

Cabinet

10 April 2018

Name of Cabinet Member:

Cabinet Member for City Services - Councillor J Innes

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

All

Title: Salt Lane Multi-storey Car Park Development

Is this a key decision?

No

Executive Summary:

Coventry City Council adopted the City Centre Parking Strategy in August 2016. Subsequently in January 2017, Council and Cabinet approved recommendations to construct a new 600 space multi-storey car park in Salt Lane on the site occupied by the existing surface level car park at an estimated cost of £10.7m.

Officers have recently undertaken the competitive tendering exercise for the construction of the Salt Lane multi-storey car park and the preferred bidder has been identified. Based on the most economically advantageous tender submission, together with the anticipated project management and design costs, it is anticipated that the out turn costs are likely to be approximately £1m higher than those anticipated in the 2017 report. These costs are affordable within the original approved business case as the cost of financing is now lower than was originally assumed.

Accordingly this report seeks approval for an additional £1million from the Capital Programme for 2018/19, offset by reduced borrowing costs, to allow the procurement to proceed to contract award and thereafter construction to start on site.

Recommendation:

Cabinet is requested to approve the addition of £1million to the capital budget, funded from corporate capital resources, for the delivery of the Salt Lane car park as approved in the Business Case Report of January 2017.

List of Appendices included:

None

Background Papers

None

Other useful documents

City Centre Parking Strategy

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

Business Case for the construction of multi-storey car parks in the city centre

<http://democraticservices.coventry.gov.uk/documents/s32568/Business%20Case%20for%20the%20construction%20of%20multi-storey%20car%20parks%20in%20Coventry%20City%20Centre.pdf>

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?

No

Report title: Salt Lane Multi-storey Car Park Development

1. Context (or background)

- 1.1 Coventry City Council adopted the City Centre Parking Strategy in August 2016. The strategy recognised that demand for off-street car park would increase during the next decade in line with the growth of the local economy and the transformation of the city centre. It was recognised that ultimately demand would out-weigh the number of spaces available and that investment was needed in order to ensure a sufficient amount of parking spaces are available in the right locations.
- 1.2 On 24 January 2017, Council and Cabinet considered a linked business case for the development of new multi-storey car parks at Salt Lane and New Union Street in the city centre.
- 1.3 Council and Cabinet approved the business case and the recommendation for the addition of £10.7million to the capital programme funded from the corporate capital resources for 2017/18 and 2018/19 for the development of a new 600 space multi-storey car park at Salt Lane on the site of the existing surface car park.
- 1.4 During 2017, officers appointed consultants to progress the detailed designs of the proposed scheme and have subsequently secured planning permission. Design works have been undertaken in conjunction with stakeholders and Cabinet Member (City Services).
- 1.5 The Salt Lane site is constrained by a large underground BT duct carrying multiple fibre cables which run across the site from the BT exchange. It has been necessary to work with BT to agree a strategy to enable the car park construction works while ensuring continuity of the BT services. This has culminated in BT requiring an assurance duct, at an additional cost to the project of £682k, to be installed prior to the commencement on site by the preferred contractor. These costs were not known at the time of the previous report.
- 1.6 To facilitate the additional works required by BT, it will be necessary to remove two redundant underground fuel tanks at an estimated additional cost to the project of £50 - 100k. There is an associated risk that the removal of the tanks may identify that the surrounding ground is contaminated.
- 1.7 Associated with the building of the multi storey car park are highway and public realm works. The public realm element of the scheme is included within the public realm phase 5 programme which was approved by Cabinet on 6 March 2018. Together with fees, contingency, and the additional BT costs noted above it is expected therefore, that the revised budget required to deliver the scheme will be £11.7million which represents an increase of £1million compared to the approved budget.
- 1.8 Prior to the award of the contract to the preferred contractor, approval is required for the additional capital funding that is required to deliver the scheme.

2. Options considered and recommended proposal

2.1 In light of the above, two options have been considered:

Option 1 - Do nothing

Retain the existing car park facilities at Salt Lane and do not progress with the award of contract or the development of the new multi-storey car park. This will result in the water park and leisure centre opening without adequate, easily accessible car parking provision **(Not recommended)**

Option 2

Approve the addition of a further £1million to the capital programme funded from corporate capital resources for 2018/19 and 2019/20 and continue with the development of the Salt Lane multi-storey car park in line with the detailed designs that have already been submitted. **(Recommended)**

2.2 The preferred way forward is Option 2 above, i.e. to approve the additional funding required to deliver the Salt Lane scheme and thereafter, consider the implications to the business case for the New Union Street and Cheylesmore development.

3. Results of consultation undertaken

3.1 A detailed consultation with stakeholders on the proposed developed of the Salt Lane multi-storey car park was undertaken in line with the requirements of the planning application.

4. Timetable for implementing this decision

4.1 Subject to the approval of the recommendations contained within this report, the aim is to award the contract for the construction of the new multi-storey car park at Salt Lane to the preferred contractor during week commencing 30 April 2018. This will result in minimal impact to the construction phase of the project programme and will ensure that the scheme is completed in time for the planned opening of the Waterpark and Leisure Centre during April 2019.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The report seeks approval for a further £1m of corporate capital resources. The previous report to members in January 2017 indicated that the Salt Lane development alone would yield a net cash benefit of £8.172m. This was based on a cost of £10.7m, and borrowing cost interest rate of 3.76%.

Officers have reviewed the financial business case to take account of the higher projected cost of £11.7m, reflecting also a reduced borrowing cost consistent with the latest market rates of 3.04%.

The updated financial model indicates that the Salt Lane multi-storey car park development would still yield an estimated cash benefit to the Council of £8.244m over the same 45 year period. This effectively demonstrates that the additional £1m cost would be broadly offset by the slightly lower assumed cost of borrowing to fund the investment.

Although the required development for the second phase of the scheme at New Union Street is not the same as Salt Lane proposal, it will nonetheless be informed by the tender prices received for the first phase. Officers need to review the car parking strategy over the

coming weeks to update the supply and demand assumptions, which together with cost data, will inform an updated view of the solution required for New Union Street. This will be reported back to members in the new municipal year.

5.2 Legal implications

Under sections 32 to 35 of The Road Traffic Regulation Act 1984 the Council has powers enable enabling it to provide off-street parking places and to charge for use of those spaces. The Council can choose to use its land as an off-street car park.

6. Other implications

6.1 How will this contribute to achievement of the Council's Plan?

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 multi-storey car park will contribute to achieving the aim.

Making Coventry an attractive and enjoyable place to be – The development of a multi-storey car park 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 multi-storey car park 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 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 multi-storey car park 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.

It is expected that the new multi-storey car park 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 multi-storey car park 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 multi-storey car park 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 development of the new multi-storey 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 encourage confidence that might attract other new investment within the city centre.

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