



## **Purchase of former Railway Land between A38 Kingsway Junction and Station Road Mickleover**

### **SUMMARY**

- 1.1 The report sets out the reasons for the purchase of the former Railway Land between the A38 Kingsway junction and Station Road Mickleover. It also highlights potential future liabilities that would be transferred to the City Council as part of the land sale and the costs involved.
- 1.2 The land is required in order to facilitate the long term transport strategy to implement the proposed Mickleover/Mackworth Express Bus-Way between the City Centre and Mickleover. As such, the British Rail Board (Residuary) Limited has offered the land to the City Council to buy. The sale of this land forms part of a portfolio of land holdings across the Country that BRB want to dispose of before March 31<sup>st</sup> 2008. BRB has advised the Council that they will auction the land if agreement on the land sale cannot be reached by this date.
- 1.3 The sale price for the land is currently £14,000. We are in negotiation with BRB over the potential maintenance liabilities of Station Road Bridge and are looking to secure a financial contribution from them for future maintenance taking into account the land sale price. However, BRB may feel that the liabilities of the bridge and land sale costs are a reasonable sale offer. If this is the case, the City Council will need to assess the total financial costs and liabilities against the risk of a third party buying the land.
- 1.4 Cabinet are asked to delegate the decision on this potential land purchase to enable a quick decision to be taken should an appropriate agreement be reached.

### **RECOMMENDATION**

- 2.1 To approve in principle the purchase of the former Railway Land between the A38 Kingsway junction and Station Road Mickleover, to facilitate the long term transport strategy proposal to implement the Mickleover/Mackworth Express Bus Link.
- 2.2 Subject to agreement by Estates of the value for money, to authorise the Director of Regeneration and Community, in consultation with the Corporate Director Corporate and Adult Services, the Cabinet Member for Planning and Transportation and Cabinet Member for Personnel, Performance Management and Economic Development to finalise the purchase of 18.71 acres of land at Mickleover (part of a former test track) from British Rail Board (Residuary) Limited ("BRB"), subject to an appropriate purchase agreement being reached.

- 2.3 Subject to the agreed purchase, to add the asset to the LTP Capital Programme.

<b>REASONS FOR RECOMMENDATION</b>
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- 3.1 The land is required in order to facilitate the long term transport strategy proposal to implement the proposed Mickleover/Mackworth Express Bus Link between the City Centre and Mickleover. The scheme and indicative alignment is identified in the City of Derby Local Plan Review as T2a.
- 3.2 BRB has offered the land for sale and under instruction from the Department of Transport (DfT) has requested that the land sale is completed by the end of the 2007/2008 financial year. This is part of a wider round of land holdings that are currently being sold across the country.



DERBY CITY COUNCIL

**COUNCIL CABINET  
18 MARCH 2008**

Report of the Corporate Director – Regeneration and Community

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Junction and Station Road Mickleover**

**SUPPORTING INFORMATION**

- 1.1 We have been involved in intermittent discussions with BRB over the proposed purchase of this land to meet our future transportation needs since the 1990s. Appendix 2 provides a plan illustrating the extents of the land area for sale.
- 1.2 More recently, negotiations have been re-established with BRB's agents who have now provided terms by which their client would be willing to dispose of the land. The agents were aware of the Council's transport proposals and have drafted terms accordingly, with a claw back clause should the proposed use not go ahead and an alternative use be found instead. Draft terms agreed are set out in Appendix 3.
- 1.3 The western end of the land for purchase covers an area of disused railway cutting and includes a bridge structure that carries the B5020 Station Road. The cutting was used in the 1970 and 1980s for the disposal of construction waste.
- 1.4 The only Ground Condition Report available to us is a report that was commissioned by Derbyshire County Council in 1997, which indicates that the land does contain contaminants. Possible continuation hazards identified include poly-aromatic hydrocarbons, toxic metals, sulphides and sulphates. It is also likely that asbestos is present as a result of illegal tipping.
- 1.5 For a purchase of potentially contaminated land and/or where other potentially onerous obligations are being transferred, it would be normal to undertake a full ground investigation to establish the potential scale of works necessary and their estimated costs. In this case, BRB say they need to sell by 31 March 2008 to complete the sale before the end of the Financial Year, apparently at the insistence of the Department of Transport. If terms are not agreed, their agents accordingly intend to offer the land to public auction.
- 1.6 The potential risks and costs associated with the infill site are only likely to be realised if the material has to be moved. As such, it is felt that considering the costs of constructing the Mickleover/Mackworth bus link and strategic importance of the scheme that these are likely to be low in comparison. Therefore, if the material is not disturbed there are unlikely to be any associated additional costs.

- 1.7 As mentioned previously, the land sale also includes the bridge structure that carries the B5020 Station Road. Some of the brickwork of the bridge is known to be in poor condition. It is estimated that in order to continue to carry vehicles, the bridge will require additional support at a cost of £25,000 within the next 20 years. In addition, the brickwork will need some maintenance costing up to £50,000. Therefore, the total liabilities over the next 20 years at current prices are estimated to be around £75,000.
- 1.8 We are in negotiation with BRB over the potential maintenance liabilities of Station Road Bridge and are looking to secure a commuted sum for future maintenance in the terms of the sale. However, BRB may feel that the liabilities of the bridge and land sale costs are a reasonable sale offer. If this is the case, the City Council will need to assess the total financial costs and liabilities against the risks of not purchasing the land at this time and allowing it to go forward at auction. If a third party purchases the land and the express bus link is taken forward then the City Council would have to purchase the land back through the Compulsory Purchase Order process. The future costs of the land and CPO process could end up being higher than the current land sale price and liability costs.

#### **OTHER OPTIONS CONSIDERED**

2. The land is required in order to facilitate the long term transport strategy to implement the Mickleover/Mackworth Express Bus-Way between the City Centre and Mickleover. The railway land provides the only reasonable alignment for the route between the A38 Kingsway Junction and Station Road, Mickleover. No other options have therefore been considered.

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**Background papers:** Appendix 1 – Implications

**List of appendices:**

<b>IMPLICATIONS</b>
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**Financial**

- 1.1 The former railway land is currently being offered at a purchase price of £14,000 and would have to be met by Regeneration and Community from the Local Transport Plan, Local Programmes Capital Budget. However, we are still in negotiation with BRB over future maintenance liabilities of the Station Road Bridge. As such, the final purchase price may change to incorporate a commuted sum to cover maintenance liabilities.
- 1.2 However, if BRB do not agree on providing a commuted sum and the Council decide to purchase the land then any future remediation costs found to be necessary would have to be met by Regeneration and Community predominately through the LTP capital budget, as would dealing with the anticipated ongoing management costs of clearing tipping and any other obligations arising.

**Legal**

2. The Draft Heads of Terms provided in Appendix 3 set out the liabilities that could be transferred to the authority. Potentially these include the bridge structure and contaminated land.

**Personnel**

3. None directly arising.

**Equalities impact**

4. None directly arising.

**Corporate objectives and priorities for change**

- 5.1 The purchase of the land and future implementation of the Micklover/Mackworth bus link will help achieve the council's vision for to make Derby a modern, attractive city where people live safely, harmoniously and achieve their potential. In particular the future delivery of the Mickleover/Mackworth bus link will help meet the following Council Objectives:
  - healthy, safe and independent communities;
  - a diverse, attractive and healthy environment;
  - a prosperous, vibrant and successful economy;
  - a shared commitment to regenerating our communities.