
Meeting: EXECUTIVE

Portfolio Area: Environment & Regeneration

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TOWN CENTRE REGENERATION UPDATE

KEY DECISION

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1 PURPOSE

- 1.1 To update Executive on the regeneration projects taking place in Stevenage Town Centre and specifically to request:
- a) in principle agreement for the funding for the design and construction of the new bus interchange to be included as part of the draft Capital Strategy in January 2019.
 - b) approval to develop a business case and timetable for the development of a new leisure facility
 - c) approval to undertake an options appraisal for the Stevenage Arts and Leisure Centre

2 RECOMMENDATIONS

That Executive:

- 2.1 Note the progress on regeneration activity across the town.
- 2.2 Note the delay in accessing Growth Deal 3 funding that has been allocated to Hertfordshire LEP to support the regeneration of Stevenage town centre, and the potential implications of this delay continuing.
- 2.3 Agree the proposed approach to development and consultation for a new bus interchange.
- 2.4 Agree to proceed with the next stages of the bus interchange project with an estimated cost in the region of £6.1m, and request Officers to bring forward funding options in the draft Capital Strategy in January 2019 should Growth Deal 3 funding continue to be delayed. This assessment should set out the implications of prioritising funding this infrastructure and mitigation available.
- 2.5 Authority for the necessary purchase or lease of land, together with resolution of any current lease and restrictive covenant and other legal issues to enable

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the sites to be assembled is delegated to the Strategic Director (TP), having consulted with the Portfolio Holder for Environment and Regeneration.

- 2.6 Approve the Council seeking delegated authority from Hertfordshire County Council to make Traffic Regulation Orders in order to facilitate the delivery of a new bus interchange facility.
- 2.7 Delegates authority to the Strategic Director (TP), having consulted with the Portfolio Holder for Environment and Regeneration to authorise the sealing of Traffic Regulation Orders following the consultation period and consideration/resolution of any objections received.
- 2.8 Gives approval to develop a business case and associated timetable for the development of a new and enhanced leisure facility to be located on St George's Way.
- 2.9 Approves the undertaking of an options appraisal for the Stevenage Arts & Leisure Centre with a view to developing the theatre and cultural offer within the town centre.

3 BACKGROUND

- 3.1 The regeneration of the Town Centre is the top priority for Stevenage's residents, businesses, and for Stevenage Borough Council as highlighted within the Future Town Future Council (FTFC) Programme.
- 3.2 The Council worked closely with its partners including Hertfordshire County Council, Hertfordshire Chamber Of Commerce and Industry, Hertfordshire Local Enterprise Partnership and Homes England to develop the Stevenage Central Framework ("the Framework") which was approved by Executive on 24 July 2015.
- 3.3 The Framework sets out a clear vision and the scale of opportunity within a regenerated town centre has been used as the basis for the development of planning policy, including the Local Plan as well as the foundation for developing subsequent regeneration schemes.

The Framework set the vision to reinvigorate the centre of Stevenage and ensure that it represents the aspirations of its people and makes provision for the opportunities they seek. The overall vision is to reimagine the town centre, with a range of facilities for people to enjoy, including cultural facilities, places to eat and drink, high quality public realm, celebrating the heritage of the town, creating new and quality homes and office spaces, and improving the retail experience. The Framework identified that the 6 Major Opportunity Areas in the town centre could deliver over 30,000m² of new retail, 60,000m² of new office and over 3000 new homes.

- 3.4 The Framework identifies the need to move the bus station from its current location, both freeing up significant development opportunities, and delivering

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a greatly improved facility for the wider town's transport network. The Framework says *"A public transport hub will allow Town Square to be expanded and rejuvenated to incorporate new development and activities. Its location should be driven by the opportunity to interchange with the railway station but balanced with providing convenient access to the town centre"*

- 3.5 The brief for the Framework also identified the potential to enhance several town centre leisure and cultural facilities including Stevenage Arts and Leisure Centre (SALC), the Swimming Centre and the Stevenage Museum. Stevenage already benefits from a theatre that is highly regarded, well used swimming and leisure facilities, and a highly valued town museum. The Council's proposed approach is to consider how these facilities can be further enhanced or developed to benefit local residents, and to play a role in regenerating the town centre.
- 3.6 This report provides a short overview of how the regeneration plans are progressing for Stevenage town centre. The Council and local partners have been proactive in bringing forward the regeneration of the town centre, initiating a range of projects and through enabling activities such as planning advice to private led developments. Key areas of regeneration activity that have completed in the last two years or are currently underway include:
- **Vision and funding:** Agreement of Stevenage Central Framework by Stevenage Borough Council and local partners, benefitting from £15m Growth Deal 1 funding. A successful bid was made for Growth Deal 3 funding (£19m) in 2016-2017, and Hertfordshire LEP are awaiting this funding.
 - **Public realm:** Completion of public realm works in Littlewood Square and Forum Square.
 - **Market Place:** Completion of new play-trail and high quality public realm in Market Place.
 - **Way finding:** Implementation of new way finding signage which recognises the history and heritage of the town as well as providing accessible and engaging information.
 - **Park Place:** Private developer completing 202 new homes, new retail premises and new public realm.
 - **Queensway:** Planning permission granted for conversion of parts of northern Queensway including new retail occupiers, leisure use, office occupiers and new residential units, as part of an initial £50m redevelopment.
 - **Brickdale house, Vista Towers, Skyline, Six Hills House, Six Hills House extension:** Completion of 366 homes and apartments by private developers, largely through use of Permitted Development rights.
 - **Matalan site:** Sales process underway, led by landowner to regenerate the existing site.
 - **Stevenage Works:** Skills development and employment package in place to support major building contracts and developments in Stevenage and provide opportunities to local people, working in partnership with builders, Job Centre Plus and North Herts College.

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- 3.7 In addition, the Council is leading a major scheme, the SG1 development, having appointed Mace as its preferred bidder for this scheme. This brings forward step change in the town centre as set out below. A range of enabling activities are now required to support the delivery of this scheme including:
- Land assembly
 - Completion of legal agreements between Mace and SBC
 - Preparation of detailed planning application
 - Preparing to decant current occupiers from Swingate house and other sites
- 3.8 As the regeneration plans for the town continue to progress, the Council will also be taking steps to develop a new high quality bus interchange, develop plans to refresh the town square and conservation area using an existing £4.5m budget, and continuing to enhance the offer in the town centre through active town centre management. This includes provision of new free Wi-Fi, a vibrant programme of events and activities, new web-based shopping apps, active engagement with current and potential retailers to promote the town.
- 3.9 The Framework envisaged different phases of work being brought forward to reflect market conditions and deliverability. Individual projects can take some time to develop from an early concept into a funded plan and implemented new building or service. We are now proposing to commence detailed work to prepare for the next phases of regeneration within the town centre, looking in particular at the opportunities to enhance the leisure and swimming offer, and theatre and cultural offer for the town.

SG1

- 3.10 SG1 will be the first major phase of regeneration, delivering two of the six Major Opportunity Areas (MOA) identified within the Framework and acting as a catalyst to deliver major place shaping changes to the town centre.
- 3.11 SG1 is a mixed-use scheme, incorporating active ground floor frontages with residential uses above. The ground floor uses will include creating new places to eat and drink around a new garden square in the heart of the town. The scheme will also help transform the delivery of public services through the delivery of a multi-functional community facility which acts as a one-stop-shop for public services including health, library and Council services and condenses from around five existing sites into a single more efficient facility. The scheme is characterised by high-quality public spaces with the new garden square and a new linear park to the south of the development, and supply of new homes for the town centre.
- 3.12 The redevelopment of SG1 will reinvigorate the town centre, transform the built environment and deliver key buildings of unique character and landmark quality. SG1 will deliver a series of high standard new buildings. This approach allows the heritage assets of the town to be maintained and where possible enhanced by the contemporary new architecture. The SG1 proposals provide the design catalyst for creating exciting new high quality public realm within Stevenage. Maximising opportunities for light penetration

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and 'greening' the urban environment, the new landscape of public spaces will encourage visitors and residents to sit, stay and enjoy being in the Town Centre.

- 3.13 Since Executive approved Mace as the Councils preferred development partner for SG1 in January 2018 a great deal of work has taken place to progress the scheme and the associated legal arrangements.
- 3.14 The final drafting checks are being made to the Development Agreement and supporting documents in order for the Council and Mace to sign the agreement.
- 3.15 Work to facilitate the SG1 development has been ongoing while the legal arrangements for SG1 have been taking place. This has included a range of activities given the size and nature of the SG1 regeneration scheme and some of this work is highlighted in the paragraphs below.
- 3.16 Officers have been progressing land assembly required to bring the scheme forward and the acquisition of the freehold of 1 Town Square was completed on 8th November and discussions are continuing with other land owners over further acquisitions.
- 3.17 Work to gain vacant possession of Swingate House ahead of the first phase of SG1 has also been underway including the development of proposals to move the CCTV function to an alternative location. A contractor has been procured to manage the construction of the new CCTV control room and implement the required transmission solution with work on the new facilities due to start in January 2019.
- 3.18 The Council has been working with the public and private sector tenants of Swingate House to ensure that they can vacate the building ahead of its handover to Mace. Work with partner organisations such as Citizens Advice Stevenage, Stevenage Age Concern and Stevenage Credit Union continues to provide options for temporary relocation in the months ahead.
- 3.19 A cross-partner group has been formed to continue the design development and partnering arrangements for the new public sector hub. This group will work with Mace as the proposals are developed and designs for the new building will be shared with the public in due course.
- 3.20 A bid for £250k of One Public Estate funding, from the Cabinet Office, to create further integration of public sector services and to help speed up the delivery of the public sector hub building has been rated as Herts Property Partnership's top bid and has now gone forward for national consideration.
- 3.21 The Council will be required to fund the delivery of the hub with the monies from the land receipts that the Council will receive from SG1. Partner organisations will be expected to contribute in accordance with the level of space that they will be taking in the new building. Some of the cost of the design work for the new building will need to be spent ahead of receiving the

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first payments from Mace and this will be set out in the February Capital Strategy report.

Stevenage Bus Station

- 3.22 The current bus station is situated in the centre of the SG1 development and its relocation is an essential component of delivering a comprehensive redevelopment of the town centre and provision of better facilities for residents. While a planning application is yet to be submitted by Mace, it is anticipated that the current site is expected to be the location of the 'garden square' and surrounded by new restaurants, cafes, and potentially shops. To achieve and enable the transformation of the town centre, a new and enhanced bus interchange will be needed.
- 3.23 Having funding secured for the design and construction of a new Bus Interchange is one of the Council's obligations to Mace as part of the SG1 agreement, and to enable the delivery of specific phases of delivery. Officers anticipate a new bus station will be required by the end of 2021 as part of the contractual agreements with Mace.
- 3.24 In order to meet this timescale officers propose going out to tender for a contractor to deliver the design and build of a new bus station in March 2019. This timescale should give enough time to complete the OJEU tender process, complete the detailed design stages, resolve any land ownership issues, secure any required statutory approvals such as Traffic Regulation Orders (TRO's) and complete the construction of a new facility.
- 3.25 The need to relocate the bus station enables the development of a modern new facility.
- 3.26 The location of the existing bus station creates an obstacle to movement across the town centre, as well as a barrier to development. It is of very basic construction, consisting of a concrete-slabbed, teardrop-shaped apron surrounded by fencing and a series of 8 basic shelters. Other than two small passenger information screens, there are none of the facilities expected in modern bus stations such as ticket information desks, toilets, or electronic gates to separate passengers from the operational area.
- 3.27 Pedestrian links between the bus and rail stations are poor despite a significant proportion of bus station users during peak hours being commuters travelling into the town to access train services to London and elsewhere, and the route between the two is not obvious to visitors to the town. The Framework, agreed by local partners, recognised the opportunity to enhance public transport options and provide greater incentive for use of public and sustainable travel. A high quality bus station for the town centre is a top priority for the Council, providing links into the town centre for shoppers, a point of connections between different types of journey, and access not only to the town centre but the station, leisure park, Gunnells Wood and other parts of the town.

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- 3.28 The professional team were appointed in early 2018 - highway engineers WYG and architects Stephen George, with cost manager Pick Everard – all have expertise and experience in delivering similar high-quality projects.
- 3.29 The agreed objectives of the Bus Interchange project are as follows:
- A modern bus interchange that provides passenger facilities and real-time information display screens.
 - Greater integration of transport services, creating a ‘transport hub’, supporting connectivity.
 - Creating the space for the SG1 development programme to progress.
 - Creating a safe, accessible and fully pedestrianised Town Centre, embracing Stevenage’s heritage.
 - Clear access in to the town centre via new and improved public realm creating an improved and extended visitor experience.
 - Developing the integration of the transport service will produce an attractive offer for businesses who may wish to invest in the town.
 - Encouraging the use of sustainable public transport into our town.
 - Congestion reduction in the town centre resulting in clearer air.
 - Allowing increased capacity for bus services, recognising the increase in new homes across the town, and the expected modal shift towards sustainable transport.
- 3.30 An early element of the SG1 proposals is Plot B, consisting of a mixed use block of ground floor retail and residential on upper floors as well as a new garden square in the area adjacent to the McDonalds restaurant, and including a significant amount of the existing bus station site. Plot B falls into Phase 2 of Mace’s draft programme, which suggests that the bus station would need to be vacated at an early stage. This will mean that the project team will be working to deliver a new bus interchange facility before vacant possession is required by the end of 2021.

GD3 funding

- 3.31 Central government (Cities and Growth Unit) managed a growth funding bid cycle during 2016. As a result of a strong bid put together by Hertfordshire LEP and Stevenage Borough Council, Hertfordshire LEP was allocated £19 million for projects in the Stevenage town centre from Growth Deal 3 (GD3) bidding round. The Growth Deal 3 package for Stevenage included funding of up to £8m to fund a new bus interchange, and the package was agreed in principle by Hertfordshire LEP Board on the December 2016.
- 3.32 In February 2017, a letter from central government was received confirming that new governance arrangements should be put in place for Stevenage First before the funding could be made available, to include the local MP, greater business representation and an independent Chair. The Council has confirmed to Hertfordshire LEP that it will support revision to governance arrangements, reflecting that we are now moving into a delivery-focussed stage of regeneration.

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- 3.33 Hertfordshire LEP and local partners have engaged with government to agree these revised arrangements, however, no formal response has been provided to Hertfordshire LEP by government and as such the funding has not been released. Both the LEP and Stevenage Borough Council will continue to press government for decision and release of this funding.
- 3.34 As £8million of GD3 funding was allocated work has been underway to deliver bus facilities that meet or come under this value. The £8million was broken down into £6.5million for the construction of the new bus interchange £1.5million allocated for interim arrangements, if they were required. A budget of £6.5 million will deliver a bus interchange with the construction value of £5million with the remaining £1.5million been accounted for fees and contingency.

Bus interchange operational costs

- 3.35 When developing the designs for the new bus interchange the running costs of the new facility will be carefully considered and options to minimise any potential revenue costs to the Council will be taken. These include investigating departure charges, revenue from retail units within the site, potentially chargeable facilities, looking at controlling the level of business rates through optimising mix of canopied of building area.

Consultation

- 3.36 To deliver this project, we are working in partnership with Hertfordshire County Council as both Highways and Passenger Transport Authority. Their officers helped develop a specification for the project as well as with the appointment of the design team. Through bi-weekly meetings, HCC Highways are now supporting the project by advising on both the operations aspect of the new bus facility, and acceptability of any potential changes needed to the highway layout.
- 3.37 Consultation with the Bus User Group (BUGs) has been carried out at a number of stages of the project, talking about desirable features for modern bus stations and potential locations. The group was very positive about the opportunities the project will deliver for an improved bus service across the town. They also expressed concern about rumours they'd heard about the bus station moving to the Western side of Lytton Way adjacent to the rail station, suggesting a number of accessibility issues.
- 3.38 The Regeneration Team also met with local bus operators to discuss location options and operations issues. They were pleased with the architect's proposed approach to stand layouts and new features. A challenge they currently experience is with congestion on Lytton Way in peak times, and they would be supportive of any measures that could be taken to give buses priority and shorten journey times, such as bus lanes or signalised turns.

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- 3.39 Public consultation carried out in November and into December as part of RIBA Stage 2, including location and features of the new features. A survey of shoppers on a Saturday in the Westgate Centre was carried out, followed up by separate events at North Herts College and the Rail Station.
- 3.40 The majority of consultees use the bus station when travelling to the shops, but other significant uses included access to the train station and travelling to other parts of the town and further afield to neighbouring towns. The results of the survey show a strong preference for the town centre to have a dedicated bus station (91%), rather than a series of stops spread around the centre. An enclosed waiting area, seating, live information screens and toilets were the four most requested features in a new facility. Further public consultation will take place in early 2019, in the form of an exhibition of design proposals, before the planning application is submitted.
- 3.41 In order to maximise the opportunities created from SG1 and to ensure that the town centre continues to be resilient ahead of the large schemes being delivered a range of other interventions are underway to support the town centre.

3.4 Other planned regeneration projects

Town square and conservation area

- 3.4.1 In addition to the SG1 scheme, the Council will continue to bring forward a range of other regeneration projects and activities as set out in paragraph 3.6. A key project for the Council to focus on is the enhancement of Town Square and parts of the Queensway conservation area. This includes capital investment from both Hertfordshire LEP and Stevenage Borough Council using £4.5m funding to:
- Revitalise the buildings at the north of the Town Square, to give a stronger presence to attract and retain cafes and restaurants, create a new modern flexible working area on the upper floors, and with the potential creation of a new gallery or exhibition spaces on the second floor.
 - Transform the public realm within the Town Square, with a range of options currently being developed for consideration.
 - Investment into frontages within Queensway conservation area to lift the historic centre of the story and restore the heritage interest in the town centre.
- 3.4.2 This project gives a real opportunity to celebrate the heritage of Stevenage, while bringing forward adaptations to help revitalise the town centre. Given the listed structures in the town square and the increased consultation changes to the town square will require the project will take place in two phases with the improvements to the northern block taking place first and then the works to the square itself to follow shortly after.
- 3.4.3 A planning application on the northern block is intended to be submitted in December or early January. Consultation on the changes to the town square

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will take place early in the New Year with a planning application to follow shortly after for that element.

Queensway North

- 3.4.4 The Council's Planning Committee has approved a scheme to regenerate northern Queensway, to create more attractive retail units, introduce a new leisure use and food offer, provide office accommodation and around 120 new homes. This is anticipated to be a £50m regeneration project. This project will start on site in early 2019 and should take around two years to complete, significantly enhancing this part of Queensway and helping to reinforce the town centre.

Matalan site

- 3.4.5 A sale process is underway, with the existing site owner having secured Outline Planning consent for over 500 new homes.

3.5. Leisure and Culture proposals

- 3.5.1 The Stevenage Central Framework set out the Council's aspirations to enhance the leisure and cultural offer within the town centre to give a better range of services for local residents and to attract visitors from outside Stevenage to spend time within the town centre. The Framework envisaged that investment in leisure and cultural offers within the town centre would attract further private investments into similar offers, to create a broader mix, and to help stimulate the evening economy.
- 3.5.2 The Gordon Craig theatre is a highly valued asset to the town. In exploring options to enhance the cultural offer within the town, the council will only consider options which would further enhance the existing offer to Stevenage residents. Similarly, the current swimming centre and leisure offer (the latter being currently located within the SALC) are considered to provide a good service to the town but there is potential to widen the range of facilities available to benefit Stevenage's residents and attract further footfall to the town centre.
- 3.5.3 The aspiration to improve and enhance the town's current indoor leisure builds on the vision for a strong and vibrant town centre, catering to the leisure needs of the town's existing residents and new residents in future years. The age, structure and appearance of SALC and the Swimming Centre limit opportunities to revitalise the leisure offer added to which are the related challenges in terms of repairs, maintenance and operational efficiency.
- 3.5.4 Site appraisal options identified St Georges Way as being the most appropriate location for a new combined Wet and Dry Leisure Centre as reported to the Executive in October 2016.

The key reasons for selecting this site were:

- its proximity to the town centre and the driver to seek to increase footfall

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- the opportunity to improve the appearance of this gateway entrance to the town centre
- the opportunity to the opportunity to replace two old facilities with a state of the art destination leisure centre that meets the increasing demands needs of the town
- to reverse the high level of subsidy required for the current wet and dry leisure provision into generating a significant surplus to the Council offer.
- the potential to generate some capital via a housing scheme to help fund construction costs

3.5.5 The Sports and Leisure Consultancy (SLC) were subsequently commissioned to work with the council to develop an early business case and an appropriate facilities mix for a new wet/dry leisure centre with an enhanced offer for the town's residents at St Georges Way.

3.5.6 SLC explored a number of options in terms of the facilities mix, based on learning from elsewhere, current and future population projections and leisure industry trends. The council's current leisure provider SLL along with colleagues from Hertfordshire County Council fed into this process through an ideas generation workshop and follow-up engagement.

3.5.7 The proposed mix of facilities for a new wet/dry leisure centre would represent an enhancement over the current SALC and Swimming Centre offers by increasing the range of activities offered on the site, including a leisure water feature, enhanced gym/fitness and studio offer and a greater range of activities for children and young people.

3.5.8 Post receiving SLC's report in February 2018 officers considered an option to adapt the current SALC site to include the potential provision of a swimming pool, museum, increasing the seating capacity for the Theatre and improved ancillary facilities. The cultural elements of these proposals have been further reinforced through the publication of the town's Cultural Strategy.

3.5.9 The resulting report concluded that whilst it would be possible to accommodate the improved mix of facilities within and around the SALC site if the council was so minded, the costs of adapting the facility would be very close to that of building a new venue. The site would also likely be constrained by surrounding development.

3.5.10 Having considered the matter further it is recommended that the Council pursues the option to work up a business case and timetable to develop a new Wet & Dry Leisure Centre on St Georges Way. This will be subject to the council securing consent and support from Hertfordshire County Council and Homes England.

3.5.11 Members are also asked to agree that officers consider development / redevelopment options for the existing SALC facility including enhancement of the Theatre offer and the consideration of complementary uses. This work will be guided by the Stevenage Re-imagined Cultural Strategy which aims to make the town a destination location over the next 10 years.

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- 3.5.12 In developing options for enhancing the Theatre and wider cultural offer on / around the existing SALC site consideration will also be given to surrounding land uses to ensure a joined up and coherent approach to the regeneration of the station entrance to the town centre. This will explore how the council might stimulate income to develop a cultural scheme from wider regeneration activities or land development.
- 3.5.13 Given the significant amount of investment a new and enhanced leisure facility would require, it is clear that a detailed funding strategy will need to be developed to include a housing enabling scheme in close proximity to the town centre. The premise behind this scheme would be that a surplus would need to be generated to support the leisure investment.
- 3.5.14 A Leisure / Cultural Facilities Programme Board will be formed to guide these pieces of work forward.
- 3.5.15 It is acknowledged that community and stakeholder engagement will be a critical element of these projects. An engagement plan will be developed as part of the business planning process.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1.1 It is recommended that the Council proceeds with the options set out in this paper for the following reasons.
- 4.1.2 To enable the transformation of key parts of the town centre through the SG1 redevelopment, replacement and enhanced bus facilities will need to be provided. As set out in this report, the Council worked proactively to secure funding (in principle) from the Growth Deal 3 bidding round, ahead of commencing the procurement of a development partner for the SG1 scheme. It is anticipated that as part of the contractual agreements between Mace and Stevenage Borough Council, that there will be an obligation to provide these relocated and enhanced facilities to benefit the town, and to enable the creation of the new Garden Square.
- 4.1.3 It is also recommended that the Council proceed to consider options to enhance the theatre and leisure options as set out in in this paper.

4.2 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 4.2.1 Not providing replacement bus facilities. A condition for the legal agreements between Mace and SBC is for vacant possession of the current bus station site to be provided. Failure to deliver this could result in the Council incurring a financial penalty or significant levels of risk to the delivery of the SG1 scheme.
- 4.2.2 Holding back the bus interchange project pending release of Growth Deal 3 funding. This is not recommended, as the regeneration of Stevenage town

centre is the top priority of local residents and of the Council and further delay could result in significant disruption to the delivery of regeneration. It is recommended that the Council, Hertfordshire Local Enterprise Partnership and other local partners continue to seek positive a response from government to release this funding in a timely way.

- 4.2.3 Providing a lower cost bus facility. The design process on a new bus interchange in Stevenage has been underway for four months. This design process has been using a total budget of £6.5m given this is what was allocated through the GD3 process. To change the budget significantly now would require redesign to take place and mean that the procurement for a contractor could not start in March 2019 and therefore present a large risk to SG1.
- 4.2.4 Refrain from progressing options for enhancing the theatre, cultural and leisure provision in the town centre. This is not recommended, as it could result in delays to delivery of the wider ambitions for town centre regeneration – to help create a thriving cultural and leisure offer for the town. It is recommended that the Council carries out a thorough assessment of options to ensure the optimum solutions come forward to enhance the existing offer but also present a business case which is financially sustainable.

5 IMPLICATIONS

5.1 Financial Implications

- 5.1.1 Total cost of bus interchange £6.5m - £420k allocated in 18/19 budget with £6.1m required in future years - according to the current programme submitted by the design team, £3m would be spent in 2019/20 and the remainder in the following year.
- 5.1.2 Should the Council conclude that the bus station is integral to the delivery of SG1, due to the redevelopment of the existing site, then the Council faces significant financial challenges in delivering this. Since 2010 the Council's General Fund has seen central government funding reduce by £5.3M or 85% of grant received in 2010/11 (by 2019/20) , this has necessitated a need to make savings of £9.26Million (2010/11-2018/19) in order to maintain services and absorb inflationary pressures, with a further £2.4Million required for the period 2019/20-2021/22. The Council also faces capital constraints as the economic climate for council has limited the ability to invest in bricks and mortar which means there is significant pressure on limited capital funds with only top priority schemes and works that are required to keep buildings operational being approved.
- 5.1.3 The Council's financial position is managed through its Financial Security work stream which seeks to identify and implement a range of options to keep the Council financially stable, however the financial pressure of funding a £6.1Million bus station would necessitate significant cuts to existing plans. The Council does not have £6Million in unallocated capital resources, the existing Capital Strategy is spending £5.3Million of capital receipts/capital resources during the period 2019/20-2021/22, which is before any new need

is identified. The alternative would be borrowing £6.1 Million with an annual cost of circa £330,000, again carrying significant affordability issues in light of the issues identified above.

- 5.1.4 The conclusion by the Council's Chief Finance Officer is that to fund the bus station would require the council to:
- Put a hold on the capital programme stopping all schemes unless third party funded to allow use of some capital resources AND/OR
 - Fund from borrowing and implement service cuts and increase savings target AND/OR
 - Sell assets, however these may be income generating which could lead to a loss of further revenue
- 5.1.5 None of the options outlined above are easy or palatable for the Council and officers are making every effort to seek the release of the GD3 funding earmarked for the bus station.
- 5.1.6 The development of a detailed business case for a new enhanced leisure facility will require further investment. Estimated costs for the RIBA stages are shown below

- Stage 2 £ 302,000*
- Stage 3 £ 744,000*
- Stage 4 £ 594,000*
- Stage 5\6\7 £1,683,675**

* Excludes SBC in house costs

**Design team fees only. Excludes construction cost.

The council will need to consider funding options for these pre-build stages in 2019. Equally a redeveloped SALC site for cultural uses will require appropriate scoping and resourcing arrangements. Any further external support for this work will follow the council's procurement policy.

5.2 Legal Implications

- 5.2. There are no foreseen legal implications at this stage. All appointments and the procurement of contractors will be in line with the Public Contract Regulations and the Council's Contract Standing Orders.

5.3 Equalities and Diversity Implications

- 5.3.1 An initial Equalities Impact Assessment has been completed, demonstrating that the existing bus station has very poor access arrangements, and by following best practice and the new design being compliant with the Equalities Act 2009, the new facility will greatly improve access for all potential users. A further Equalities Impact Assessment will be completed with submission of a planning application for a preferred site in due course.

5.3.2 Equalities considerations will need to be considered as part of any business case proposal for new leisure and cultural facilities to ensure they meet the needs and aspirations of all parts of the town's population.

5.4 Risk Implications

5.4.1 The key risks and mitigation can be summarised as follows:

Risk	Mitigation
GD3 Funding not being released would lead to the Council funding the entire project.	Meetings with government offices and LEP to unlock funding
Cost Inflation – uncertainty due to Brexit and rising materials costs could lead to budget overrun.	A cost consultant has been appointed and will regularly benchmark the predicted construction costs against the agreed budget.
Public perception of interchange project – delays or changes to the proposals could lead to public cynicism that the council can deliver any of the regeneration proposals.	Public will be consulted at appropriate stages, and communications strategy implemented to ensure that regular updates are put out to keep residents and businesses informed and engaged.
Technical consents including planning permission and TROs will need to be granted.	Early and regular engagement of all relevant stakeholders to ensure that proposals are compliant with policy.
The enhanced leisure scheme on St Georges Way is unaffordable as a consequence of the detailed business case	Exploration with partners, including HCC to further develop options, including housing development opportunities to part fund the scheme.
The redevelopment of the existing SALC site is unaffordable	Further work with the Arts Council and Heritage Lottery Fund on external funding opportunities. The exploration of complementary land use options to generate income for the scheme.

5.5 Policy Implications

5.6 Planning Implications

5.6.1 It is anticipated that a planning application will be submitted for the new bus interchange in early 2019.

5.6.2 Options for enhanced theatre and leisure provision will be considered in light of existing planning policies and the Council's draft Local Plan.

5.7 Asset Management Implications

5.7.1 As set out in the report 3.35 – 3.36 the operational running costs of a new bus interchange will be considered in depth as part of the project including options to mitigate costs or generate revenue to cover operational costs.

5.7.2 SALC and Stevenage Swimming Centre are council owned assets with long leases in place with the current operator Stevenage Leisure Limited until 2023.

5.8 Environmental Implications

5.8.1 As part of the planning application, an Environmental Impact Assessment will be presented, together with supporting arboricultural, geological, SuDS and other relevant reports.

5.9 Service Delivery Implications

5.9.1 The new bus Interchange will need an increased cleaning regime and this cost will need to be picked up through the review of running costs that will need to take place in conjunction with the designs being developed. There will also be the requirement for someone to be on site, this will need to be someone from the bus operators and will be put into the new contract with the operators.

5.9.2 A detailed business plan for any leisure proposals will give consideration to any implications for the delivery of the current leisure and cultural offer from the existing sites.

5.10 Engagement and consultation

5.10.1 The main public consultation was carried out in November and into December 2018 to confirm the location of the bus interchange and prioritise features of the new facility (see 3.40), and a second consultation will be carried out in the form of an exhibition of the proposals prior to the submission of the planning application. Also representing passenger transport users, the Bus User Group (BuGs) has been extensively consulted throughout the design development process. The main bus operators have also been consulted on a number of occasions to ensure that they are happy with the operational arrangements in the new facility.

5.10.2 Additional details on the consultation that has been undertaken to date is included in 3.36 – 3.41.

5.10.3 A wide community consultation will be undertaken as part of the development of any further leisure / cultural proposals. As part of the council's cooperative ethos the process will also include co-design opportunities to ensure that existing leisure/cultural users, residents and young people also shape the design and feel of new facilities.