
Executive

7th November 2006

Report of the Director of City Strategy and the Corporate Landlord

Lendal Bridge Sub-Station Secure Cycle Park Feasibility Study Outcome

Summary

1. This report presents Members with the outcome of the study into whether the former Lendal Bridge Sub-Station is suitable to be converted into a secure cycle parking facility and details the options available to Members in relation to the building.
2. The report recommends a preferred option to seek 50% external match funding for the conversion of the building but if this is not available that the building is sold.

Background

3. A report was brought before the Executive on the 25th July 2006 detailing the options available in relation to the former sub-station namely, its sale or the investigation of its potential use as a secure cycle park. The owner of the adjacent café on Lendal Bridge made a presentation to the Executive at the same meeting expressing his interest in potentially using the roof of the sub-station as a seated terrace area for his customers. The Executive approved a recommendation that a feasibility study be undertaken to assess the suitability of the building as a cycle park and also the potential for a roof-top terrace and that the results be reported back to them.
4. A secure cycle park facility in or close to the city centre was one of the recommendations of the former Planning & Transport Scrutiny Panel's recent report on Cycling in York. This recommendation was subsequently included as a policy in the most recent Cycling Strategy, produced for the second Local Transport Plan (LTP2). It would also directly contribute to achieving the second corporate priority to "Increase the use of public and other environmentally-friendly modes of transport" and meets the aims of LTP2:
 - i To reduce the need to travel, especially by car, and encourage essential journeys to be undertaken by more sustainable modes;
 - ii To reduce levels of traffic congestion;
 - iii To improve economic performance in a sustainable manner;

- iv To improve the health of those who live or work in, or visit, York;
 - v To reduce the impact of traffic and travel on the environment, including air quality, noise and the use of non-renewable resources; and
 - vi To provide a transport system that is affordable and achievable in practical terms, and offers value for money.
5. The facility would also help to achieve one of the aims of the Safer York Partnership, namely, to reduce the number of cycles stolen from the city centre by providing a higher level of security in a staffed facility.
6. Halcrow Group Limited were commissioned to undertake the feasibility study which assessed several aspects of the conversion, namely:
- i Whether there was any private sector interest in operating the cycle park;
 - ii What other ancillary cycle-related services they would propose to operate from the building;
 - iii A desk-top review of similar facilities elsewhere;
 - iv The building's location and its capacity;
 - v The potential demand and from whom;
 - vi The costs of conversion and subsequent mechanisms to reclaim these costs from the operator over time, and;
 - vii Whether the roof was suitable for use a terrace area for the adjacent café.

Details of the findings of this study are included in Annex A.

7. A site visit was arranged for elected members and interested parties on Monday 30th October, at which it was possible to view the major constraints that will affect any use of the former sub-station;
- The building is listed;
 - It forms an integral part of the city's flood defences;
 - It was built as an electricity sub-station and as such will require significant alterations to enable other uses;
 - There are currently no services connected to the building which, if it is to become a staffed facility, will need to be in place to satisfy health & safety regulations, and;
 - The available floorspace is only 105m² split on two levels.

It is recognised, however, that these constraints can be overcome at a cost.

Costs of Conversion

8. An estimate of costs has been calculated to include the provision of cycle parking infrastructure, connections to the utilities, refurbishment of the building,

marketing, design, supervision and project management with an appropriate contingency. These are broken down in Table 8.1 below.

Table 8.1

Item	£
Cycle Parking (100 cycle parking units at approximately £220 each)	22,000
Connections to utilities (water, electric, sewerage, telecommunications)	26,000
Internal installation costs (electrics, fire detection, heating, extraction, WC facilities, hot / cold water)	15,310
Refurbishment of building (interior and exterior)	13,190
Marketing/publicity	2,000
Subtotal	78,500
Design/Supervision (~10%)	7,850
Project management (~10%)	7,850
Contingencies (~15%)	11,775
Grand Total	105,975

9. The costs included above for cycle parking are based on a system of at least double-decker but most probably triple-decker parking in order to enable 100 cycles to be accommodated in the limited space available. As a rough guide this is the equivalent of providing all the cycle parking spaces on Parliament Street (98 in two batches) in this building or over a quarter of the cycle parking spaces at York Station (370).
10. These costs could be recovered from the operator over a period of 15 years as part of the rental agreement but it is thought that these would be too high to make a business case viable at this site. The operator would also be expected to pay business rates and the utility bills. The business rates would potentially be set at approximately 15% of the gross receipts of the activities undertaken within the building.
11. Two alternative proposals are being considered. One was received from Chris Hartley, the operator of the adjacent tollbooth cafe, giving alternative costing, which is included as Annex C, together with officer's response. A second proposal is being prepared by Bike Rescue cycle recycling service who addressed the Executive at its meeting on 24 October 2006. At the time of going to print on the agenda that proposal had not been received, but will be tabled at the meeting.

Financial Viability of the Building

12. In order to calculate the potential income of the cycle park a generous estimate of the potential usage has been made at 80% of capacity i.e. 80 spaces. Working on a 6 days per week operation this would only generate

approximately £25K per annum based on a daily charge of £1 (this is the equivalent price being charged elsewhere in the UK at facilities which are staffed). This would indicate that in order for an operator to achieve the amount of revenue to pay the rent, business rates, staff and utility bills they would have to make a significant amount of money from their other activities. This may prove difficult due to the remaining floorspace available for ancillary purposes.

13. In order to realise the full potential of the building's uses, the following minimum floorspace requirements have been estimated based on similar uses elsewhere, such as existing bike shops, cycle hire facilities etc. shown in Table 13.1 below.

Table 13.1

Cycle Parking (raised plinth area)	55m ²
Cycle Hire	12m ²
Cycle Sales	40m ²
Cycle Repairs	20m ²
Left luggage facility	5m ²
Toilet / rest area	10m ²
Circulatory space (inc. foyer, counter)	20m ²
Total Requirements	162m²
Available floorspace	105m²

14. With innovative use of the walls it may be possible to slightly reduce the floorspace requirements, however, the available space will not be sufficient to be able to achieve anywhere near the maximum potential income to cover the outgoings. For this reason the operation of the facility is unlikely to be profitable unless the amount of space allotted to cycle parking is reduced. As the whole point of the scheme is to maximise the numbers of cycles parked this would not be advisable.
15. An use, proposed by Bike Rescue, is as an alternative home for its cycle refurbishment enterprise. Bike Rescue salvages abandoned and disposed cycles, which it then renovates to a roadworthy condition for retail. The operation contributes to the first priority of the council's corporate strategy to "decrease the tonnage of biodegradable waste and recyclable products going to landfill". It may be a more viable business proposition to provide a combination of cycle parking and cycle repair and renovation from the Lendal Bridge substation.

Use of the Roof

15. The feasibility study has indicated that it may be possible to convert the roof to a seating area for the adjacent café, however, there are many issues to be overcome, the most serious being the difference in levels between the two buildings and how this will be overcome to satisfy the Disability Discrimination Act. There would also need to be additional fire escapes installed and toilets on

the ground floor with lift-access to these. This would have an adverse impact on the viability of the ground floor operations due to the reduction of available floorspace. The costs associated with these additional works could easily double the conversion costs and would be very difficult to implement given the associated conservation issues.

Consultation

16. Both internal and external consultation has taken place relating to the conversion of the sub-station to a cycle park and the possibility of a roof-top café. The internal consultees and a summary of their responses are in Table 16.1 below.

Table 16.1

Area Team Leader, City Centre & West Development Control Team	Thought the Cycle Park would be a good use of the building. Had some concerns re. the roof top terrace due to the parapet height, the potential visual impact of any rooftop furniture and potential alterations to the tollhouse to link the two buildings.
Conservation Architect, Planning & Sustainable Development	No comments re. the Cycle Park but similar concerns to those above re. parapet height / balustrading, changes to tollhouse and visual impact of rooftop furniture.
Highways Development Control, Network Management	Cycle Park may be better located nearer the city centre, however, well located near to off road riverside cyclepaths and for passing tourist trade. CCTV coverage should be considered if facility is ever operated unstaffed. If café extends onto roof a connecting staircase is needed to better link the two facilities with mutual benefits to both.
Micklegate Ward Members	As the original proposers of the scheme they provide in-principle support for the Cycle Park.

External consultees and a summary of their responses are shown below in table 16.2.

Table 16.2

Environment Agency (EA)	The building forms part of the city's flood defences including the mass concrete floor slab, the rear wall, stop logs on the rear windows, steel internal door and external flood defence wall. The agency require access for routine inspections, maintenance, repair and during any flood events. The EA would object in principle to a proposed change of use to residential or to any use other than water compatible development.
York Cycle Campaign	Feel York's cyclists would not be willing to pay much to park their cycles, but cycle repairs, cycle hire could make scheme cost effective if there is sufficient space. Rent and rates levels should be set to enable

	reasonable income levels to be achieved
English Heritage	Proposals sound acceptable in principle but will need to be consulted further when designs / detailed drawings available as this is a listed building owned by the council. Issues which may arise include; any external ramps, alterations at roof level, the means of access from the tollhouse.
Adjacent Café Owner	May want to have access to ground floor for male/female toilets, would possibly consider operating both facilities, would consider extending opening hours of café and possibly licensing café, proposes rooftop table space for 48 people at 12 tables plus a service station, an additional fire exit probably reqd.

The York Civic Trust and the Cyclists' Touring Club were also consulted but no comments had been received back at the time of publication of the study.

Options

17. There are five options available to Members:
 - A. Sell the building.
 - B. Retain the building and convert the ground floor to a Cycle Park with other ancillary cycle-related activities at a cost of £106K repaid by the user over a 15 year period.
 - C. Option B plus further investigation of the integrity of the roof and options to enable the roof to be accessed from the café at a potential cost of over £200K repaid over a 15 year period.
 - D. Option B funded through the LTP with the conversion costs not recouped that would result in some programmed transport schemes, which would have been provided with the £106K, not progressed.
 - E. Option B but conversion costs funded through external grants and LTP funding.

Analysis

18. *Option A - Sell the building*

Advantages – The council has earmarked the sale of this building as part of its funding for the capital programme, as approved by Council on 1st March 2006. The budgeted receipt figure and implications of not progressing with the sale is included in Confidential Annex B. Failure to sell the building, will require either

- additional capital receipts to be identified,
- a compensating reduction in the approved capital programme spend, or
- a revenue cost equivalent to the cost of borrowing the lost capital receipt income (currently 4% statutory charge for the minimum revenue provision (MRP) plus the cost of interest, currently 4.65%).

A private sale is more likely to result in a more innovative use of the building to the benefit of residents and visitors. The Council can continue to have influence on the use of the building, with any development of the building being subject to planning.

Disadvantages – The council will lose a building, which has the potential to be used to deliver some of its corporate objectives.

This option is recommended.

19. *Option B - Retain the building and convert the ground floor to a Cycle Park with other ancillary cycle-related activities*

Advantages – York's cyclists will benefit from improved cycle parking facilities and the potential opportunity for a cycle repair or refurbishment service close to the city centre. Tourists will benefit from another potential cycle hire location and the potential for a left luggage facility for cycle tourists from elsewhere visiting the city. If the venture proves to be unsuccessful the building will be more valuable due to it having utility connections.

Disadvantages – The cost of conversion is high and will take up a large part of the Cycle Scheme block in the LTP capital programme. The conversion costs to the council will be approximately £106K, which will only be recouped over a 15 year period. The operator could struggle to create enough turnover to cover their costs given the space restrictions. By not disposing of the asset, the council would effectively be subsidising a commercially unviable cycle store through artificially reduced rental levels.

This option is not recommended.

20. *Option C – Option B plus further investigation of use of the roof*

Advantages – Same as for Option B plus potentially more income for the council from rent / rates. An additional café option for visitors to York with potentially excellent riverside views.

Disadvantages – There may be significant costs related to the conversion of the roof and loss of available space on the ground floor if additional toilets and a means of moving between the two floors is required. This would impact on the operator's turnover and commercial viability. Works which may be needed to strengthen the roof and other roof-related infrastructure may delay the opening of the cycle park or interfere with its operation. The means of joining the tollhouse to the roof and negotiations required may significantly delay the use of the building. The costs to convert the building for use of both floors could easily be double that of Option B. The advantages of this option could still be achieved by sale to a private operator, who may develop a more innovative solution to increase the level of rates and enhance the café space and facilities.

This option is not recommended.

21. *Option D – Option B funded through the LTP with conversion costs not recouped*

Advantages – Same as for Option B, plus the operator would not have to pay back the conversion costs over the 15 year, period thus reducing the rent payable to the council.

Disadvantages – The council would have to postpone the equivalent of £106K worth of programmed cycle schemes from its capital programme, which would have an increased impact on schemes progressed due to the reduction in funding levels next financial year.

This option is not recommended.

22. *Option E – Option B but conversion costs funded through external grants and LTP funding*

Advantages – Same as for Option B plus the impact of the cost of conversion would be reduced depending on the amount of grant funding which was available. We are currently investigating the grants that may be available and will report this to the Executive at the meeting.

Disadvantages – Grants usually come with several conditions attached such as timescales or match funding, these could potentially reduce the positive impact of the reduced conversion costs.

If the level of grant was sufficient to meet at least 50% of the conversion costs then this option would be the preferred option recommended.

Corporate Objectives

23. As has been identified the Cycle Park proposal will contribute to the “Increase the use of public and other environmentally friendly modes of transport”. The cycle recycling scheme also directly contributes to the first corporate priority, to “*decrease the tonnage of biodegradable waste and recyclable products going to landfill*”. Use of the electricity sub station building to support cycling also contributes to “Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest”. It could also contribute, to a lesser extent, to the “Improve the actual and perceived condition and appearance of the city’s streets, housing estates and publicly accessible spaces” and “Reduce the actual and perceived impact of violent, aggressive and nuisance behaviour on people in York” priorities. This is because by re-using a currently empty building, this may deter anti-social behaviour in or around the building and providing a hub for cycle-related activities near the city centre. It will help “Improve our focus on the needs of customers and residents in designing and providing services” by offering more secure cycle parking which was one of the recommendations of the former Planning & Transport Scrutiny Panel following their city-wide consultation.
24. The roof-top café would contribute to the “Improve the actual and perceived condition and appearance of the city’s streets, housing estates and publicly accessible spaces” priority by the innovative use of a currently empty space and has the potential to enhance the city’s economy thus contributing towards the LTP objective of “To maintain high levels of employment through enhancing and supporting the needs of the local economy in a sustainable manner”.

25. The introduction of cycle parks would also contribute to several of the objectives of the recently-published second Local Transport Plan. With this aim, other locations are currently being considered to provide a network of locations for covered cycle parking close to the city centre, including Foss Bank car park.

Implications

26. The implications of this report are as follows:
- **Financial** - The existing allocation for cycling schemes within the Local Transport Plan does not include a secure cycle park scheme. The 2006/07 LTP budget for cycling schemes is £285k reducing to an indicative level of £200k in 2007/08. Whilst it would be possible to reprioritise the schemes in the programme, funding of the cycle store would mean a significant reduction in the length of cycle route constructed. As summarised in paragraph 14, if the scheme progressed an anticipated capital receipt would no longer be available to the Council for funding the Capital Programme. Confidential Annex B provides the full financial implications.
 - **Human Resources (HR)** - There are no HR implications
 - **Equalities** – Ground Floor Use - Any accesses to the ground floor of the building would need to be suitably ramped to cater for potential users or people employed within the building with a disability, this would have the benefit of making the building more accessible to all users who otherwise would have to negotiate the steps immediately inside the front entrance.
Rooftop Use - There will be access issues associated with the proposal for a roof top terrace as detailed in paragraph A12 of Annex A.
 - **Legal** – There are no legal implications other than under the Disability Discrimination Act as discussed above.
 - **Crime and Disorder** – The secure cycle park has the potential to reduce the number of cycles stolen from the city centre in line with the Safer York Partnership's target. The re-use of a currently empty building also has the potential to reduce the incidence of anti-social behaviour in and around the building. If the building is converted, advice from the North Yorkshire Police Architectural Liaison Officer about relevant security measures will be needed.
 - **Information Technology (IT)** – There are no IT implications
 - **Property** - In order to repay the estimated capital costs for converting the building of £105,975 over 15 years would require a rent of £10,000 p.a. To support this the tenant operating the business would need to generate a gross income of £80,000 - £100,000 per annum. Further investigation would be needed, after a more detailed specification is produced, to see if interested parties could produce a business plan that indicated that the necessary income would be generated. This level of income is fairly high given the available space for ancillary commercial activity after the area to be used for cycle parking is subtracted and given the uncertainty about the

take-up of those cycle parking spaces. If a suitable tenant were to be found a pre-letting agreement would need to be entered into prior to works commencing on the building's conversion. As it is unlikely that there will be limited funding available from the LTP Capital Programme the works could possibly be funded by Prudential borrowing, however, there is some concern that a tenant would require break clauses in the lease, as a safeguard in case the business did not prove to be profitable, this could create a significant financial risk to the council because it may be extremely difficult to find another operator for the cycle park if the previous operator had not been successful.

Significant receipts from the roof top terrace cannot be relied upon due to the planning and engineering issues raised in relation to this use.

- **Others** - None

Risk Management

27. In compliance with the Council's Risk Management Strategy the main risk which has been identified in this report could lead to the inability to meet business objectives (Strategic), there would also be a financial risk should the recommendation to dispose of the building not be approved due to the receipts from the sale currently forming part of the approved capital programme for 2006-2009. The disposal is currently budgeted to be received in the 2007/08 financial year. Failure to realise this sale by this date would therefore leave a shortfall in the funding of the capital programme.
28. Measured in terms of impact and likelihood, the risk score for the recommendation is less than 16 and thus at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report. (There is a slight strategic risk associated with the achievement of the target for Indicator 8A in the Local Transport Plan : City-wide cycle usage, which is monitored on an annual basis).

Recommendations

29. The Executive is recommended that:
 - The preferred Option E is adopted if 50% match funding is secured from external grant.

Reason: A secure cycle store on this side of the city will contribute to the corporate strategy improvement statement to increase the use of public and environmentally friendly modes of transport and also meet the objectives identified in the Local Transport Plan.
 - If 50% match funding is not secured from external grant then option A is adopted to sell the building. The property be sold for the best sum available in the open market providing that as a minimum the lower figure of the range indicated in the Confidential Annex B is achieved.

Reason: Given the spatial and financial constraints it would be difficult for any private-sector operator to make this facility commercially viable without losing cycle parking capacity which is unacceptable. No money had been allocated in the 2006/07 LTP Capital Programme to undertake these works and to accommodate them in 2007/08 would require at least half the annual budget. Given the risks associated with the success of the venture this funding would probably be better spent elsewhere. It will also contribute towards the 2006-09 capital programme.

- The contents of the feasibility study are noted for possible use in future projects and officers are instructed to investigate and report on alternative locations. In particular, future development sites or other council buildings could be sought for cycle stores, which could be part-funded by those developments.

Reason: To work towards improved cycling facilities within the city.

Contact Details

Author:

Andy Vose

Transport Planner

City Strategy

Ext. 1608.

Chief Officer Responsible for the report:

Damon Copperthwaite

Assistant Director of City Development &

Transport (City Strategy)

Report Approved

Date 27/10/06

Co-author:

Paul Fox

Property Surveyor

Resources

Ext. 3357.

Neil Hindhaugh

Head of Property Services

Report Approved

Date 29/9/06

Specialist Implications Officer(s)

Implication : Financial

Name : Tom Wilkinson

Title : Corporate Finance Manager

(Resources)

Tel No. 1187

Implication : Financial

Name : Tony Clarke

Title : Capital Programme Manager (City

Strategy)

Tel No. 1641

Implication : Equalities

Name : Julian Horsler

Title : Equality Officer

Tel No. 1704

Implication : Legal

Name : Mark Blackburn

Title : Senior Solicitor

Tel No. 1040

Implication : Crime & Disorder

Name : Simon Hornsby

Title : Improvement Assistant

Tel No. 1075

Implication : Property

Name : David Baren

Title : Property Manager-Commercial

Tel No. 3306

Wards Affected: Micklegate

All

Background Papers:

Lendal Cycle Store Feasibility Study, Halcrow, 2006 (a copy of this report and its annexes has been placed in the Members' Library)

Annexes

Annex A – Brief History of Lendal Sub-Station plus the Outcome of the Feasibility Study

Annex B – Confidential Financial Implications

Annex C – Alternative proposal put forward by Chris Hartley plus response from council officers

Annex D – Operating proposal put forward to the Council by BikeRescue

Annex E – Potential alternative recommendation for consideration