

SUBJECT:	Station Road Car Park . Gerrards Cross
REPORT OF:	Resources Portfolio Holder - Cllr Egleton
RESPONSIBLE OFFICER	Head Of Environment – Chris Marchant
REPORT AUTHOR	Estates Manager – Linda Newell
WARD/S AFFECTED	Gerrards Cross

Declassified on 6 March 2017

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1. Purpose of Report

- 1.1 To note the contents of this report
- 1.2 Members to note the updated pre-construction costs to enable the multi-storey car park project to continue through the planning approval stage
- 1.3 To note that due to current Cabinet diary and necessity for approval to meet a predicted project timetable this may require an emergency Cabinet

2. Content of Report

Background

- 2.1 A capacity study was carried out in 2015 by "YES Engineering Group Limited " which stated that there is a need for an additional 100 to 275 spaces in the town. The proposed project will provide up to an additional 305 spaces. It will be important to maximise capacity to future proof scheme as enlarging at a later date will not be practicable and expensive.
- 2.2 A report was taken to Cabinet 9 February 2015 and it was agreed that planning permission be sought for a multi-storey car park
- 2.3 A report was taken to Resources PAG 3 March 2016 in which it was agreed to the appointment of a Project Manager It was agreed at the Cabinet meeting 20 April 2016 to approve the expenditure for the project manager . The views of the March Resources PAG were summarised in the minutes of the meeting as follows, " *Whilst the PAG had not been convinced by the business case they had accepted that there was a need to increase the capacity of the car park. The Portfolio Holder explained that since the meeting it had been established this it was not necessary to progress with the submission of a planning application at this stage and therefore recommendation1 in minute 33 was not required However ,recommendation 2 was required to enable the project to progress expeditiously*"

- 2.4 Following the outcome of the PAG meeting further information was required to facilitate the design and produce robust costings. Agreement from the Management team was obtained to explore a framework arrangement to procure a design and build scheme. SBDC have entered into a framework agreement to deliver this and other projects. The "Scape" framework is a local authority framework which has already been tendered through the OJEU process. This removes the need for SBDC to go through the protracted EU tendering process which takes up to 12 months. Work packages have been already been tendered and have therefore been subject to competition. In addition elements of the works will still be tendered to ensure best value. The pre-construction costs would not be dissimilar to those should the Council have chosen the traditional procurement route
- 2.5 A report was taken to Resources PAG July 2016 and further £40000 of feasibility and preparatory expenditure approved.
- 2.6 Further spend enables the project to proceed through the planning approval stage. The total pre contract costs required to take the project through planning and to the tender and construction phase is £698000. This can be broken down into the concept stage and the detailed design stage. . (To date the spend is £50044 which includes the Scape and the project manager fees. (Appendix 1)
- 2.7 A feasibility study and initial designs have been prepared for ground and 12 half decks with the ground floor ready for use end of September 2017 subject to the anticipated April 2017 start (a 24 week programme). Completion is predicted for December 2017 (a total of 34 weeks) Shown in Appendix 3 to be tabled at the meeting
- 2.8 The design requirements incorporate Park Mark good design practice and to provide a modern parking environment.

3 **Partners**

- 3.1 Waitrose – As the preferred build option will close the car park for 24 weeks we have surveyed the possibility of on street parking and temporary parking for Waitrose customers at neighbouring sites one of which is BT hub. We are undertaking a survey to establish the volume of current use of the car park by Waitrose. A further meeting has been arranged with Waitrose senior management to again discuss the options. A plan showing temporary position for the trolley bays has been provided to Waitrose. Meetings held with Waitrose and they fully supported the scheme but are concerned about the loss of car parking during the build period. Investigations are under way to try and secure short term parking at adjacent sites and introduce schemes such as delivery to home/car. A temporary walkway into Oak End Way is being investigated also temporary parking in adjacent BT site. The Cabinet report will include an update on these issues.

Network rail – Balfour Beatty are dealing with the initial agreement which will indicate the build requirements and also will confirm our intention to build. It is noted that within the existing lease between Network Rail and SBDC includes an overage provision. Once planning permission has been granted a payment to Network Rail of £10,000 per floor will be required. This has been accounted for in the business case. The terms for the building over have been agreed in the lease

SEB- We are required to give 6 months notice if cables are required to be moved for the development this is unlikely as utility survey has shown the cables can be avoided. An acceptable access to the sub- station can be provided.

Party wall awards- these are required and will be prepared to send to adjacent occupiers although we are not building a structure against any neighbouring property

4 Business Case

4. Attached at **Appendix 2** is the financial business case for this project now based on the increased numbers of spaces and detailed feasibility provided by Balfour Beatty. Members will note that this details:

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

4.2 Members will note that loss of income during construction has been accounted for. The total loss of income over the 8 months build period is £98897

4.3 The business case estimates spaces of 427 an increase of 305 –The anticipated total net income in the first three years as follow is set out in Table 1:

Table 1

Income Forecast (net)	Yr 1			Yr 2			Yr 3		
	70% Occupancy	80% Occupancy	85% Occupancy	70% Occupancy	80% Occupancy	85% Occupancy	70% Occupancy	80% Occupancy	85% Occupancy
Short Stay (+ Sundays)	115,637	116,176	117,259						
Long Stay	153,331	163,264	174,240						
Evening Parking	14,999	14,999	14,999						
Season Tickets	156,018	187,222	195,023						
	439,985	481,661	501,521						

Table 2 provides the difference in income of additional spaces compared with the forecast of income for the current 122 space car park based on increased scale of

charges. The subject of increased car parking charges is be tabled elsewhere on the agenda

Table 2

Yr1	Yr2	Yr3
248,275	289,951	309,810

Asset Values

- 4.4 The freehold of the current car park has been valued March 2016 £860k and £3.5 million if developed depending on the scheme. If the income increases then the land values would also increase which would be permanent benefit reflected on the Council's balance sheet

5 Programme and Procurement

- 5.1 The Scape framework has been chosen as the preferred vehicle to project manage and build Gerrards Cross car park to minimise time and cost and to meet restricted timetable.
- 5.2 A joint venture and several phased options have been fully explored as part of the feasibility stage which was at no cost to the Council other than the Project manager and Quantity surveyor and Scape fees. Initially an option of building the car park in two halves to allow Waitrose continued access throughout the build project was considered but this was 25% more costly and extended the time period of build by 25%. There were also overriding unacceptable Health and Safety issues and this scheme was not considered further.
- 5.3 To enable the Council to have a phased spend approach supporting the Council's decision making process Balfour Beatty have produced "hold points" on the pre-construction stage. Should SBDC not wish to proceed with the project at any time up to the date of construction order placement (end of February 2017) there will only be commitment to what has been spent to that date .
- 5.4 Balfour Beatty have provided a projected build cost of £8.9M which is broken down in the feasibility report for the 427 space car park. This figure is as robust as possible at this stage and has been checked by the Council's consultant quantity surveyor. A more accurate figure will only be known once the final design is approved and firm prices are obtained from suppliers and subcontractors. Current costings are based on Balfour Beatty's latest car park project in Wokingham Appendix 4
- 5.5 Looking ahead to the current timetable for approvals there may be the necessity to have an emergency cabinet meeting because there are no planned meeting at the time required to meet the agreed project plan

Pre-construction costs – surveys and fees

- 5.6 To date the cost spent is £50,044 on initial feasibility work and Project Manager. The project is now at a stage where further detailed survey work is needed to prepare the documents for full planning permission and going to tender.

The pre construction work includes

- Detailed topographic site and building survey
- Detailed utilities/services surveys
- Geo-physical and geo-technical soil investigation
- Detailed structural survey of existing structures
- Waste/pollution/contamination investigation/study
- Transport and traffic survey and study
- Environmental conditions and impact study
- Acoustic impact study
- Submission of full planning permission
- Full detailed drawings

The Pre-Construction costs cover a 34 week period, during which we will define the construction costs in detail, including all necessary pre-planning of the Works up until commencement of construction activities.

- 5.7 During this period costs will be refined and the following work will be carried out :
- Risk Workshops to define the activities and actions required to reduce the risk and associated values
 - Design Reviews with both Pick Everard and South Bucks District Council to check the proposed design and develop elements of the scheme which could be refined or the scope altered
 - Value Engineering to reduce the cost of the proposed design by offering alternative materials or construction methods
 - Preparation of the health and safety documents required for the project, including the Project Management Plan
 - Assisting with the preparation of the Pre-Construction Information
 - Developing the Employment and Skills Plan to ensure that local labour and resources are used where appropriate
 - Subcontract market testing
 - Ground Penetrating Radar surveys for verification of utilities within the Works Area
 - Additional soils investigation and disposal of arising and WAC tests to supplement information already available allowing the design for earthworks solutions and foundations to be achieved
 - Liaison with utility organisations to coordinate any diversions or protection required

- Attending site and meetings with the Statutory Undertakers to make sure that their works are coordinated with our main construction programme and that any early enabling works are identified and carried out where possible

Design

5.8 The initial indicative plans are Appendix 5. The feasibility design and provides a total of 409 spaces further design work has taken place and 427 spaces can be created. The design will incorporate Park Mark recommendations and also:

- lifts as required
- LED lighting throughout.
- Cable trunking and pit for ANPR.
- 4 fast electric charging points
- 6 Secure point for motor bikes
- 12 Spaces bike rack
- Disabled spaces
- trolley bays

6. Consultation

6.1 Initial discussion have taken place with Gerrards Cross Town Council and they have indicated that they are supportive of the scheme 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.

6.2 Public information meeting to take place in September prior to the lodging of the planning application in October 2016

6.3 Meetings held with Waitrose and they fully supported the scheme but are concerned about the loss of car parking during the build period Investigations are under way to try and secure short term parking at adjacent sites and introduce schemes such as delivery to home/car. A temporary walkway into Oak End Way is being investigated also temporary parking in adjacent BT site. The Council is undertaking a user data/shopping survey

7. Corporate Implications

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

7.2 The estimated build cost of the scheme is £8.9m. It is proposed that this cost is financed by borrowing. As at 16 August 2016 the cost of a PWLB 40 year annuity loan is 2.08%. The business case (appendix 2) is based on borrowing £9.6m the full cost of the scheme.

- 7.3 The cost incurred to date financial year 16/17 £50044
- 7.4 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 305 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.

8. **Risks**

- 8.1 Possible delay in reaching final agreement with Waitrose that the mitigation measures we are proposing to minimise the length of closure of the car park will be acceptable and a formal variation to the current lease is agreed. Discussions have been going on some time and a meeting is scheduled which we hope will close the issue.
- 8.2 SEB – Design to allow for cables and access to sub station
- 8.3 Network Rail – Balfour Beatty to obtain initial licence to build from Network Rail. Within the current lease there is an overage provision. A payment is to be made for each additional floor. As the design is based on a "half "deck configuration the interpretation of "floors" in the lease has a direct relevance to the payment to Network rail once Planning permission has been granted
- 8.4 Bucks County Council – Highways- Discussions are taking place regarding the requirements of BCC and any highways improvements will add to the cost of the scheme.

9. **Links to Council Business Plan**

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

10. **Next Steps**

- 10.1 The next steps would be as follows:
- Proceed with Scape timetable to full planning application and detailed design
 - Report back to Councillors with updates and finalised costs when scheme has been tendered and any other matters for decision to proceed

Background Papers:	None other than those refer to in this report
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