

Report to:	EXECUTIVE
Relevant Officer:	Alan Cavill, Director of Place
Relevant Cabinet Member	Councillor Simon Blackburn, Leader of the Council
Date of Meeting:	20 th July 2015

ACQUISITION OF LAND FOR CENTRAL STATION SITE DEVELOPMENT SITE

1.0 Purpose of the report:

- 1.1 Further to decision EX 19/2015, to seek approval for the acquisition of Bonny Street Police station and lease back for the Police to occupy the Station until they move and for the granting of a legal agreement for the Police to use Municipal Buildings for their Town Centre team.

2.0 Recommendation(s):

- 2.1 To approve the acquisition of Bonny Street Police station for £3,200,000.
- 2.2 To authorise the temporary Prudential Borrowing to fund this purchase.
- 2.3 To approve the granting of an appropriate tenancy of Bonny Street Police Station to Lancashire Constabulary.
- 2.4 To approve the granting of an appropriate legal agreement for the shared accommodation at Municipal Buildings.
- 2.5 To ring-fence the income from the two legal agreements outlined in 2.3 and 2.4 towards the associated of acquisition and the temporary Prudential Borrowing associated with this acquisition.

3.0 Reasons for recommendation(s):

- 3.1 The site is contained within the former Central Leisure Quarter and is considered to be a key site for inclusion within any future large scale development. The early acquisition will help with the site assembly whilst the ability to lease back the accommodation which new facilities are constructed is consistent with joint working.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

To not acquire the Police Station at Bonny Street. Whilst this initially a cheaper option the main reason for the lack of development at Central Station site to date is the incompleteness of the site and the fact that the courts and Police Station are both incompatible both visually with a modern leisure development .

In the interests of making a development on Central Station site possible and viable the preferred option is to acquire the Police Station and make it part of the development site that will come forward at a future date.

Moving the Town Centre policing team to the new site or a location other than Municipal Buildings were also considered as options. From a Community Safety point of view the Council could not support there being no direct Police presence in the Town Centre and the location of key services together in Municipal Buildings is an opportunity that it is recommended that the Council and partners pursue.

4.0 Council Priority:

4.1 The relevant Council Priorities are:

- Create safer communities and reduce crime and anti-social behaviour
- Attracting sustainable investment and creating quality jobs

5.0 Background Information

5.1 The Executive at its meeting on the 9th March 2015 resolved to start negotiations on the possible purchase of Bonny Street Police Station from Lancashire Constabulary and to receive a further report on the terms for that acquisition and their funding (Executive Decision EX19/2015 refers).

5.2 The Council has been negotiating with the Police regarding their move away from Central Station site for almost 10 years to facilitate the development of the area and make any proposal more viable. The acquisition of the police station is seen as a key element to opening up development and whilst the Council could contemplate making a CPO to acquire the remaining properties , it would best if these could be acquiring by negotiation , especially when dealing with another public agency.

- 5.3 The Central Station Site was identified as a key priority in the Lancashire Growth Deal and as such the Council has received funding and Government support to help to develop the site.
- 5.4 The Police are now merging divisional areas so the opportunity has arisen for them to consider a move to service the new area more appropriately. The availability of the former Progress House site has been key in making this acquisition come forward and the disposal of this site to Lancashire Constabulary is reported separately to this Executive meeting.
- 5.5 Whilst the new divisional headquarters is constructed it is intended to offer the Lancashire Constabulary an excluded lease back of Bonny Street for a maximum period of five years.
- 5.7 In order to provide for a continuing presence of the Town Centre Policing Team terms have provisionally been agreed for them to take accommodation at the Municipal building thereby by establishing shared working facilities, for a period of at least five years.
- 5.8 Does the information submitted include any exempt information? No
- 5.9 **List of Appendices:**
- None
- 6.0 **Legal considerations:**
- 6.1 The interest to be acquired is the freehold interest
- 6.2 Appropriate tenancy agreements need to be granted to Lancashire Constabulary in respect of their occupation of Bonny Street and Municipal Buildings.
- 7.0 **Human Resources considerations:**
- 7.1 None
- 8.0 **Equalities considerations:**
- 8.1 None

9.0 Financial considerations:

- 9.1 There will be payment of £3,200,000 to Lancashire Constabulary to reflect the value of the property as was determined by the District Valuation Office.
- 9.2 The tenancy agreements in respect of the occupation at Bonny Street Police Station will be for a period of approximately two years dependent upon the completion of a new building at the former Progress House site (the maximum period will be five years as outlined in 5.5).
- 9.3 The money received from the Police for the occupation of Municipal Buildings will be ring-fenced to cover the temporary Prudential Borrowing required for the acquisition and the capital sum will be realised once the development partner is identified and lettings or sales commence. If the costs of Prudential Borrowing exceed this figure then they will be met from the Places Departmental budget. This temporary borrowing period will be no less than two years and no greater than five years.
- 9.4 The tenancy agreement at Bonny Street will be on the basis that the Constabulary will be responsible for all outgoings, including repairs and insurance.

10.0 Risk management considerations:

- 10.1 If the acquisition of Bonny Street Police station is not progressed this could prejudice a comprehensive redevelopment of the Central Leisure Quarter
- 10.2 Should the tenancies of the Bonny Street Police station and Municipal Buildings not be granted there will be a lack of police presence in the town centre.

11.0 Ethical considerations:

- 11.1 None

12.0 Internal/ External Consultation undertaken:

- 12.1 Working Groups involving Planning, Estates and Highways and external consultants appointed by Lancashire Constabulary have been created.

13.0 Background papers:

- 13.1 None

14.0 Key decision information:

- 14.1 Is this a key decision? No, the Decision is subsequent to previous key decision EX19/2015
- 14.2 If so, Forward Plan reference number:
- 14.3 If a key decision, is the decision required in less than five days? No
- 14.4 If **yes**, please describe the reason for urgency:

15.0 Call-in information:

- 15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No
- 15.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: N/A Date approved: N/A

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members in attendance:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1