

EXECUTIVE - 14 SEPTEMBER 2017

HEATHSIDE CRESCENT CAR PARK EXTENSION

Executive Summary

The Council's approved Investment Programme incorporates a provision of £10m to enable the extension of Heathside Crescent car park.

This report seeks Executive authority to enable Officers to implement the extension to the car park within the approved budget subject to Planning Consent.

The proposed extension provides an increase in car parking spaces at the site from 479 spaces to 793 spaces, a net increase of 314 spaces at an average cost of some £32,000 per space. The current income budget for the site is £985,000 net of VAT, an average of £2,056 per space.

The annual cost of the extension, based on an investment of £10m financed by a 50 year annuity loan at 2.6% is some £359,000. The additional income if the car park is used at the same level as current would be £645,000. Whilst this produces a potential surplus of £286,000 this would only be in a full year and with a similar level of occupation. Accordingly, when budgets are prepared for future years this potential income will be dampened to reflect general activity levels prevailing in the town at the time.

The investment is a positive investment with a return of 2%+. It also enables the town centre to be better served by car parking provision as economic activity increases. As agreed by Council when approving the development of Victoria Square, further investments in the provision of additional car parking spaces are being pursued at the Victoria Way car park, the Peacocks/Wolsey Place/ToysRUs "Shoppers" car parks and at any potential "park and stride sites" at the edge of the town centre. Each of these other sites will be considered on their merits in due course.

The Executive is requested to authorise the Deputy Chief Executive to implement the extension of Heathside car park subject to Planning Consent.

Reasons for Decision

To enable the implementation of the extension of Heathside Crescent car park subject to Planning Consent.

Recommendations

The Executive is requested to:

RESOLVE That

the Deputy Chief Executive be authorised to implement the extension of Heathside Crescent car park based on a budget of £10m subject to Planning Consent.

The Executive has authority to determine the above recommendations.

Background Papers:

Planning Application.

Sustainability Impact Assessment
Equalities Impact Assessment

Reporting Person:

Douglas Spinks, Deputy Chief Executive
Ext. 3440, E Mail: Douglas.Spinks@woking.gov.uk

Contact Person:

Douglas Spinks, Deputy Chief Executive
Ext. 3440, E Mail: Douglas.Spinks@woking.gov.uk

Portfolio Holder:

Cllr Colin Kemp
E Mail: CllrColin.Kemp@woking.gov.uk

Shadow Portfolio Holder:

Cllr Ann-Marie Barker
E Mail: CllrAnn-Marie.Barker@woking.gov.uk

Date Published:

8 September 2017

1.0 Introduction

- 1.1 The Council's approved Investment Programme incorporates a provision of £10m to enable the extension of Heathside Crescent car park.
- 1.2 This report seeks Executive authority to enable Officers to implement the extension to the car park within the approved Investment Programme budget of £10m subject to Planning Consent.

2.0 Heathside Crescent Car Park Extension Proposal

- 2.1 The "Project Mandate" approved by the Corporate Management Group in accordance with project management procedures is attached at Appendix 1. The Mandate provides an outline of the purpose of the proposal and the breakdown of costs.
- 2.2 Also attached for information are three plans from the Planning Application showing the ground floor layout (level 1 and 2) and the elevations of the car park. These will be subject to consideration and determination by the Planning Committee and the approval sought in this report is subject to Planning Consent being obtained.
- 2.3 The proposed extension provides an increase in car parking provision at the site from 479 spaces to 793 spaces, a net increase of 314 spaces at a total cost of £10m which equates to an average cost of some £32,000 per space.
- 2.4 The car park will need to be closed during the construction period. However, as with Brewery Road car park redevelopment, it is reasonable to assume that car users will utilise other available spaces in the town centre with any significant downturn in total income receivable from car park operations.
- 2.5 The Executive is requested to authorise the Deputy Chief Executive to implement the extension of Heathside Crescent car park based on a budget of £10m subject to Planning Consent.

3.0 Implications

Financial

- 3.1 The capital cost of the proposed extension is £10m which is in accordance with the provision included in the approved Council Investment Programme. The investment has been approved by Council to be financed from borrowing and has been taken into account when setting Council borrowing limits.
- 3.2 The proposed method of financing for the purpose of this appraisal is a 50 year annuity loan at 2.6% which gives rise to an annual revenue charge of some £359,000. The actual financing arrangements will be determined by the Council's Chief Finance Officer in accordance with delegated authority so as to achieve the most economically advantageous position for the Council.
- 3.3 The current income budget for the site is £985,000 net of VAT, an average of £2,056 per space.
- 3.4 The potential additional income, based on current usage and price is some £645,000 per annum net of VAT. Accordingly the net additional income for the Council, after taking into account financing costs of £359,000 is some £286,000 per annum in a full operational

Heathside Crescent Car Park Extension

year (2019/20 onwards). This a potential return of 2.86% or at least, after dampening some 2%+.

- 3.5 In preparing the annual budget for 2019/20 the income expectation will be dampened to allow for an initial lower take up of spaces.
- 3.6 The current aggregate off street car park income of £7.453m is assumed to be substantially unaffected by the temporary loss of Heathside Crescent car park during the construction period which is substantially in 2018/19 with its full operation coming into effect for 2019/20. The risk of any adverse impact will however be taken into account when considering the contingency and reserves strategy when determining the 2018/19 revenue budget.
- 3.7 Further investments in the provision of additional car parking spaces are being pursued at the Victoria Way car park, the Peacocks/Wolsey Place/ToysRUs “Shoppers” car parks and at any potential “park and stride sites” at the edge of the town centre. Each of these other sites will be considered on their merits in due course.

Human Resource/Training and Development

- 3.8 There are no human resource or training issue arising from this report.

Community Safety

- 3.9 There are no community safety issues arising from this report provided the car park is closed during the construction period.

Risk Management

- 3.10 Risk management issues will be addressed as part of the construction project in accordance with normal project management procedures.
- 3.11 There is a slight risk that aggregate car park income will be adversely affected during 2018/19 due to the current 479 car park spaces being taken out of use. However as was witnessed by the development of the Brewery Road car park, the Council did not forego income as car users used other Council car park sites. The risk of some adverse impact will however be taken into account when determining the Council’s revenue budget for 2018/19.
- 3.12 The failure to provide additional car park spaces in accordance with the Council’s ambitions may adversely affect the economic vitality of the town centre. Proceeding with the implementation of the extension will contribute to reducing that risk.
- 3.13 Timely implementation of the extension to Heathside Crescent car park during 2018/19 will minimise the risk of too many car park spaces being out of use at any one time due to the works in respect of Victoria Square taking some parts of the Shoppers car park out of use in 2019/20 before the opening of the new centre in October 2020 and the occupation of the residential units during 2021.

Sustainability

- 3.14 The provision of additional car parking will support the economic sustainability of Woking town centre.

Equalities

3.15 There are no equalities issues raised by this report.

4.0 Consultations

4.1 The Portfolio Holder has been consulted in the preparation of this report.

REPORT ENDS

EXE17-061

APPENDICES

Equality Impact Assessment

The purpose of this assessment is to improve the work of the Council by making sure that it does not discriminate against any individual or group and that, where possible, it promotes equality. The Council has a legal duty to comply with equalities legislation and this template enables you to consider the impact (positive or negative) a strategy, policy, project or service may have upon the protected groups.

		Positive impact?			Negative impact?	No specific impact	What will the impact be? If the impact is negative how can it be mitigated? (action) THIS SECTION NEEDS TO BE COMPLETED AS EVIDENCE OF WHAT THE POSITIVE IMPACT IS OR WHAT ACTIONS ARE BEING TAKEN TO MITIGATE ANY NEGATIVE IMPACTS
		Eliminate discrimination	Advance equality	Good relations			
Gender	Men					X	
	Women					X	
Gender Reassignment						X	
Race	White					X	
	Mixed/Multiple ethnic groups					X	
	Asian/Asian British					X	
	Black/African/Caribbean/Black British					X	
	Gypsies / travellers					X	
	Other ethnic group					X	

		Positive impact?			Negative impact?	No specific impact	What will the impact be? If the impact is negative how can it be mitigated? (action) THIS SECTION NEEDS TO BE COMPLETED AS EVIDENCE OF WHAT THE POSITIVE IMPACT IS OR WHAT ACTIONS ARE BEING TAKEN TO MITIGATE ANY NEGATIVE IMPACTS
		Eliminate discrimination	Advance equality	Good relations			
Disability	Physical					X	
	Sensory					X	
	Learning Difficulties					X	
	Mental Health					X	
Sexual Orientation	Lesbian, gay men, bisexual					X	
Age	Older people (50+)					X	
	Younger people (16 - 25)					X	
Religion or Belief	Faith Groups					X	
Pregnancy & maternity						X	
Marriage & Civil Partnership						X	
Socio-economic Background						X	

The purpose of the Equality Impact Assessment is to improve the work of the Council by making sure it does not discriminate against any individual or group and that, where possible, it promotes equality. The assessment is quick and straightforward to undertake but it is an important step to make sure that individuals and teams think carefully about the likely impact of their work on people in Woking and take action to improve strategies, policies, services and projects, where appropriate. Further details and guidance on completing the form are [available](#).

Sustainability Impact Assessment

Officers preparing a committee report are required to complete a Sustainability Impact Assessment. Sustainability is one of the Council's 'cross-cutting themes' and the Council has made a corporate commitment to address the social, economic and environmental effects of activities across Business Units. The purpose of this Impact Assessment is to record any positive or negative impacts this decision, project or programme is likely to have on each of the Council's Sustainability Themes. For assistance with completing the Impact Assessment, please refer to the instructions below. Further details and guidance on completing the form are [available](#).

Theme (Potential impacts of the project)	Positive Impact	Negative Impact	No specific impact	What will the impact be? If the impact is negative, how can it be mitigated? (action)
Use of energy, water, minerals and materials			X	
Waste generation / sustainable waste management			X	
Pollution to air, land and water			X	
Factors that contribute to Climate Change			X	
Protection of and access to the natural environment			X	
Travel choices that do not rely on the car			X	
A strong, diverse and sustainable local economy	X			The additional car parking spaces will support
Meet local needs locally	X			The local economy and the travel needs of local residents.
Opportunities for education and information			X	
Provision of appropriate and sustainable housing			X	
Personal safety and reduced fear of crime			X	
Equality in health and good health			X	
Access to cultural and leisure facilities			X	
Social inclusion / engage and consult communities			X	
Equal opportunities for the whole community			X	
Contribute to Woking's pride of place			x	