

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	2016/2017 Budget Setting – Bury St Edmunds Bus Station Information Building	
Report No:	CAB/SE/15/063	
Report to and date:	Cabinet	20 October 2015
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Purpose of report:	To invest in the reconfiguration of the Bury St Edmunds bus station information building to realise revenue savings and additional income.	
Recommendation:	It is RECOMMENDED that a £39,500 capital investment, as detailed in Section 1 of Report No: CAB/SE/15/063, funded from the 2015/2016 capital invest to save budget, to reconfigure the bus station information building to release revenue savings and additional income, be approved.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input checked="" type="checkbox"/></p> <p>No, it is not a Key Decision - <input type="checkbox"/></p> <p>(a) A key decision means an executive decision which, pending any further guidance from the Secretary of State, is likely to:</p> <p>(i) be significant in terms of its effects on communities living or working in an area in the Borough/District; or</p> <p>(ii) result in any new expenditure, income or savings of more than £50,000 in relation to the Council's revenue budget or capital programme;</p>	

	(b) A decision taker may only make a key decision in accordance with the requirements of the Executive procedure rules set out in Part 4 of this [the] Constitution.
<i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i>	
Consultation:	<ul style="list-style-type: none"> • St Edmundsbury staff employed at the Bury St Edmunds bus station building. • Suffolk County Council as the transport authority and provider of real time technology. • Consultation with bus station users and public was carried out in 2014 as part of the budget setting survey. • Further engagement with bus station and shopmobility users following Cabinet decision.
Alternative option(s):	<ul style="list-style-type: none"> • Letting the whole building to a third party - a market engagement exercise was carried out in 2014 to establish interest in the letting of the entire building. However, no viable arrangement was identified. • Retain the current layout and staffing arrangements – this will not release revenue savings. In addition, staff would be employed to provide information which is available via real time technology. • Close the bus station information building – This would achieve the most significant savings. However, this is not felt to be a suitable option given the importance that bus station customers place on the availability of public toilets and a sheltered waiting area.
Implications:	
<i>Are there any financial implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> An investment of £39,500 to reconfigure the building to provide a more flexible space and increase opportunities for income. See section 4 and Exempt Appendix C for further detail.
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Following the reconfiguration of the building, St Edmundsbury staff will no longer be present on site (although note Facilities Management staff will continue regular visits to clean the public toilets). Further information contained in paragraph 4.3 and 5.7 below.

<i>Are there any ICT implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Real time technology system, which is the responsibility of Suffolk County Council 	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Some shopmobility scooters are currently hired from the bus station. The bookings for the scooters are taken at the Apex and this arrangement will continue. Negotiations are taking place with a local organisation near to the bus station regarding the continued provision of scooters in that location. 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Income not generated in the lettable space as anticipated.	Medium	Effective marketing undertaken. Savings still achieved even with zero income. Modifying the building allows the council to continue to provide a waiting area for customers whilst increasing potential income.	Low
Increased possibility of anti-social behaviour due to no council staff being on site.	High	Improved CCTV system and monitoring including four new digital cameras and external monitoring. Regular checks undertaken by Facilities Management staff as per current arrangement. Responsible person available on site when lettable space rented.	Medium
Commercial provider would require planning permission to change the use of the bus station building	Medium	There are no planning conditions which restrict the use of the bus station. However, change of use may be required for the lettable area depending on the potential tenant.	Low

Review of shopmobility provision due to no staff being on site.	Medium	Apex staff remain responsible for the shopmobility service. Negotiations ongoing with a local partner to provide the service near to the bus station.	Low
Loss of existing income from sale of National Express and other coach tickets	Medium	Tickets could be sold from other sites, such as the Apex, or by other partners. Ticket income is immaterial compared to the potential savings that will be delivered through the changes recommended in this report.	Low
Ward(s) affected:	All wards		
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	None		
Documents attached:	Appendix A – Existing floor plan Appendix B – Revised floor plan Exempt Appendix C – potential income figures		

1. Key issues and reason for recommendation

- 1.1 St Edmundsbury Borough Council is required to make significant savings in 2016/17 and the bus station information building in Bury St Edmunds is an area where savings could potentially be made and/or revenue generated. Following a market engagement exercise in 2014, the current situation at the Bury St Edmunds bus station has been reviewed and there is potential for the council to invest in building modifications and upgrades to achieve budget savings and additional income.
- 1.2 It is recommended that **£39,500** capital funding be invested to make modifications to the bus station building. This will enable the customer information service to be removed and the building reconfigured into three separate areas: (i) café kiosk and waiting area; (ii) public toilets; and (iii) lettable space. This reconfiguration will have the potential to deliver a significant budget saving and generate an annual income from a café kiosk and lettable space.
- 1.3 If the request for funding is approved, staff will engage with the customers affected by the project to ensure there is minimum disruption as a result of the changes to the bus station building. It is important to note that these changes will have no impact on the running of the bus services, access to the public toilets or waiting area, all of which will be retained.
- 1.4 It is anticipated that, subject to Cabinet approval, the changes to the building will commence in early January and be completed by April 2016. The building will remain open during this time and staff will be available to support customers during the transition period.
- 1.5 Whilst there is no requirement for planning permission relating to these modifications, for transparency it is recommended that the council seek a certificate of lawful development. This can be sought subject to Cabinet approval of the recommendation in this report. The lettable area may then require a change of use and this would be applied for by any future tenant.

2. Reason for the project proposal

- 2.1 The council owns the bus station building in Bury St Edmunds. The bus station building, completed in 1996, is open between 8am and 6pm on Monday to Saturday and offers shelter, public toilets and the shopmobility service. Council staff (3.63 FTE), who are a mixture of full time and part time, provide information relating to the local and National Express bus services and assistance with other public queries.
- 2.2 Research has shown that bus stations are often owned by shopping centres, bus service providers or county councils. There are some examples where a bus

station is owned by a district council but it is not common for one to be involved in the day to day running of the facility.

- 2.3 The council is required to make significant budget savings in 2016/17 and the bus station information building in Bury St Edmunds is an area where potential savings could be made and/or revenue generated.
- 2.4 In late 2014 the Portfolio Holder agreed for staff to undertake a market engagement exercise with community groups and commercial providers with the aim of entering into contract negotiations with a suitable partner. Several expressions of interest were received from commercial providers, community groups and not-for-profit organisations but unfortunately none materialised into a lease agreement for the bus station information building.
- 2.5 Subsequent to the unsuccessful negotiations for a lease agreement for the entire bus station building, the council has explored alternative options for budget savings from the bus station.
- 2.6 Developments in transport information technology have provided the borough council with an opportunity to review the current use of the building and the way that information is provided to customers. Suffolk County Council has informed us that it plans to install real time technology by December 2015, enabling easy access to bus timetable information for customers.
- 2.7 Given the above, it is recommended that the building be reconfigured into three separate areas with further modifications, as follows:
 - a) external modifications to the building to allow direct external access to the public toilets, rather than through the waiting area;
 - b) internal modifications to split the bus station into lettable space and a waiting area to include a café kiosk;
 - c) installation of Real Time Information screens and removing the staffed customer enquiry desk (Suffolk County Council is responsible for the cost and delivery of the real time technology); and
 - d) CCTV upgrade to allow external monitoring from CCTV control room.
- 2.8 The existing floor plan is attached at Appendix A and the proposed new floor plan is attached at Appendix B.
- 2.9 The modifications impact only on the operation of the bus station information building; they would not affect bus service operators using the bus station. The modifications allow for the public toilets to be retained and access to a waiting area, albeit slightly smaller than the existing space.

3. Invest to save – benefits

- 3.1 The council has set a long term ambition of reversing its current reliance on grants and taxes and instead becoming more reliant on self-generated income. Investing in this opportunity will enable the council to make good commercial use of an asset and achieve a new income stream whilst retaining public access to the building.
- 3.2 This invest to save opportunity also supports the council's Target Operating Model for customers as it will encourage visitors to the bus station to self-serve and use the available technology for the bus timetable.
- 3.3 The council will work with local businesses and advertise the benefits of letting both the café kiosk and larger lettable area. In addition, discussions are ongoing regarding the provision of shopmobility scooters from a location near to the bus station. It should be noted that the Apex will remain the primary location for the shopmobility service.

4. Financial assessment

- 4.1 Given the need to negotiate with future potential tenants, inclusion of potential income streams from the lettable spaces in a public document would fetter the achievement of best value. Therefore the existing and current future potential costs and income are contained in Exempt Appendix C attached.
- 4.2 To make the revenue savings, the council will need to commit to the following capital investment and possible cost of change, redundancy costs (worse case scenario).
 - Capital investment for internal and external modifications to the building - £39,500
 - Cost of change, including redundancy costs (not including pension capital costs) - £46,000
- 4.3 In terms of the above redundancy costs, this is included as a worse case scenario, as staff may be identified at risk of redundancy as a result of this proposal. However, at this stage no staff are at risk: the council will seek to redeploy the staff in accordance with the Organisation Change and Redundancy Policy to mitigate the risk of redundancy. If cost of change is required to be funded, it is assumed that this will be funded from the council's invest to save reserve in line with existing delegations.
- 4.4 The capital investment costs include a small contingency to allow for additional unforeseen or unpredictable costs related to the project. No allowance has been made for the removal of the existing bus station customer counter which will remain as per the design. Furthermore, no allowance has been included for

temporary toilets to be hired as it is expected that works can be carried out with minimum disruption to existing services.

5. Next steps and timescales

- 5.1 Property Services calculate that, subject to councillor approval, all of the works listed above could be completed in approximately eight to ten weeks, phased to enable the building and services to remain open for the duration. It is recommended that, subject to Cabinet approval, building works commence in early January 2016 to avoid any disruption during the busy Christmas period. Analysis of bus station and shopmobility use shows that January and February are the quietest time of the year in terms of usage.
- 5.2 As noted above, whilst planning permission is not required for the proposed building modifications, to ensure complete transparency a certificate of lawful development will be sought, subject to Cabinet approval of the recommendation in this report.
- 5.3 Further negotiations with a local partner to provide the shopmobility scooters will continue. A communications plan will be implemented to ensure that bus station users are aware of the proposed changes and that support is in place to help during the transition period. Advertising and negotiations relating to the lettable space and café kiosk will commence.
- 5.4 Early discussions with Unison have taken place in relation to staff. Formal consultation will commence with Unison immediately after this paper has been considered, with the intention of mitigating any risk of redundancy as far as possible.