

# CABINET MEETING

## Agenda Item 68

Brighton & Hove City Council

<b>Subject:</b>	<b>Refurbishment of London Road and Lanes Car Parks</b>		
<b>Date of Meeting:</b>	<b>18<sup>th</sup> September 2008</b>		
<b>Report of:</b>	<b>Director of Environment</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Austen Hunter</b>	<b>Tel:</b> 29-2245
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<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No. CAB 3315</b>	
<b>Wards Affected:</b>	<b>All</b>	<b>Regency, St Peter's &amp; North Laine</b>	

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Lanes and London Road Car Parks have been subject to minimal levels of maintenance pending a decision on the long term strategy for the city's off-street parking. In November 2007, a basic repair and equipment update was agreed by Policy and Resources Committee together with approval to commence negotiations that would bring back in house 5 other Car Parks leased to NCP.
- 1.2 This report provides a further update on these earlier P&R Committee agreements and requests cabinet to consider further enhancements to deliver the necessary standards that meet the Council's business objectives and emerging financial position.
- 1.3 Following the conclusion of lengthy negotiations, the 5 Car Parks previously leased to NCP returned to the Council on 1<sup>st</sup> September 2008. However, following a lack of investment in the remaining substantial Council run Car Parks, particularly The Lanes and London Road now require a fast-track improvement programme to bring them up, both to an appropriate standard and stem declining income levels.
- 1.4 Additional funding and authority to appoint a works contractor is sought to carry out these improvements.
- 1.5 These works will form part of a Citywide Parking Strategy to coordinate and raise standards at all Council operated off-street car parks.
- 1.6 Raising the current standard in The Lanes and London Road Car Parks will improve perceptions of the City, generating additional visits and improved income.

## 2. RECOMMENDATIONS:

- 2.1 That the Cabinet approve the allocation of a further £1.01m additional funding for high quality improvements at The Lanes Car Park and minor improvements at London Road Car Park.
- 2.2 That the Cabinet approve the release of £0.300 million from the Car Parks Maintenance Reserve as a contribution towards the capital costs.
- 2.3 That the Cabinet approve the appointment of a works contractor by the Director of Environment.

## 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 On 29<sup>th</sup> November 2007, Policy and Resources Committee approved an invest to save proposal of up to £1m to enhance the physical environment, increase public safety and protect income at The Lanes and London Road car parks.
- 3.2 The £1m allocated was based upon a visual dilapidations survey intended to provide a summary overview when the Council was considering tendering out the car parks back in 2005.
- 3.3 In 2008, following the conclusion of very complex negotiations with NCP regarding the transfer of five car parks back to the Council, the survey was updated to include provision for security and aesthetic improvements to enhance the physical environment and improve visitor perceptions within an expanding car parks portfolio. The updated survey and design specification will create a step change and transform the way the Car Parks look and feel. For many visitors the Council's Car Parks are the 'front door to the city' creating first and last impressions. Emphasis is placed within the design specifications upon improved lighting, CCTV and access control technologies that will help to secure the parking areas.
- 3.4 Tenders have been sought through the formal, European wide (OJEU) procurement process to identify a main contractor for the works. A preferred bidder will be identified in September. The works were tendered on a Design and Build basis. Tenderers have been presented with a full functional specification to achieve a high quality standard at both car parks. Required elements will be confirmed at the preferred bidder stage when it is known what, if any, additional funding is available.
- 3.5 There will be two levels of improvement proposed for the Car Parks:
  - **A Basic level** of improvement at London Road to improve functionality only, reflecting the need to minimise investment in line with emerging development opportunities and Car Park proposals within the London Road area.

- **A High quality** improvement at The Lanes will invest in all aspects including better security and high quality finishes. It is proposed to approach the refurbishment works at the car parks in distinct levels of quality to reflect emerging development opportunities within the London Road area.

3.6 Investment costs are estimated as follows:

	<b>Basic level</b>	<b>High quality</b>
<b>The Lanes</b>		£1,510,000
<b>London Road</b>	£500,000	

3.7 The total capital expenditure would be £2.010 million an increase of £1.010 million on the capital sum agreed at Policy & Resources Committee in November 2007.

3.8 The June 2008 Cabinet meeting allocated £0.400 million to a car parks maintenance reserve to in order to improve car parks and associated business processes to enhance monitoring and arrest the deteriorating income position on off-street parking. If £0.300 million of that allocation was used to support the refurbishment works the capital investment requiring funding from unsupported borrowing would be £1.710 million. The Lanes Car Park has a capacity of 355 spaces and is situated in a prime location providing direct access to the Lanes shopping area, the seafront and Palace Pier, major hotels, restaurants, nightclubs and council offices. Concerns over safety and poor quality standards generally have resulted in a fall off in demand in recent years. The following table shows usage and income at The Lanes over the past 4 years:

	Parking hours / space / year	Total Income
<b>2004/05</b>	6,189	£1,244,000
<b>2005/06</b>	6,004	£1,210,000
<b>2006/07</b>	5,809	£1,204,000
<b>2007/08</b>	4,810	£1,034,000

On this basis, and to encourage a return to previous usage levels, investment in a high quality refurbishment is recommended at The Lanes Car Park of £1.5m (£4,225 / space).

3.9 London Road Car Park has a capacity of 628 spaces and is located in a less central part of Brighton with lower demand pressure than The Lanes Car Park. In the long term, the London Road Car Park capacity could be included within the wider London Road development plans with spaces relocated to a more efficient position. The developer's current conceptual plans propose a large underground car park with access direct from the main road. For these reasons, it is recommended that the investment into London Road Car Park is restricted to a very basic specification equating to £0.5m (£796 / space). This is a short term plan that assumes a limited future for London Road car park. Were the intention to be to extend the life of this site a more substantial investment would be recommended.

#### 4. CONSULTATION

- 4.1 Consultation has been carried out with a variety of Stakeholders including the Police, British Parking Association, National Car Parks (NCP) and Council Officers including operational Car Park Staff.

#### 5. FINANCIAL & OTHER IMPLICATIONS:

##### Financial Implications:

*Finance Officer Consulted:* Patrick Rice *Date:* 18.08.08

- 5.1 The Lanes and London Road car parks are currently underachieving their income targets by £241,000. This figure is expected to continue to grow without investment. It is expected that the redevelopments will increase usage to previous levels and so eliminate the underachievement.
- 5.2 The refurbishment proposals are estimated to cost £2.010 million. If a contribution of £0.300 million was made from the Car Parks Maintenance Reserve the amount remaining to be financed would be £1.710 million.
- 5.3 In the current financial year the income deficit against the Lanes and London Road car parks is being funded by additional income generated from on street parking. The additional on street income is expected to continue on a permanent basis and it is proposed to use a proportion of this to cover the financing costs of the unsupported borrowing.

##### Legal Implications:

*Lawyer Consulted:* Sonia Likhari *Date:* 18.08.08

- 5.4 The nature and value of the contract means that it falls within the EU Procurement Regulations and therefore tenders must be sought and the design and build contract awarded in accordance with the Regulations in order to comply with the law and with the Council's Contract Standing Orders. This procurement process is underway (see section 3.4 above).

The Council must take the Human Rights Act into account in respect of it's actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in this report.'

##### Equalities Implications:

- 5.5 Car parks layout and equipment design will meet statutory accessibility requirements.

#### Sustainability Implications:

- 5.6 Tenderers for the works will be assessed against a range of quality design criteria, including sustainability considerations and measures.

#### Crime & Disorder Implications:

- 5.7 Both sites will meet with the Police and British Parking Association's Safer Parking Scheme / "ParkMark" Award standards.

#### Risk & Opportunity Management Implications:

- 5.8 The risk of not providing additional funding on top of the original £1m allocated is that the refurbishment works will not meet service level expectations or current parking quality standards. As a result, a return to previous usage levels may not be realised, income potential will be foregone and the realisation of business benefits may not be achieved.
- 5.9 Delaying the appointment of a main contractor would risk delaying completion of the works.
- 5.10 Increasing investment offers the council the opportunity to improve perceptions of the city amongst residents and visitors. It also offers the council the opportunity to achieve additional income.

#### Corporate / Citywide Implications:

- 5.11 The Lanes and London Road refurbishment offer the council the opportunity to set a new standard for the provision of car parking services to which other car parks within the council's portfolio may be brought up to as part of a citywide parking strategy.

### **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 This report presents and compares both basic and high quality refurbishment options, as well as the financial implications of doing nothing.

### **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The decision to approve additional investment at the Lanes and London Road car parks is to improve health and safety standards, customer perceptions, return usage to previous high levels and protect income. This forms part of a citywide Parking Strategy to coordinate and raise standards at council operated off-street car parks, including the 5 car parks returning to the council from NCP.
- 7.2 The decision to authorise the Director to appoint a contractor is to ensure that the works are carried out without delay and that the benefits may be realised as early as possible.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

None

### **Documents In Members' Rooms**

None

### **Background Documents**

1. Agenda Item 117, Policy and Resources Committee Report, 29<sup>th</sup> November 20.