>Balance Outstanding</b>	<b>3.420579</b>	<b>0.517</b>	<b>3.937579</b>

Subject to the completion of a legal agreement, the outstanding payment to be transferred to Rossendale Borough Council for the provision of a bus station is £3,420,579 and the outstanding payment with regard to the future maintenance and development is £517,000.

### **Consultations**

The County Council undertook extensive consultation on the bus station proposals in the development of the East Lancashire Highways and Transport Masterplan. The adopted Masterplan includes the delivery of a new bus station in Rawtenstall. During the planning process which culminated in approval being granted in March 2016, extensive consultation took place.

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

The LEP's funding approval is subject to all other funding being approved and secured for the scheme and a commitment from Rossendale Borough Council that they will manage and operate the bus station for a period of 25 years. A Grant Funding and Management Agreement is currently being prepared with the scheme sponsor to access Growth Deal funding. Failure to secure this additional funding may jeopardise the Grant Funding and Management Agreement which in turn would render it highly unlikely that a bus station would be built in Rawtenstall, a key

element of the East Lancashire Masterplan and jeopardising the Spinning Point development.

### **Financial**

It is proposed that the additional allocation totalling £19,350 is funded from prudential borrowing.

### **List of Background Papers**

Paper	Date	Contact/Tel
Rawtenstall Bus Station Proposed Design Funding Agreement	30 October 2014	Dave Gorman, (01772) 534261
Rawtenstall Bus Station	16 July 2016	