

Board/Committee:	Policy and Organisation Board
Date of meeting:	Wed 3 rd July 2024
Title:	New Bus Station, Mumby Road, Gosport – Agreement for Payment of Bus Departure Charges by First Bus to the Council (GBC)
Author:	Head of Commercial Property, Gosport in conjunction with GBC's Traffic & Transport Manager
Status:	For Approval.

Purpose

This report pertains to the cessation of the lease of the existing bus station 'apron' to First Bus and the operational income to be received by the Council in lieu of the current lease rent.

Recommendation

That the Board approves:

- i) **The surrender of the current Lease to First Bus.**
- ii) **The completion of the new Bus Departure Charges Payment Agreement.**
- iii) **Grants delegated authority to the Borough Solicitor & Monitoring Officer in conjunction with the Head of Commercial Property to conclude details and complete the new Bus Departure Charges Payment Agreement between the Council, First Bus and Hampshire County Council.**

1.0 Background

- 1.1** In the early planning stages of the new bus station development, just prior to the Council's successful bid for TCF funding, discussions were taking place between the Council and HCC regarding land ownership at the site of the new bus station and operational matters.
- 1.2** Under a lease between the Council and First Bus, the Council has been in receipt of rent from First Bus for some years for their use of the current bus station 'apron' and rights for their customers to use defined areas within the adjacent bus station building. Currently this rent is c £16,300pa.
- 1.3** Principles agreed with HCC at the commencement of discussions regarding the new bus station included that the Council would not lose this rental income as a result of the redevelopment.
- 1.4** The land ownership position at the site of the new bus station is complicated and a large area of the land is unregistered. Further, much of the land is already adopted and has public highway status. This includes the new bus station 'apron'.

- 1.5** HCC are satisfied on all land ownership issues and at completion of the redevelopment, the new apron and pavements around will remain as public highway, maintainable by HCC at their expense.
- 1.6** Because the new apron is and will remain public highway, the Council is unable to grant a new lease to First Bus and receive rent under the lease.
- 1.7** In accordance with the arrangements agreed and set out at 1.3 above, in lieu of the lease rental income, HCC, First Bus and the Council will enter into a tripartite Agreement for the payment of bus departure charges by First Bus to the Council (GBC) in lieu of the rent received under the lease.
- 1.8** Upon investigation, it transpires that most bus operators across the country now occupy bus stations by payment of bus departure charges and very few lease bus aprons as First have done at Gosport for many years.

2.0 Report

- 2.1** This report is to confirm that discussions have taken place between the Council, First Bus and HCC and that subject to P&O Board approval, terms have been agreed for the parties to enter into a Departure Charges Payment Agreement for a period of 10 years, renewable as agreed including provision for an uplift during the term.
First Bus will make payment to the Council for bus departures at the new bus station in accordance with the new Agreement.
- 2.2** Based on the scheduled services for the current year, under the new Agreement this will provide income of c £16,300pa, thus offsetting the lost rent under the current lease.
- 2.3** In the event that First wish to implement any significant operational changes to their service in the future, this will be a matter for discussion with the Council at the time. This is identical to the current position.

3.0 Risk Assessment

- 3.1** As the majority of the land at the new bus station is public highway, HCC have risk assessed all aspects of the redevelopment and future operation of the new bus station.

4.0 Conclusion

That the Board approve the recommendations set out in i), ii) and iii) at the beginning of this report in order to maintain current levels of income to the Council.

Financial Services comments:**Legal Services comments:**

Equality and Diversity:	This proposal has no adverse impacts on the Council's policies relating to Equality & Diversity.
Climate Change implications:	This proposal has no adverse impacts on the Council's policies relating to Climate Change.
Crime and Disorder:	No impacts
Service Improvement Plan implications:	N/A
Corporate Plan:	N/A
Risk Assessment:	See 3.1 above.
Background Papers:	None.
Appendices:	None.
Report Author/Lead Officer:	Head of Commercial Property, Gosport and Traffic & Transport Manager