



Report of : Chief Asset Management Officer

To : Executive Board

Date: 22 July 2009

**Subject: PROPOSED LEASE OF LAND AT PUDSEY BUS STATION, CHURCH LANE,
PUDSEY, LEEDS 28**

Electoral Wards Affected:

Pudsey

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

Executive Summary

Leeds City Council has been working with WYPTE (METRO) and the Outer West Area Committee to improve the current bus facilities in Pudsey. It is proposed to redevelop and expand the existing bus station in Pudsey. This will make it more attractive and accessible to passengers. More information will be provided to passengers and the existing bus stops in Church Lane will be relocated within the new bus station.

35 car parking spaces will be lost in Market Place as part of the extension to the bus station, however, an additional 16 spaces have already been provided in the Leisure Centre car park, and 18 further short stay spaces are included on Longfield Road and Church Lane. The associated highway works with this scheme will maximise the provision of loading bays, disabled bays and resident parking in the vicinity of the bus station.

Approval was obtained to the Council giving a contribution of £767k from the Integrated Transport Scheme within the approved capital programme which is eligible for 100% government funding.

The site of the current bus station is partly used as a car park and is owned by Leeds City Council. The WYPTE were granted a licence in 1980 to use part of the site for a bus station. It is proposed now to lease the whole of the subject site to the WYPTE in order for them to create a new bus station within the centre of Pudsey. A building agreement will be entered into with WYPTE to enable the facility to be constructed, upon completion of the works on 99 year lease at a peppercorn rental will be completed.

Approval is sought for the Council to enter into a building agreement and to a lease of 99 years at less than best consideration using its powers under General Disposal Consent (England) 2003.

1.0 Purpose of This Report

1.1 The purpose of this report is to seek approval to the terms of the lease and approve a less than best transaction.

2.0 Background Information

- 2.1 Leeds City Council has been working with Metro and the Outer West Area Committee to improve the current bus facilities in Pudsey. A joint project has been agreed for a major £2.5m redevelopment of the Bus Station in Pudsey. Leeds City Council will be contributing £767k towards highway works which are required to accommodate the redevelopment of the bus station. The scheme is in line with Metro's Strategy of creating high quality interchanges across West Yorkshire. It is also consistent with the transport improvement priority of the Leeds Strategic Plan 2008 – 11.
- 2.2 As part of the Pudsey Town Centre Action plan 2003, it was agreed that the bus station needed to be more accessible and attractive to users and providing more passenger information. The existing bus station comprises of three individual drive-through stands and is on a site which shares with a 35 space car park.
- 2.3 In order to cater for the improved bus station facilities, it is recognised that the area currently occupied by the car park will be required. The loss of car parking has been compensated by the remodelling of the adjacent leisure centre car park; this was done in May 2007.
- 2.4 In order for Metro to develop the site as a bus station, a request has been made by them to occupy the site by way of a 99 year lease.
- 2.5 In December 1980, a licence was granted to WYPTE to occupy part of the proposed site on Church Lane as a bus station. However, the site in question at Church Lane is now used by the adjoining car park. It is understood that the area was switched in the early 80's without changing the terms of the licence. It is proposed that the licence be terminated once the new lease is entered into.
- 2.6 Planning permission was granted in 2008 subject to the resolution of three issues:
- i) the provision of cycle parking within the bus station
 - ii) the provision of disabled parking bays on Crawshaw Hill; and
 - iii) the replacement of the 35 short stay parking spaces which have been addressed and provided for within the scheme.
- 2.7 The Executive Board approved on the 8 October 2008 the design and implementation of associated highway works to the redevelopment of Pudsey Bus Station at a cost of £766,750 to be met from the Integrated Transport Scheme within the approved capital programme.

3.0 Main Issues

3.1 The subject site extends to 900m² (1076 sq yds), situated off Church Lane, Pudsey, and is currently used as a bus station and 35 bay car park. The market value of the site is considered to be in the region of £600,000, as part of the site could be used for a small retail development, if it was not proposed to extend the current bus station facility.

3.2 It has been provisionally agreed that the Council will let the site on the following terms:

- (i) A building agreement will be granted initially to allow the building works to be completed.
- (ii) Upon completion of the building agreement it is proposed to grant the WYPTE a 99 year lease contracted out of the Landlord and Tenant Act 1954.
- (iii) The lease can be terminated by either party by giving 6 months notice at any time should the premises no longer operate as a bus station.
- (iv) The site to be used as a bus station only. No retail outlets will be allowed except for mobile and vending machines, ATM, and advertisements will be permitted. The income received from these sublets is to be used by the manager of the site to maintain the quality of the bus station, cleaning, maintenance and staffing costs.
- (v) No free standing advertisements will be permitted and all advertisements to be in line with Council policy.
- (vi) The tenant will not be permitted to assign or sublet either part or whole of the premises, except contracts for vending machines, ATM's and advertisements. However the tenant will be permitted to assign the premises to another bus operator or to an Integrated Transport Authority or similar with consent of the Council.
- (vii) The tenant will be responsible for all repairs to the premises together with the insurance of the premises.
- (viii) The site will be let to the WYPTE at a peppercorn rent.
- (ix) The tenant to pay the Council's Surveyor's costs in relation to the lease amounting to £1,000 together with the Council's legal fees.

3.3 It is considered that the site be let at a peppercorn rent as the development supports the Council's Environmental Policy and encourages regeneration of the towns facilities. The lease terms are very restrictive as the site can only be used as a bus station and cannot be assigned or sublet on a commercial basis. The scheme is costing WYPTE in the region of £1.75m to construct without a return to the investment in line with normal property transactions.

4.0 Implications for Council Policy and Governance

4.1 The redevelopment of the bus station will, in accordance with the Council's Environmental Policy, help reduce the transport related energy consumption and reduce the effects n climate change. The new bus station will help bring more trade

into the town centre, which will continue to improve and regenerate the facilities in the town and contribute to the policy of closing the gap.

- 4.2 The scheme would assist with the council's objectives by improving the transport links with the City Centre and contribute to the policy of closing the gap by improving the local economy as the development will bring about the comprehensive redevelopment and regeneration of this part of Pudsey.

5.0 Legal and Resource Implications

- 5.1 The Assistant Chief Executive (corporate Governance) has confirmed that the disposal of the property by way of the grant of the Lease at less than best consideration falls within the terms of s123 of the Local Government Act 1972 and the General Disposal Consent (England) 2003. The General Disposal consent enables the Council to make a disposal at less than best consideration in circumstances where the receipt the authority shall be foregoing does not exceed £2 million, and considers the disposal is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the whole or any part of its area ,or all or any persons resident or present in its area".

6.0 Recommendation

- 6.1 In light of the content of this report, Members are recommended to approve the disposal of the site to WYPTE by way of a 99 year lease at less than best consideration.

Background papers

There are no background papers.