

<b>SUBJECT:</b>	Station Road Car Park, Gerrards Cross.
<b>REPORT OF:</b>	Resources Portfolio Holder - Cllr Egleton
<b>RESPONSIBLE OFFICER</b>	Director of Services
<b>REPORT AUTHOR</b>	Head of Environment
<b>WARD(s) AFFECTED</b>	Primarily Gerrards Cross

Declassified on 15 November 2018

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## 1. Purpose of Report

- 1.1 The purpose of this report is to discuss Station Road car park in Gerrards Cross.

## 2. Recommendations

Members of the PAG are asked to note the contents of this report, particularly the costs and business case, and advise the Portfolio Holder as to whether to recommend to Cabinet:

1 That a full planning application is submitted

2 To note the expenditure to date of £50,000 and the further expenditure of £5,500 to submit full planning application.

3 To confirm further expenditure of £65,000 per annum for the duration of the project for client project management support

## 3. Executive Summary

- 3.1 This report provide details of a potential multi-storey car park scheme on this site together with the supporting information to inform Councillors decision at this stage as to whether to proceed to submission of a full planning application.

## 4. Reason for Recommendations

- 4.1 Increasing the size of the Station Road car park would provide a financial return to the Council to recoup the investment required, and help meet the increased demand for parking in the area.
- 4.2 Larger capacity would also allow greater flexibility with regard to charging tariffs for the future, and hopefully future use of technology such as ANPR could make the parking process more straightforward for users.

## 5. Background

- 5.1 The Council is the freehold owner of the 'pay & display' car park shown on the plan at **Appendix A**. The hatched area of the car park is leased from Network Rail for 250 years. The current car park contains 122 car park spaces.
- 5.2 The usage of this car park has increased over recent years. This is due in part to the large adjacent Tesco, to which there is a pedestrian access link, and the new Waitrose that opened in March 2012.
- 5.3 At the end of 2010 the PAG considered a report via email as to whether a 6 month licence would be granted to facilitate a pedestrian opening between the Station Road car park and the Tesco's car park. This was agreed and the licence commenced on 30<sup>th</sup> March 2011.
- 5.4 A 10 year agreement was entered into with Waitrose in 2012 for which they paid £100,000 to the Council and paid the cost of refurbishing the existing the car park. As part of the agreement the Council had to minimise season tickets to 12 and keep the car park layout the same unless agreed otherwise.
- 5.5 A report was considered by the Resources PAG on 11<sup>th</sup> December 2014 and it was agreed to prepare and submit an outline planning application for additional decks for car parking (with the business case /ticketing strategy reported to a future PAG). The same report was noted by the Environment PAG and Cabinet agreed that:
- (a) The licence for the pedestrian access to Tesco be continued for a further rolling annual period, and
  - (b) To delegate authority to the Director of Services, in consultation with the Portfolio Holder for Resources, to make any minor amendments to the licence.
- 5.6 Cabinet recently agreed a medium term financial savings plan included this project with an aspiration of additional income of £40,000 in 17/18 and £80,000 in 18/19.

## 6. Discussion

### General

- 6.1 A car park capacity study was undertaken in March 2014 for Gerrards Cross. This concluded that between 110 & 275 extra off street car parking spaces will be required by 2033. A summary of the recommendations is attached at **Appendix A** together with the current car park layout that provides 122 spaces.
- 6.2 Station Road car park is now very busy and is often near capacity as are the other car parks in Gerrards Cross. Recent usage data has indicated that the usage has increased since 2014 and this is attached at **Appendix B**. It is understood that Tesco's are now enforcing the three hour stay maximum and also the nearby station car park has increased their all day charge to £7.50 a day. Elsewhere on this agenda is a report seeking Members views as to whether charges should be changed to try to help manage demand in the short term in Beaconsfield and Gerrards Cross.

- 6.3 Planning consent for conversion of the adjacent offices to residential has been granted and officers worked with the developer to amend the design slightly to remove windows on the flank elevation overlooking the car park. It is anticipated that work will commence on site during spring 2016.
- 6.3.1 The licence for the pedestrian link between Station Road and Tesco continues. The Parish Council, Waitrose and Tesco have previously stated that they would like this arrangement to continue as they think it provides easy access for residents. Under the Agreement with Waitrose the Council has committed to use its reasonable endeavours to keep the access route between the Waitrose car park and the Tesco car park open at all times of the day and night, subject to approval by Members. It is recalled that this arrangement initially required the consent of Network Rail, which owns the freehold of the land at the point of access between both the Station Rd and Tesco car parks. It is believed that any future continuation of the licence would require Network Rails 'approval.

#### Waitrose

- 6.4 Legal advice has been obtained and although the agreement with Waitrose states "the Council is not permitted to redevelop the car park until the date which is 18 months from the date of this agreement (2012)" confirms that there are two legal agreements with Waitrose that regulate the use of the car park. The agreement completed in May 2012 (referred to in paragraph 3.4 above) under which the Council is obliged to preserve the current layout and parking arrangements in the car park; and a lease to Waitrose of the areas used as trolley bays in the car park under which the Council gives the usual covenant of quiet enjoyment. Both the agreement and the lease run for a period of 10 years and the obligations are fixed for that period in the absence of any agreed variation. The implication of this advice is that we need to reach an agreement with Waitrose as to a way forward. Consequently officers have been working with Waitrose to see whether their support for the additional parking would be forthcoming. After several meetings and lengthy discussions Waitrose have confirmed verbally their support for the additional parking as they recognise longer term additional capacity is required. At the time of writing this report we are awaiting their written confirmation. Their preferred construction window would be between April and October i.e. after Easter and before Christmas. They are very concerned about any disruption during construction.
- 6.5 The designs for the additional parking have incorporated a number of features to make it as easy as possible for shoppers. For example lifts have been incorporated of a suitable size, disabled parking spaces have been located on the ground floor, trying to maintain as many spaces at surface level as possible for shoppers with trolleys, transition grades on access ramps, vehicle circulation, trolley parking bays, good levels of lighting and maintaining the level pedestrian link between Station Road and Tesco's car park. Waitrose have confirmed that the Council has reached the most effective design possible on the site in their view.

#### Planning

- 6.6 Pre-planning advice has been sought from the planning team and in planning terms it would seem that the scheme as detailed in this report is likely to be achievable. The design has been modified to set the car park back slightly from the main road to allow a small area of landscaping and also pulled in from the buildings on each side of the site. Due to the potential large facade it was advised by planners that something to break up the elevation design fronting Station Road would be beneficial.
- 6.7 Initially the Members agreed the proposal was to seek outline planning but in view of the detailed design required, the impact of the large development and the traffic impact assessment requirement the advice from planners was it should be a full planning

application. Planners also suggested that local pre-planning consultation should be carried out on the proposal. This is planned to take place early in March. The proposed multi-storey car park drawings will be on display together with explanations as to what the Council is trying to achieve and feedback forms will be available for comment.

- 6.8 It is anticipated that the full planning application could be submitted early in May which allows further time to amend the scheme after the pre-planning consultation and discuss the highway survey results and the Highways Authority requirements.

**Designs and Options**

- 6.9 Attached at **Appendix C** is the design for additional car parking and this provides a total of 333 (extra 211) spaces. Also attached is the proposed elevation for the car park design. Members will recall that the recent needs survey suggested there was a requirement for between an additional hundred and 110 and hundred and 275 spaces. The schemes have been phased to try to maintain up to 40 temporary spaces but this will be subject to ensuring that this is achievable and can be managed safely - this will be confirmed during the detail design process. The schemes would take in the order of 30 weeks to complete. It would be possible to increase the maximum by a further 28 spaces if a part basement was constructed however this would add several months to construction and increase costs by approximately £750,000. The spaces are 2.5 x 4.8m and the aisles are 6.5m - this is slightly larger than the conventional 2.4 x 4.8 and 6.0m aisles. Grade spaces would be marked as short term parking only for shoppers. It would be possible to build a smaller car park but of course this may not meet the demand and future growth. Removal of the top floor would reduce the number of spaces by 40 and removal of each full deck around 70 spaces.

- 6.10 Officers have worked with the architects and surveyors to determine the likely build cost and cost estimates were provided by a car park construction company. Attached at **Appendix D** is the full price build-up and Members will note that for budget purposes the total costs are estimated to be £8.2 million. The Council will be able to claim back the VAT paid on this project.

**Business Case**

- 6.11 Attached at **Appendix E** is the financial business case for this project. Members will note that this details:

- The estimated capital expenditure
- The additional repairs and maintenance and NDR
- The additional income based upon the current charges
- The net present value and capital payback / depreciation
- The profit / loss by year
- The estimated return on investment

- 6.12 Members will note that the model assumes income grows year on year up to a full capacity point and that loss of income during construction has been accounted for.

- 6.13 The MTFs proposal suggested an additional £40,000 income in 17/18 and £80,000 year on year thereafter. The business case estimates (for the larger design) the net additional income in the first few years as follows:

	Additional R&M and NDR	Additional Car Park Income	Total Cashflow
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	£	£	£
2017/18	44,312	-29,472	14,840
2018/19	45,198	-45,534	-336
2019/20	46,102	-62,534	-16,432
2020/21	62,942	-80,512	-17,570
2021/22	64,201	-99,513	-35,312
2022/23	65,485	-119,581	-54,097
2023/24	66,795	-140,764	-73,970
2024/25	68,131	-163,111	-94,980

- 6.14 Overall this scheme would seem to be a good investment and would meet Members criteria to invest in the Council's asset with an increased revenue income and asset appreciation. It is of course very difficult to predict the income levels. Furthermore the business case will improve if the income level increases through increased charges or increased usage.

#### Land Values

- 6.15 The freehold of the current car park has been valued at £1.3 million and £3.5 million if developed depending on the scheme. If the income increases then the land values would also increase.

#### Programme and Procurement

- 6.16 For the purposes of this report it has been assumed that this project would be progressed under a design and build contract accessed through a procurement framework arrangement. This allows the expert car park designers to finalise the proposed design and build the proposed car park - often through a 2 stage process. In addition utilising an existing framework contract allows the procurement time requirements to be minimised as the companies registered under the framework have pre-qualified so reduce time spent tendering the project. A potential program based upon this procurement approach will be tabled at the meeting. It is possible that this timetable could run in parallel with a similar proposal being considered at Chiltern so potentially two projects could be tendered together which may deliver some procurement advantage.

- 6.18 During the planning process alternative procurement options could be explored, specifically whether a joint venture (JV) for example would be attractive to the Council. This approach would mean risk and cost sharing, but also could result in the car park not being managed by the Council and there having to be some form of income sharing agreement. This approach would perhaps be ideal if the Council did not have all the funds to carry out the project itself, and there was more uncertainty over the risks associated with the development. It would seem therefore that a design and build contract through a procurement framework maybe the best approach over more traditional procurement approaches as it will be faster and relatively straightforward. At this stage it would seem that there would be little added value from JV approach for this particular project.

#### Surveys

- 6.17 The traffic survey requirements have been agreed with BCC, and these are being carried and the data analysed. It is anticipated that there will need to be a number of further discussions with BCC over the 106 agreement. An intrusive ground survey been arranged which is required for the detailed foundation / drainage design.

#### Costs and Project Management

- 6.18 At the time of writing this report £25,854 had been spent on this project and this includes architects, traffic surveys, quantity surveyors and valuers. A further £24,377 will be spent on traffic survey data analysis, ground intrusive surveys and pre-planning consultation. To progress the project to enable a full plans application to be submitted

will incur further costs of £5,500 to finalise designs and pay the required fees. The potential costs of managing this project to a conclusion have been built into the budget estimate. Temporary part time project management resource 0.5 fte has been agreed by management team and is in place to support this project initially and a dedicated project manager of suitable experience and training will be employed to help progress this project once the planning application is ready to be submitted and procurement is commencing and this will cost a total £65,000 per year for an estimated 3 years for 1.5 fte. It is anticipated that this resource will also be able to help with the Beaconsfield project initially at the concept stage as well.

### **Other Matters**

- 6.19 There is an electric substation on the corner of the site with an easement for electric cables across the Council's land. The utilities search study has been commissioned and this will determine if any services have to be moved which would increase the project cost.
- 6.20 The Council leases a strip of land from Network Rail for 250 years (from November 2014) at the rear of the car park and we have the rights to build over this part of the site subject to obtaining planning permission and their consent as landlord (including paying their reasonable fees. However, we need to discuss the engineering solution with Network Rail for the proposal which of course would be more straightforward if not excavating for basement car parking adjacent to the Tesco's rail tunnel. The Council under the lease has to pay to Network Rail an additional payment of £20,000 per additional car park level above first floor upon implementation of the planning consent. Therefore this could be between £20,000 and £60,000. Seeking their consent to the design may well take some time and we would want to progress this as quickly as possible.
- 6.21 This project is being managed in accordance with the Councils' adopted project management process.

## **7. Consultation**

- 7.1 Discussions have taken place with the Parish Council and they are supportive of the proposals.
- 7.2 A number of discussions have also taken place with representatives of the business community who also support the need for additional parking because they are very concerned about parking for their staff and for their customers.
- 7.3 Major adjacent landowners have been asked whether it would be possible to provide any extra temporary alternative parking during the development and unfortunately it has not been possible to secure this.

## **8. Options**

- 8.1 The Council could decide not to progress with this scheme. However this would not address the need for additional parking in Gerrards Cross over the next few years. A smaller scheme could be considered but this would not potentially meet the parking demand.

## **9. Corporate Implications**

- 9.1 The resource implication arising from this report at this time is the fees spent to date and the costs to progress to full planning.

- 9.2 The estimate capital cost of the scheme is £8.2m. As at 31<sup>st</sup> March 2016 it is estimated that the Council's usable Capital reserves will be £5.5m. Additional financing options with therefore need to be explored and it is likely that some borrowing will be required in 2017/2018, assuming the works commence in the later part of 2016/17. The borrowing would be 'notional' borrowing (if the Council had sufficient cash balances) or real borrowing from the Public Works Loan Board (PWLB). The cost of external loans are currently in the region of £20,000 per £1m borrowed (based on a ten year loan). Either way the Council will be significantly reducing its cash and investment holdings and therefore investment income will reduce significantly from 2017/18 onwards and would also lose its debt free status.
- 9.3 The cost incurred to date are £50,000 as detailed in para 6.17 above. These works have been necessary to progress the project and will be funded from the capital programme.
- 9.4 The recent Cabinet report on the Council's financial position in future years indicated the importance of reducing net expenditure. The provision of up to 238 additional parking spaces would represent a material increase in income, and would give a return on investment in excess of what the Council is able to achieve from the investment of its available capital resources and provide a growth in the freehold value.

## 10. Links to Council Business Plan

- 10.1 This matter is related to the Council's corporate aim to deliver cost effective, customer focused services.
- 10.2 This report also progresses the aims of the Council's asset management plan.

## 11. Next Steps

- 11.1 If agreed the next steps would be as follows:
- Submit full planning application
  - Seek design and build tenders for the project
  - Report back to Councillors with finalised costs and any other matters for decision to proceed or not

<b>Background papers</b>	<b>None</b>
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