



AGENDA ITEM: 12

SUMMARY

Report for:	Cabinet
Date of meeting:	11th February 2014
PART:	The main body of the report is Part 1, with Appendix A Part 2.
If Part II, reason:	Appendix A contains information relating to the financial and business affairs of the Council and information disclosed in this report may be used in a future tender procurement exercise. (LGA 1972, Part V, Schedule 12A paragraphs 3 and 5).

Title of report:	REPORT ON THE FEASIBILITY OF DEVELOPING A MULTI STOREY CAR PARK ON LOWER KINGS ROAD, BERKHAMSTED.
Contact:	Cllr Nicholas Tiley Portfolio Holder for Finance & Resources Author/Responsible Officer Mike Evans (Group Manager Commercial Assets and Property Development)
Purpose of report:	To report to Cabinet the findings of a feasibility study for the development of a multi-storey car park in Berkhamsted.
Recommendations	Cabinet is recommended to : 1. Note the key findings of the consultant's report on the development of a multi-storey car park in Berkhamsted. 2. Approve continued work on the design and due diligence ahead of a further, more detailed report to Cabinet.
Corporate objectives:	Regeneration: - Drive value from Council-owned assets Safe and Clean Environment: - Maintain a clean and safe environment Dacorum Delivers: - Efficiencies

	<ul style="list-style-type: none"> - VFM - Performance excellence - Reputation and profile delivery
Implications:	<p>The development of the MSCP will be in the centre of Berkhamsted, so traffic impact will be a major consideration. The analysis of the traffic impact will be undertaken as part of the next, more detailed design stage and considered as part of the planning application.</p> <p>The proposed site is located within a Conservation Area; as such the design and consultation process will need to be handled carefully with proper consideration to the form and scale of development.</p> <p>This is a major investment of capital which should provide a secure annual revenue stream and provide a reasonable return on capital employed.</p>
Risk Implications	<p>Risk:</p> <p>The keys risks are:</p> <ol style="list-style-type: none"> 1. Planning – even though the site is suitable for such a development, the scale and traffic impact will need to be considered carefully, both of which will have an effect on the viability of the venture. 2. Financial – these risks are detailed in the Part 2, Appendix 2 to this paper.
Value For Money Implications	<p>Value for Money:</p> <p>Further due diligence work will be undertaken before a decision is finalised to proceed with the project, and a contract let that is compliant with the Council’s procurement regulations.</p>
Equalities Implications	<p>The development will comply with all statutory regulations.</p>
Health And Safety Implications	<p>This is major project construction project, so proper emphasis will be given to H&S issues throughout.</p>
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer: No further comments</p> <p>Deputy S.151 Officer Incorporated within the body of the report.</p>
Consultees:	<p>Councillor Nicholas Tiley - Portfolio Holder for Finance and Governance Councillor Julie Laws – Portfolio Holder for Environmental Services and Sustainability James Deane - Assistant Director for Finance and Resources</p>

	James Doe - Assistant Director for Planning, Development and Regeneration
Background papers:	Portfolio Holder Decision Sheet PH/015/13 for the 'Appointment of a consultant to progress the development of a multi-storey car park in Berkhamsted'. (April 2013) The subsequent report by White Young & Green, a detailed Feasibility Study & Commercial Viability Assessment, is available to Members on request.
Glossary of acronyms and any other abbreviations used in this report:	MSCP – multi storey car park WYG – White Young Green (DBC's appointed consultant) LKR – Lower Kings Road

Background

1. In April 2013, Portfolio Holder approval (PH/015/13) was granted for the appointment of White Young & Green (WYG) to undertake a feasibility study and commercial viability assessment into the development of a multi-storey car park (MSCP) in Lower Kings Road, Berkhamsted.
2. The WYG report constituted the first phase of a 3-phase approach to delivering a MSCP on the site. The approved phased approach is as follows:
 - Phase 1 – to undertake a feasibility and commercial viability study on the site
 - Phase 2 – to undertake more detailed design work, including wider consultation
 - Phase 3 – to let and manage the contract
3. The Council took receipt of a comprehensive feasibility and commercial viability report from WYG in January 2014, which indicated that an MSCP on the site is viable.
4. The purpose of this report is to update Cabinet on the findings of Phase 1, and to seek approval to proceed to Phase 2 of the project.

Existing Supply and Demand

5. WYG carried out a detailed site audit of the Lower Kings Road car park in early summer 2013. Additionally, parking surveys were carried out for all public car parks and the High Street Pay-and-Display parking bays. The surveys involved hourly assessments of the parking bays to determine number of vehicles parked and duration of stay.
6. In addition, sample surveys were carried out on-street of Berkhamsted town streets to gauge what pressures there are for parking and where these arise. The survey area was based on a 5 minutes' walk time of the High Street/Lower Kings Road/Kings Road junction, taken as the epicentre for shopping activity.
7. The on-street parking surveys have identified that there is strong demand for kerbside parking within 5 minutes walk of High Street. Roads in the vicinity of Chapel Road/Ravens Lane, Highfield Road/Victoria Road and Kings

Road/Clarence Road are fully occupied at the outset through residential parking demand. Parking around Charles Street/Boxwell Road/Park View Road was noted to become high throughout the weekday morning, suggesting that this location is attractive for commuter parking. The High Street short stay pay-and-display parking appeared to be attractive for shop visitors as the bays were fully utilised throughout the day.

Potential Future Demand

8. The WYG assessment reflects potential future demand which could be generated through a variety of sources over the coming years. The demand profile has been prepared on the basis of the following and a prediction profile developed for 2015 to 2034 (up to 20 years):
 - **Predicted background growth in vehicle trips** – Growth rates have been obtained for the 2015 (Year 1) and 2034 (Year 20) base traffic flow data in order to determine the average traffic growth expected per year (from Year 1 to Year 20).
 - **Census data analysis** – Car ownership and population trends have been reviewed using recently published Office for National Statistics 2011 Census data, and comparing these for car ownership per household and population levels against the 2001 Census datasets for Berkhamsted (primarily), Tring and Chesham (other local district centres) and Dacorum District as a whole.
 - **Population change** – Growth in population for Berkhamsted and the wider environs has been derived based on assessment of the Local Development Framework (LDF) Draft Core Strategy for the Dacorum District (Nov-Dec 2010) and the LDF Core Strategy for the Chiltern District (Nov 2011).
 - **Rail Patronage Growth** – A review of the last 8 available consecutive years' estimations for station usage data released by the Office for Rail Regulation has been carried out in order to understand the travel growth and the potential increase in the forecast years.
 - **Increased economic activity (extending town centre commercial opportunity)** – A review of the above mentioned LDF Draft Core Strategy for the Dacorum District has been carried out, together with existing planning applications for retail units located within the Town Centre.
 - **Growth through unlocking demand (Latent Demand)** – It is envisaged that the provision of additional parking, would be utilized by town centre visitors and commuters and indeed could accommodate parking from elsewhere in the town. However, for the purpose of the consultant's report, no growth due to unlocked demand is taken into account.

Occupancy and Revenue Projections

9. Financial analysis was undertaken based on different configurations in both the total number of spaces (from 325 – 375), and the blend of short-stay and long-stay bays. The final configuration would be subject to further refinement following more detailed consultation in Phase 2 of the project. However, at this stage, detailed financial appraisals indicate that an MSCP on the site would have the

capacity to recover initial investment costs after around 20 years, subject to the tariff structure adopted.

10. Discussions are underway with the key adjoining land owner to understand their views on the development proposal and to explore their interest in building a bigger MSCP to serve their customers and provide a better shopping experience. A verbal update to this direction will be provided at Cabinet.

Social and Environmental Issues

11. The proposal will be on the site of the existing surface car park which is currently hard surfaced with positive drainage system, connections for which appear to be to the public drainage system. There is little on site as regards flora and fauna. Cars predominate on the site. However, as the car park is at its most active between 11am and 6pm, noise levels will drop in the evening and overnight. Similarly, the local air quality is likely to be mostly impacted upon by motor vehicle emissions as a consequence of the current use of the site.
12. Visually, the car park is to blend with the conservation area as a matter of principle. The Waitrose store adjoining the car park acts as the guide for its maximum height and brickwork is to be considered for cladding to provide for a softer more sympathetic visual appearance. The car park design can ensure that it cannot be seen from that Lower Kings Road until the access junction is reached. The car park will not be visible from the High Street. The height of the car park can also be masked from the canal area through existing trees and shrubbery along the northern perimeter.
13. The designs for the proposed MSCP will meet the standards set to achieve Park Mark accreditation as a minimum which means the design will meet acceptable standards for personal safety, vehicle security and be fully accessible to all members of society. Step free access to all storeys will be achieved via lifts and, in the event of emergency, via the vehicular ramps.
14. The environmental, social and transport impacts of the multi-storey car park will be assessed in further detail as part of the planning submission. The car park will need to be a part of a wider integrated transport strategy for Berkhamsted to address the parking pressures experienced by the town, set in the context of the area being a vibrant community with growing affluence which will result in wider car ownership and use and that any change needs to support this vibrancy.

Next Steps – Phase 2

15. Subject to Cabinet approval, Phase 2 of the project would involve more detailed due diligence in order to further refine the likely cost of delivering the MSCP. This would include more developed design work, traffic modelling, air quality assessment and planning advice.
16. Cabinet will receive an updated report reflecting the outcome of the more detailed due diligence, and approval will be sought prior to the commencement of Phase 3 of the project.