

Cabinet
Council

24 January 2017
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Name of Cabinet Member:

Cabinet Member for City Services - Councillor J Innes

Director Approving Submission of the report:

Executive Director of Place

Ward(s) affected:

All

Title: Business Case for the construction of multi-storey car parks in Coventry City Centre

Is this a key decision?

Yes – the potential financial implications for the City Council of the recommendations will exceed £1,000,000 and will potentially affect residents in all Wards of the City.

Executive Summary:

Coventry City Council adopted the City Centre Parking Strategy in August 2016.

The Strategy recognised the need to manage off-street parking provision in the city centre and that over the next decade there will be a significant shortfall of available parking in the right locations as a result of the planned and on-going developments. The Strategy identified that an appropriate level of investment would be required to redress the projected shortfall in order to alleviate future pressures on the demand for parking.

This report seeks approval for the development and construction of a new multi-storey car park to be built on the site currently occupied by the existing Salt Lane surface level car park. Furthermore, the report seeks approval in principle for a potential development of a multi-storey car park on the site of the existing New Union Street multi-storey and Cheylesmore surface car parks. As well as being located on significant gateway sites, these locations are strategically well placed and ideally located to serve the Waterpark and Leisure facility and other planned developments to the south of the city centre.

The aim of this proposal is to provide high quality, sustainable car park facilities that support the aspirational and expected growth of the city centre, whilst complementing the new Waterpark and Leisure Centre, City Centre retail, the Friargate Business District, and a steadily rising growth in the local economy and demands for parking.

Recommendations:

Cabinet is requested to:

- 1) Approve in principle the construction of a new multi-storey car park at Salt Lane subject to planning permission, in order to help redress the under provision of parking in the south of the city centre.

- 2) Recommend to Council that it approves the addition of £10.7million to the capital programme funded from corporate capital resources for 2017/18 and 2018/19 for the development of a new MSCP on the site of the existing Salt Lane surface car park within Coventry city centre.
- 3) Approve that the corporate capital resources expended on the works are funded from income growth within the Place Directorate over the life of the asset.
- 4) Delegate authority to the Executive Director of Place and the Executive Director of Resources in consultation with the relevant Cabinet Members, to approve the detailed design of the proposed scheme and the associated professional appointments for the development and construction of the new multi-storey car park at Salt Lane.
- 5) Approve the principle of developing a linked business case for the construction of a new multi-storey car park on the site of the existing New Union Street and Cheylesmore car parks as a second phase development.

Council is requested to:

- 1) Approve the addition of £10.7m to the capital programme funded from corporate capital resources for 2017/18 and 2018/19 for the development of a new MSCP on the site of the existing Salt Lane surface car park in Coventry city centre.

List of Appendices included:

Appendix A – Site plans showing Salt Lane surface car park, New Union Street multi-storey car park and Cheylesmore surface car park

Other Useful Papers

None

Other useful background papers

City Centre Parking Strategy

<http://democraticservices.coventry.gov.uk/documents/g11039/Public%20reports%20pack%2030th-Aug-2016%2014.00%20Cabinet.pdf?T=10>

City Centre Area Action Plan

http://www.coventry.gov.uk/downloads/download/3552/city_centre_area_action_plan

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 24th January 2017

Report title: Business Case for the construction of new multi-storey car parks in the city centre

1. Context (or background)

1.1 Coventry City Council adopted the City Centre Parking Strategy in September 2016 and the City Centre Area Action Plan in 2015.

1.2 Vehicle parking is integral to the access arrangements when trying to meet the needs of potential customers, commuters and visitors to the city centre, and thereby economic prosperity. Frequently it is the first impression someone will gain of a City but if this first impression is negative or if people cannot easily access the businesses, shops and the services they need, economic prosperity is likely to stagnate.

1.3 Coventry City Council is currently responsible for 15 public car parks in and around the city centre. The Council's car parks can accommodate 3,140 cars. In addition, circa 400 cars can be accommodated on-street within the city centre. Other privately operated car parks have capacity for a further 2,838 vehicles.

1.4 During recent years the city centre has been subject to considerable change including the transformation of Broadgate Square, the Railway Station to Bull Yard public realm improvement works and the de-cluttering of traffic signals on several of the key traffic corridors into the city centre (e.g. Little Park St, Gosford St, New Union St, Lidice Place and Corporation St). The transformation will continue at pace throughout the next decade with a number of major development schemes already underway as part of the regeneration of the city centre, all of which, coupled with a projected 3% year on year growth in the local population and economy, will result in a significant increase in demand for parking during the next decade.

1.5 The growth in car ownership continues to escalate as does the demand for off-street parking. The City Centre Parking Strategy recognised that projected demands for parking are expected to exceed supply during the next decade and that there will be a significant under provision of c500 spaces by 2025/26 if no action is taken to redress the situation.

1.6 It is expected that the following factors will contribute to the pressures on parking in the city centre during the next decade:

- The continued regeneration and development of the city centre;
- The development of the new Waterpark and Leisure Centre;
- The development of the Friargate Business District;
- The City Centre South retail development;
- The development of a 1,000 bed student accommodation building on the site of Cox Street car park;
- Continued growth and expansion of Coventry University;
- Aspirational and expected levels of growth of the population, tourism and the economy;
- More effective management of on-street parking within residential areas on the periphery of the city centre which will increase the usage of off-street parking facilities.

1.7 The City Centre Parking Strategy identified a number of mitigating actions including:

- Manage the supply, location and pricing of parking to support local economic growth and the prosperity of the city centre and to support the tourism strategy;

- Effectively manage the projected shortfall in supply of short and long stay parking in the south side of the city centre;
 - Ensure an adequate and sustainable provision of parking in the right location to support the new Waterpark and Leisure Centre;
 - Ensure a sufficient and sustainable provision of short and long stay parking to the north and south of the city centre in the long term;
 - Seek opportunities through redevelopment to upgrade, rationalise and consolidate car parking provision in a way that improves the overall distribution of parking stock across the city centre;
 - Provide high quality parking facilities that create demand and attracts usage;
 - Develop clear strategies and business cases to support the development of a new multi-storey car park (MSCP) at the site of the pre-existing Salt Lane surface level car park;
- 1.8 Car park structures are a finite resource and are essential to the economic stability and growth of the surrounding area. Inferior quality or poorly maintained car parks that are run-down can deter customers, invite anti-social behaviour and result in a loss of revenue. Conversely, well maintained facilities encourage use and support economic success.
- 1.9 The development of new parking facilities is considered essential to support the growth and regeneration of the city centre and the new developments in and around the south side of the city centre.
- 1.10 Recent discussions with partner organisations have identified a potential further increase in demand for parking to the south of the city centre, close to junction 5 of the ring road. It is expected that this may result in a requirement for an additional 500 dedicated parking spaces. This increase is over and above the projected demands that were recognised in the Parking Strategy and further compounds the pressures on parking. Consequently, there is now an even greater need to increase provision in order to balance supply and demand.
- 1.11 The City Centre Area Action Plan identifies that there may be development opportunities at a number of car parks in the city centre including:
- Salt Lane:** Potential for the creation of a multi-storey car park (MSCP)
- New Union Street & Cheylesmore:** Potential for the creation of a multi-storey car park
- 1.12 An analysis of available land sites and land uses has shown that the existing car parks at Salt Lane and New Union Street / Cheylesmore are ideally located to support the Waterpark and Leisure centre as well as being significant gateway sites. These car parks are key to the prosperity of the nearby area and are essential facilities to support economic growth.
- 1.13 Concentrating the major car parks close to the ring road is beneficial in terms of traffic flow.
- 1.14 A plan showing the location of the three car parks is shown at Appendix A.
- 1.15 Salt Lane Car Park
- 1.15.1 Salt Lane car park was constructed in the early 1970's. The site was expanded in 2010 and an additional 60 spaces were provided. The site comprises 4,552sqm and has

capacity for 172 cars. The car park is generally in a fair condition with some minor defects. The car park is very well used and popular with shoppers, visitors, commuters and those seeking a convenient car park located right in the heart of the city centre. In 2015/16 the car park generated total revenue of £578k at an average annual yield of £3.4k per space.

- 1.15.2 Salt Lane car park is located between several office-based buildings and is close to the Ford's Hospital and Kirby House which are Listed Buildings.
- 1.15.3 The potential impacts of the proposed development on the nearby Ford's Hospital and Kirby House are expected to require more detailed, careful consideration, both of the buildings and the adjoining public realm, as part of the car park design. The design will also explore opportunities to develop and enhance the street scene between the proposed MSCP and Greyfriars Lane.
- 1.15.4 It is important to ensure that a new MSCP complements the surrounding townscape and is accessible, safe and affordable.
- 1.15.5 Salt Lane car park currently experiences peak occupancy during Monday to Saturday between 09:30am and 3:00pm. During these peak periods there are regularly fewer than 10% of spaces available at any given time. Furthermore, during the busier periods between October to January in the run up to Christmas and New Year, the demand for parking can often outstrip the capacity of the car park.
- 1.15.6 Similarly, the surrounding on-street short stay parking provision in nearby Little Park Street is also particularly busy and is regularly fully occupied throughout the week.
- 1.15.7 It is expected that following the opening of the new Waterpark and Leisure Centre in November / December 2018, a new short stay MSCP car park in Salt Lane would experience significantly higher levels of demand but with similar short-stay parking profiles to the existing surface car park.
- 1.15.8 It is estimated that the new Waterpark and Leisure Centre will attract upwards of 1.3 million visitors a year which in turn will create a massive increase in demand for parking over and above existing usage levels from both the Coventry public and new customers visiting from the wider region and sub-region.
- 1.15.9 The size of the new MSCP needs to be suitable and sufficient to help balance supply against demand whilst ensuring sustainability.
- 1.15.10 In terms of the affordability of the new MSCP, it is important that the users of the car park pay for it rather than the local Council Tax Payers.
- 1.15.11 Based on preliminary designs, the new MSCP could accommodate circa 150 spaces at each level above the ground floor. The minimum number of parking spaces needed to support the business case for the development of the MSCP is approximately 600 spaces (i.e. 4 levels with 150 spaces per level).
- 1.15.12 A MSCP development at Salt Lane comprising 600 spaces would in itself be insufficient to redress the overall shortfall in parking provision based on the growth projections outlined above.

- 1.16 New Union Street and Cheylesmore Car Parks
- 1.16.1 This report proposes that a further development on the site of the existing New Union Street MSCP and Cheylesmore surface car parks is approved in principle and that officers explore the option in more detail.
- 1.16.2 Subject to the outcome of discussions and negotiations with partner organisations in regard to the need to provide 500 additional parking spaces, officers will develop proposals and a financial model for a second new MSCP comprising circa 850 spaces.
- 1.16.3 The existing New Union Street MSCP was designed by Coventry City Council in the early 1970's. It currently has capacity for 240 vehicles over 5 split levels. The car park includes a lift for access to the upper level albeit that this hasn't been operational for several years and is deemed to be beyond economical repair. Nowadays therefore, access to the upper levels is by stairs and so the car park does not appeal to customers with limited mobility. Not only is there ample evidence of anti-social behaviour taking place within the car park but it is considered that the car park does not in any way reflect the need or design of a modern car park.
- 1.16.4 Cheylesmore surface car park is located adjacent to New Union Street MSCP. It is estimated to be approximately 40 years old and is generally in a very poor condition. The site comprises 1,094sqm and has capacity for 44 spaces.
- 1.16.5 New Union Street and Cheylesmore car parks are centrally located close to junction 5 of the ring road and approximately 150 metres from where the new Waterpark and Leisure Centre will be.
- 1.16.6 In the main, the car parks currently serve the surrounding office and commerce buildings as opposed to the retail sector. Both are well used during Monday to Friday by commuters. The car parks are currently underused during the weekend due to a lack of retail units or other attractors in the immediate vicinity but that is expected to change following the completion of the Waterpark and Leisure Centre.
- 1.16.7 An intrusive structural and conditions survey of the New Union Street car park was carried out in 2012 when it was identified that a significant level of capital investment of circa £600k would be required to make good the asset and extend its useful life by 10 years. [It is estimated that this figure will have increased proportionately over the past 4 years to circa £700k and it should be remembered that this investment would not result in an upgrade or an improvement of the car park and it would still be a sub-standard facility. It is estimated that an upgrade / improvement would cost £900k].
- 1.16.8 At the time of the structural survey the long term plans for the car park were unclear and consequently a decision was taken to undertake small scale cosmetic repairs at a cost of £60k.
- 1.16.9 The New Union Street and Cheylesmore car parks are currently in need of a significant amount of further repair. Both are outdated and they will continue to deteriorate over time without investment. The quality of the two assets is sub-standard and not conducive to the surrounding area, the aspirations for a vibrant local economy, or as a 'car park of choice' for potential customers using the Waterpark and Leisure Centre.

1.16.10 In light of the above, and to increase the level of off-street parking facilities in the area, in addition to matching the additional demand for parking likely to be generated by partner organisations, it is proposed that the Council considers the development of a second new MSCP on the site of the existing New Union MSCP and adjacent Cheylesmore surface car park with capacity for approximately 850-900 spaces. The Business Case and detailed design considerations, together with efficiencies in the layout of the car park will govern the actual size of the facility that is delivered.

1.17 As stated above, an analysis has shown that the Council expects to lose circa 500 parking spaces over the next decade as a result of the various planned developments. This excludes the potential additional demand for 500 spaces from partner organisations. As such there is expected to be a parking deficit of c1,000 spaces without investment or intervention to redress the situation.

1.18 The proposed MSCP developments at Salt Lane and New Union Street / Cheylesmore could re-provide a combined total of c1,500 spaces. This would represent a very significant and essential increase in supply to balance and mitigate the increased demand and afford the Council an opportunity to effectively manage and potentially redevelop other surface car parks.

2. Options considered and recommended proposal

2.1 In light of the above a number of options have been considered:

Option 1 - Do Nothing

Retain the existing car park facilities at Salt Lane, New Union Street and Cheylesmore which provide a combined total of 456 spaces. **(Not recommended)**

Option 2

Subject to planning permission, construct a 600 space MSCP at Salt Lane in isolation of any other development in order to increase overall provision by circa 428 spaces. **(Not recommended)**

Option 3

Develop a MSCP at Salt Lane and refurbish the existing MSCP at New Union Street to increase the useful life of the asset by 10 years at an estimated cost of £700k, thereby increasing the existing parking provision by up to 600 spaces. **(Not recommended)**

Option 4

Construct a MSCP at Salt Lane and explore the options available and the business model for the development of a second MSCP at New Union Street and Cheylesmore, with a view to bringing a further report to Members when the viability of the second MSCP has been assessed. **(Recommended)**

2.2 The preferred way forward is Option 4, i.e. to progress with the proposed development of Salt Lane MSCP with capacity for circa 600 spaces coupled with exploring the potential for the development of a second MSCP with capacity for up to 850- 900 spaces at New Union Street and Cheylesmore car parks, and subsequently developing the associated business case.

3. Results of consultation undertaken

- 3.1 A detailed consultation with relevant stakeholders will be undertaken as part of the design phase and the proposed development of the MSCP will be subject to a statutory notice / objection process with due consideration to any objections received.
- 3.2 The consultation will take account of feedback from amongst others, the fire service, insurers, planners, the police and the general public to ensure that their respective requirements and recommendations are incorporated.
- 3.3 In addition, the consultation and design will also include engagement with the neighbouring Ford's Hospital and Eventide Care Home to ensure that any issues arising are sympathetically considered and addressed.

4. Timetable for implementing this decision

- 4.1 Subject to the approval of the recommendations contained within this report, the aim is to construct a new MSCP at Salt Lane in time for the planned opening of the Waterpark and Leisure Centre in November / December 2018.
- 4.2 Subject to the approval of this report, the Executive Director of Place in consultation with the Cabinet Member for City Services should be given delegated authority to progress the appointment of associated consultants and an approved contractor to develop and deliver the programme of developments.
- 4.3 The preliminary designs will be developed by professional consultants and will be completed by July 2017 with detailed designs developed for planning approval by approximately November 2017.
- 4.4 A tender for a main contractor will be let with the aim of completing the build of Salt Lane and its associated highway and public realm works in readiness for the opening of the Waterpark and Leisure Centre.
- 4.5 An indicative timescale for the delivery programme based on the key milestones is summarised in the table below:

| Activity | Duration | Target Completion Date |
|--------------------------------|-----------------|-------------------------------|
| Cabinet / Council approval | 6 weeks | February 2017 |
| Design phase | 10 weeks | July 2017 |
| Planning approval | 13 weeks | November 2017 |
| Tender period & contract award | 12 weeks | November 2017 |
| Construction phase | 12 months | November 2018 |

5. Comments from Executive Director of Resources

5.1 Financial implications

The financial implications of the recommended option to construct a MSCP on the Salt Lane site have been modelled and are summarised in the table below:

| Option | Assumptions | Net Cash (Benefit) / Cost (£000's) |
|------------------------------------|---|------------------------------------|
| MSCP constructed on Salt Lane site | <ul style="list-style-type: none"> 600 space MSCP subject to planning consent 45 year investment period | (8,172) |

The financial model indicates that the Salt Lane MSCP development alone is estimated to yield a substantial cash benefit to the Council over 45 years. However, if this option was delivered on its own and New Union Street car park continues to deteriorate and reached the end of its useful life, the Council would not be able to provide sufficient spaces to meet the demand for parking in the city centre.

The recommendation in this report is therefore to approve in principle, a multi storey car park development over 2 sites as one development, but in 2 phases, investigating a series of further options for the second phase to ensure that there are sufficient spaces to meet expected growth in demand into the future. This will include, but not be limited to, options to develop a MSCP at the site of the existing New Union Street and Cheylesmore car parks.

A range of possible scenarios relating to New Union Street car park are presented in the table below:

| Scenario | Detail | Net Cash (Benefit) / Cost (£000's) |
|-----------------------|---|------------------------------------|
| Do Nothing | NUS demolished at end of life | 3,971 |
| Replace Like for Like | NUS spaces replaced like for like | 5,298 |
| Increased Capacity | NUS replaced with a larger multi-storey in partnership with other organisations | 5,768 |

Above figures assume £3m capital receipt from Cox Street car park disposal is ring-fenced to part fund this investment

This is not an exhaustive list of scenarios but it shows that there is likely to be a net cost to the Council for the second phase of re-providing the spaces required. This would need to be offset by the financial benefit delivered by the initial Salt Lane multi-storey car park phase

The first phase capital cost of developing a Salt Lane MSCP is estimated at £10.7m. This includes for design & construction cost (incl. contingency), project management fees and highway works. Corporate capital resources would be required to finance the development but based on modelled growth in income, the debt serving costs would be more than met by growth in income to offset financing costs. No price increase has been factored into this.

Following the procurement of Salt Lane works, should costs be broadly as estimated /modelled for that phase, it is expected that a second phase MSCP development could

be afforded on the second site, irrespective of the involvement of a third party. However, subject to approval of this approach in principle, officers will seek further authority from members prior to the commencement of the second phase, once prices are firmed up for Salt Lane and a preferred option for the size of a second development has been worked up.

5.2 Legal implications

In line with the requirements of Coventry City Council's standing orders, the Council needs to obtain the relevant planning permission for development of either site. The Council will also need to comply with its Rules for Contracts and the Public Contracts Regulations 2015 in engaging with appropriate contractors for scoping and subsequently undertaking the construction of the proposed new MSCP.

Under section 32 of The Road Traffic Regulation Act 1984 the Council has powers to enable it to provide off-street parking places. The Council can choose to use its land as an off-street car park.

It can also choose whether to regulate the use of that car park through an Off Street Parking Order which gives the Council charging and enforcement powers. The proposed development of the MSCP will be subject to a statutory notice/objection process and the due consideration of any objections received in the usual manner.

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

A prosperous Coventry – The parking strategy committed to ensuring that the demand for parking within Coventry is met with a sustainable supply to support and develop the local economy and regenerate Coventry city centre. The development of the proposed MSCP will contribute to achieving the aim.

Making Coventry an attractive and enjoyable place to be – The development of a MSCP will help to ensure that parking, together with other attractions, amenities and activities within the city centre, are more accessible which in turn will contribute to the regeneration and growth of Coventry.

Making places and services easily accessible to Coventry People – The development of a MSCP will help to ensure that there is a sustainable provision of parking within the city centre which will help to make facilities, services and places within the city more accessible for residents, commuters and visitors.

6.2 How is risk being managed?

6.2.1 The construction of the new leisure centre and water park facility will contribute to the regeneration of the city and specifically the city centre.

6.2.2 The management of car parks including the enforcement of restrictions in car parks contribute to the expeditious movement of traffic on the city's road network which improves the accessibility and reliability to the city centre.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

The proposed new MSCP will be designed and constructed in line with National 'new build car park' guidelines and National Planning Practice Guidance and a full equalities impact assessment will be developed at the design phase and as part of the associated transport assessment. It will incorporate feedback from the consultation with stakeholders and the likely impacts on protected groups.

The traffic impact of the proposed development is one of the key considerations given the increase in traffic movements in and out of the site and within the surrounding areas.

It is expected that the number of spaces is required to help ease the pressures on the current and future demands for parking within the City Centre.

Any changes to the existing car park provision have the potential to affect the public and protected groups in different ways. It is expected that the new MSCP at Salt Lane will increase the provision at that location by 428 spaces from 172 to circa 600 spaces. Consequently, the increase in provision is likely to have a positive impact on access arrangements as a proportion of the proposed spaces will be dedicated for Blue Badge parking for those with limited mobility.

6.5 Implications for (or impact on) the environment

The construction of the proposed new MSCP will be undertaken in accordance with Secured by Design principles. Modern construction materials will be used and would present a significantly lesser impact on the environment than others that are still available that have been used historically.

The operation of modern energy efficient mechanical, electrical and lighting installations would be incorporated into the scheme to provide improved energy use.

It is not expected that the proposed development of the MSCP at Salt Lane will have a significant effect on the environment or air quality given that the principle use of the existing site will not change and the new facility will remain within the site of the existing car park.

6.6 Implications for partner organisations?

The proposed development of the new MSCP car park is expected to be a contributory factor to the potential success of the new Waterpark and Leisure Centre and other major attractors within the vicinity, including local businesses, shops and restaurants.

It is also expected that the regeneration of the surrounding area will breed confidence that might attract other new investment within the city centre.

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