

**Meeting** Executive  
**Portfolio Area** Regeneration  
**Date** 9<sup>th</sup> February 2022



## **CONSTRUCTION OF A NEW STATION NORTH MULTI-STOREY CAR PARK (MSCP) AND CYCLE HUB AS PART OF SUSTAINABLE TRANSPORT INTERCHANGE**

### **KEY DECISION**

Author – Magdalena Kwiatek Ext. 2622  
Contributors – Chris Barnes Ext. 2292, John Mcauliffe ext.2843  
Lead Officer – Chris Barnes Ext.2292

### **1 PURPOSE**

- 1.1 This report follows the item previously approved by Executive in December 2021, relating to the construction of a new Multi-Storey Car Park & Cycle hub (MSCP) which noted the cost of the scheme, funding mechanism and design progress, and approved the funding for the project, subject to confirmation of the cost to the Council.
- 1.2 This report provides further financial information relating to the cost to the Council of delivering the project, including the short-term impact during construction. It also provides an overview of mitigation actions linked to the temporary closure of the Railway North car park during construction of the new MSCP, proposes the principles of a communications plan showing a proactive attitude toward promotion of existing car parks and provides an update on the decision taken by the Planning and Development Committee.

## **2 RECOMMENDATIONS**

### **2.1 That Executive note:**

2.1.1. that discussions with Huber (proposed Contractor) as well as with Officers in the Council's Finance and Parking Departments have continued since December 2021 Executive to progress the project;

2.1.2. the successful outcome of the planning application process, with the new MSCP including cycle hub being approved on 11<sup>th</sup> January 2022.

### **2.2 That Executive:**

2.2.1. Approve borrowing of up to £2.05m to fund the cost of the MSCP not funded through Towns Fund and identified capital receipts

2.2.2. Delegate authority to Strategic Director (TP) to enter into a construction contract with Huber up to £9.5M and to agree any value increases to the existing Pre-Construction Services Agreement in order to protect the overall contract price.

2.2.3. Agree the following mitigation strategy principles:

- Customers to be encouraged, using an improved communications strategy, to use St George's car park as the preferred option for long term parking when using the station and other car parks within the town centre.
- Customers have a further choice to use Primett Road car park and walk to the station - a "park and stride" option.
- Utilisation of the Income Equalisation Reserve in the event that car parking income losses during construction of the MSCP are higher than included in the 2022/23 budget.

2.2.4. Delegate authority to Assistant Director (Planning & Regulation) to procure an operator(s) and operational plan for the new MSCP electric vehicle charging points and cycle hub, following consultation with the Portfolio Holders for Resources, Environment and Regeneration, and Economy and Transport.

## **3 BACKGROUND**

3.1 On 8<sup>th</sup> December 2021, Executive approved the construction of a new MSCP and cycle hub, as part of a Sustainable Transport Hub, subject to carrying out further financial consideration of the cost of match funding. The previous report sets out all of the background the project, the procurement and design process, and the benefits that will be realised through the delivery of the project, as well as the principal project risks and funding strategy. Final agreement for the Council match funding is required to be able to enter into the construction contract with the contractor, Huber.

3.2 Since the December Executive meeting, further financial analysis of the cost of meeting the match-funding required as part of the total project budget has

been completed, and the financial implications are set out in paragraph 5.1 onwards. The outstanding funding requirement is that a borrowing level of up to £2.05m is required. In addition while the MSCP is being constructed a calculation has been completed regarding potential loss of income and based on this, the cost to the General Fund is forecast within an acceptable range, however this is based on modelling and there is always the risk that this could be higher.

- 3.3 Further progress has also been made in relation to securing planning permission. At the January Planning & Development Committee, Members resolved to grant planning permission. Some minor amendments have been made to the design to take into account points raised at the planning committee, including locating more of the disabled parking spaces inside the building.
- 3.4 Officers have also met to progress discussions regarding interim mitigation measures during the construction period. This included input from Finance and Parking services in relation to how to maximise capacity in other car parks during construction, provide options that are as convenient as possible, and mitigate temporary income loss.
- 3.5 Should Executive agree to the recommendations within this report, the Project Team will need to meet very tight deadlines in order to secure the contract price provided by Huber; this is illustrated in the graphic below.



#### **4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

- 4.1 The justification for proceeding with the project was set out in previous Executive reports, notably 8<sup>th</sup> December 2021. The project is a key element of the regeneration strategy, enabling a number of low-density surface level car parks, some of which have already been committed to redevelopment, to be utilised to deliver a large-scale transformation of the town centre. A summary table of the key reasons for agreeing the final funding position and proceeding to construction now are listed below:

<b>Funding</b>	The majority of funding for this project has been approved at Executive Committee in December 2021.
<b>Parking Occupancy</b>	From the start of the 2023/24 year, the General Fund MTFS assumes a return to pre-Covid levels of car parking income / demand. The new MSCP ( if approved), can be constructed and opened before that point. The rationale for building more commuter parking is that this is identified as area of parking pressure and risk to income as commuter/long stay parking close to the station capacity has been reduced due to the redevelopments that have already been committed.
<b>Construction Contract Price Secured</b>	The MSCP construction price is only valid until the middle of March 2022 and meaning that if a contract with Huber cannot be signed by end of February 2022 there is a significant risk that the cost for this project will increase substantially reflecting supply chain and inflation pressures.
<b>Planning</b>	The project was successfully approved at Planning Committee on 11 <sup>th</sup> January, allowing more certainty in the design process and programme.

### **Car Parks Income - Mitigation Strategy Actions**

- 4.2 During the construction of the proposed MSCP, Railway North (RN) car park will need to be closed for the duration of works. Based on the current construction programme, the temporary closure with Huber will result in a loss of income from this car park for a period of 40-50 weeks.
- 4.3 It is challenging to predict car parking occupancy levels in the future, but the assumption is that most car park users will move to other car parks within the town centre, provided that the temporary inconvenience of travelling a further distance to the station can be overcome. In order to mitigate the loss of customers, and loss of income as a consequence, it is recommended to undertake a proactive approach, based on the following principles:
- Prepare a detailed communications plan to promote available car parking options, by: highlighting available spaces in existing facilities in real time, and promoting the improvements that have been made to St George's Way MSCP, including increased CCTV and cleaning;
  - Temporarily redirecting customers to St George's MSCP which currently has enough capacity to accommodate for Railway North car park users. St George's Multi Storey will be promoted as the easy and convenient alternative car park for all day parking for station users, and offers a reduced rate to off-set the additional distance. The MSCP has already been refurbished in some areas but further discussions on more improvements are taking place with internal teams to improve customer experience even further;
  - Ensure that any refurbishment works to the remaining car parks minimise loss of parking capacity during the construction of the MSCP

- Minimise the use of remaining car parks for use as construction compounds;
- An alternative option would be to consider increasing charges on Railway South (RS) car park. As people would move to park in cheaper car parks, the increased charge for Railway South spaces could reduce the gap of lost income, however this car park has only 123 spaces compared to Railway North's 339 spaces and therefore not likely to recover the income gap;
- Utilise "park & stride" option on Primett Road

### **Communications plan**

4.4 A Communications plan will be prepared detailing the available options for mitigating any loss to parking capacity and income during MSCP construction phase including (but not limited to):

- "Park & stride" at alternative sites;
- Utilisation of existing capacity in other car parks;
- Enhanced maintenance in St George's Way Multi-Storey Car Park;
- Review of parking concession deals and where their parking is located;
- Promotional campaign relating to the other parking facilities, improvements made and the range of options available.

4.5 A communication and marketing campaign will help support any mitigation reference to loss of parking and income generation, and to raise awareness of alternative car parks that can be used. This activity will include:

- Noticeboard frames
- Notice at pay machines
- Section on both SBC and SEB website on Sustainable Travel Hub and alternative car parking arrangements
- Social media posts including a Twitter campaign
- Parking updates referenced in the Sustainable Travel Hub article in the Chronicle
- Close cooperation with station management to help raise awareness of the new plans for the MSCP and the other available parking options.

### **Other options considered but not recommended**

4.6 In terms of income and customer loss mitigation activities, a provision of a shuttle bus was explored. This option would result in significant additional cost to the scheme. Depending on duration of the construction of the MSCP, which could be between 40-50 weeks, the cost that the Council would need to cover for such a service could be approximately between £126,000-£168,000 (40 week programme) or £157,000-£210,000 (50 week programme). This would have a significant impact on the viability of the project and would be a General Fund revenue cost.

#### 4.7 Other options with regards to construction of the new MSCP:

- Repeating the tender process to see if a reduced price could be achieved:

Advice from external experts is that currently the construction market is very volatile – both in terms of price and material availability, which could result in a further significant cost increase.

- Delay the start of construction on site:

It is anticipated that costs would have risen by this point as Huber would not be able to hold their price beyond March 2022. There is a risk that new developments in the town centre could have impact on the car parking capacity.

- Not to build a MSCP:

Commuters could possibly move to other towns when parking is more convenient. This option would result in an insufficient number of car parking spaces and consequential impacts on parking across the town.

## 5 IMPLICATIONS

### 5.1 Financial Implications

5.1.1 The current project cost estimate is £9.75M taking into account assumptions detailed in previous Executive reports.

5.1.2 Pre-Covid, the Council had the following spaces available that were predominately used by commuters:

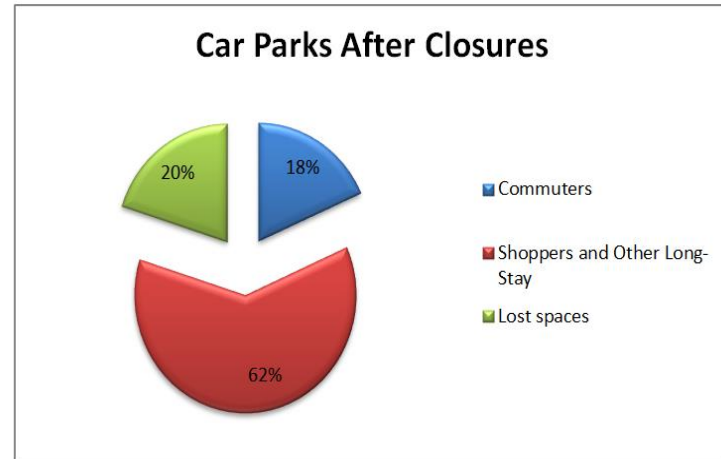
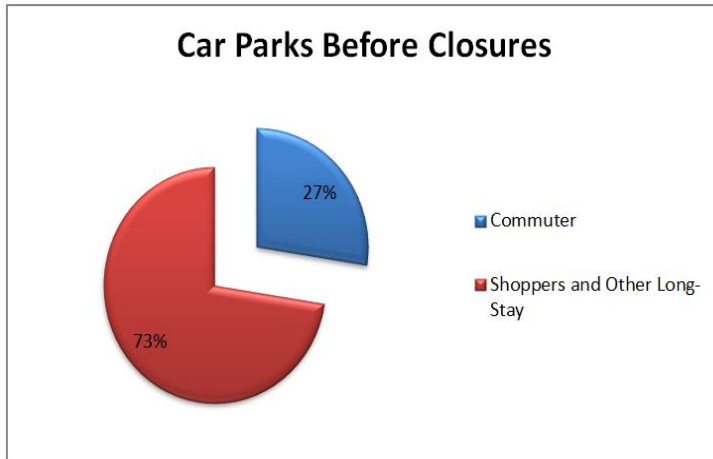
- Commuter and Rail car parks - 802
- Other Town Centre car parks and long-stay car parks – 2,117

Demand for the commuter spaces (in close proximity to the train station) was very high and evidence shows that the majority of these spaces were taken by 9am on most mornings on a Monday-Thursday basis. Friday usage was slightly lower but still saw high usage at these car parks.

The following car parks have been/are going to be closed:

- Danesgate and Leisure Centre (166 commuter spaces) - closed
- Swingate South (89 spaces used by commuters) - closed
- Southgate (211 spaces) – reserved site for school (long stay parking) potentially which could close in early 2023
- Marshgate (156 spaces) - closed; 46 spaces to be handed back to SBC in 2023 (available as shopper parking)

5.1.3 Due to the number of spaces at St George's MSCP (966 spaces) the timing and management of any refurbishment works for repairs, maintenance or other issues would cause a significant impact on the availability of spaces in the town centre needs to be carefully managed.



5.1.4 Key Assumptions:

The General Fund budget for 2022/23 assumes Covid-related car park income loss of £695k, this is a reduction on the £1.5Million assumed for 2021/22, but does reflect some loss of both commuter and shopper parking.

From 2023/24 year, the General Fund MTFS assumes a return to pre-Covid levels of car parking income/demand.

This would mean potentially over 200 customers per day will not be able to park in a car park as close to the train station (as pre-Covid) and would need to park in a cheaper car park or elsewhere.

Modelling of potential scenarios are summarised in the following table:

Choices for customers if no commuter spaces available	Cost to the Council (annually)	Assumption
<i>Find alternative parking in another SBC Car Park (e.g. St Georges) and paying a lower tariff (£2 per day less)</i>	£75,000	200 people parking 5 days a week for 45 weeks a year transfer to lower tariff car park
<i>Finding alternative parking outside Stevenage/using a different train station/car sharing/other ways of travelling into Stevenage</i>		
If 10 people (5%) a day did this (and 190 parked for £2/day less)	£86,250	Assumes parking 5 days a week for 45 weeks a year and paying the going rate for a commuter car park (£8 a day)
If 20 people (10%) a day did this (and 180 parked for £2/day less)	£97,500	
If 30 people (15%) a day did this (and 170 parked for £2/day less)	£108,750	
If 40 people (20%) a day did this (and 160 parked for £2/day less)	£120,000	

- 5.1.5 The table models income losses the Council could suffer from 2023/24 due to the reduced number of spaces available considered close to the Train station, with the redevelopment of the Danesgate and Leisure Centre car parks, and to a lesser extent Swingate South. The cost to the Council (in terms of reduced income), could be anywhere between an estimated £75k and £120k per year, if no further commuter parking provision (a new MSCP) was made available and people could only continue to use the 339 spaces at an undeveloped Railway North car park.
- 5.1.6 The above estimated loss is only projected to be a one-year impact. If the build of the MSCP takes place in 2022/23, the impact would be less severe in future years given the 2022/23 General Fund assumption that £695k of car park losses (compared to pre-Covid) are built into the budget, with 2023/24 income levels projected to be Pre-Covid levels.
- 5.1.7 Should the Railway North car park be closed for a full year or longer, the financial impact for that period of that time would be greater than the one presented in the table above. The additional losses would be up between £137,000 - £210,000 for that period of time.

The range of losses is based on the assumption that all Railway North customers either transfer to cheaper car parks in Stevenage (£137,000) or only 80% transfer to cheaper alternatives and 20% finding different options/parking outside Stevenage (£210,000).

- 5.1.8 Should Railway North car park close for the duration of construction of the new MSCP, there would be a larger number of customers who will need to find parking spaces in the existing car parks in addition to those presented in the table above. The lack of spaces available would be related to the type of spaces (commuter car parks) available rather than the overall capacity. Members should note there is estimated spare capacity in the St Georges Way MSCP (potentially around 500 spaces on a daily basis) which could be used by both long-stay and short-stay customers but all of the above factors would soon see those spaces filled. This use of Primett Road car park also would need to be considered as a further alternative option to which customers could be redirected. However, this may not meet customers' expectations around convenience.

#### **Building a new MSCP option**

- 5.1.9 To mitigate the loss of these commuter spaces and to support the regeneration programme, a new MSCP should be built on the site of the existing Railway North Surface car park. This would take 40 weeks according to the suggested build time, with to 50 weeks the worst case scenario. It would mean that for that year (2022/23) the Council would lose those 339 spaces currently available at the existing Railway North car park.
- 5.1.10 Construction of the new MSCP would provide a total of 622 spaces on site (i.e. a further 283 spaces compared to the current Railway North Car Park). This would reduce the impact of the lost spaces referred to above and also allow capacity for additional demand which is expected to be generated due to the improved service at the train station following changes such as the installation of the 5th platform. Additional demand is also expected to be generated by a state of the art new car park offering EV charging facilities amongst other benefits.



- 5.1.11 The recommended prudential borrowing required is estimated to be between £1.85m to £2.05M would cover the remaining project costs. Given the assumption that demand levels for car parks return to pre-Covid levels in the proposed opening year (2023/24), the potential net effect on the General Fund has been modelled between -£13,087 (positive impact) and +£11,404 (negative impact) on-going impact. The projections shows that it would be unlikely that there would be any additional material cost to the General Fund by building the new car park. The cost of borrowing has been mitigated by the saving of business rates on closed car parks and the potential increase in premium parking income. Clearly running costs such as NNDR are subject to government policy changes, but modelling has been based on costs as they currently are.
- 5.1.12 The risk of not increasing parking capacity by 2023/24 is likely to have a much larger financial impact based on the charts shown in paragraph 5.1.3, even if the net cost to the Council were to increase above that modelling the table above. The utilisation of Towns Fund to build a modern parking facility with EV charging and cycle hub has reduced the residual cost to the General Fund.

Impact of Building Railway MSCP	2023/24		
Scenario Assumption	Best Case	Middle Case	Worst Case
<b>Total Running Costs of new MSCP (incl. Interest and MRP)</b>	£399,903	£380,860	£361,817
Savings from Closed Car Parks (NDR and other direct costs)	(£225,257 )	(£225,257 )	(£225,257 )
<b>Net Running costs of new MSCP</b>	<b>£174,646</b>	<b>£155,603</b>	<b>£136,560</b>
<b>% moving from cheaper car park to convenient MSCP (based on 325 customers from closed car parks)</b>	<b>90%</b>	<b>75%</b>	<b>60%</b>
Increase in Railway North premium parking	(£137,109 )	(£114,258 )	(£91,406 )
Estimated new income	(£50,625 )	(£42,188 )	(£33,750 )
<b>Net cost/(reduction) to General Fund</b>	<b>(£13,087 )</b>	<b>(£842 )</b>	<b>£11,404</b>

## 5.2 Legal Implications

- 5.2.1 The contractor has been procured as outlined in the 8<sup>th</sup> December Executive report. The Council has extended the current Pre-Construction Services Agreement with Huber to cover the technical construction design stage. This means that Huber were able to produce the technical drawings necessary before the project progresses to delivery phase to give greater cost certainty.
- 5.2.2 HCC shared legal services are engaged to advise on the detail of the construction contract.

## Risk Implications

5.3 In addition to the risks presented in the previous Executive Report the following Risks should be taken into account:

NO.	RISK	MITIGATION ACTION
1	Contract price secured until mid-March 2022 due to material prices uncertainty cause by pandemic and Brexit. If a contract is not signed the cost of the project is likely to increase significantly.	<p>Due to the requirement for this project to obtain further approval for remaining funding, signing of the contract will be slightly delayed.</p> <p>Discussions with Huber have already taken place to clarify the Council's position. Huber negotiating with suppliers to extend contract signing deadline until end of March 2022 to avoid significant cost increases.</p> <p>JCT contract documents to be signed imminently after a final decision following Scrutiny and Overview meeting. Majority of proposed contract amendments have already been approved by SBC Legal and Huber.</p>
2	Uncontested planning consent.	There is a risk that the expiry of the judicial review challenge period could impact on the overall programme. The application was discussed thoroughly at the planning committee, and the risk is considered low, but any expenditure prior to the challenge period expiring must be carefully controlled.
3	Cycle hub cost may increase once more detailed plans are available.	<p>Huber have carried out site surveys for the entire MSCP site and they have provided a cycle hub suggested layout.</p> <p>An updated estimate to be obtained from cycle hub providers. The provider will work closely with Huber as the Principal Contractor and the costs of designing the hub are contained within the budget overall. The cost of fitting out the cycle hub will be included within the Town Fund 'Cycling and Connectivity' Business Case, anticipated to be recommended to the Executive in March 2022.</p>
4	Possibility to commit to placing orders without signed JCT contract.	<p>In order to enable Huber to place orders as soon as possible after Executive and Overview and Scrutiny meeting in February, the Council will be looking to move efficiently to entering in to a construction contract with Huber, but it may take some time to arrange for an execution of such a contract.</p> <p>The Council could issue a Change Order to add order placing for certain materials prior to signing a JCT contract. The Council would work with Legal</p>

		in order to possibly add a clause to the PSCA to protect the Council from the risk of purchasing materials while awaiting JCT contract execution.
5	Towns Fund conditions are not met.	<p>Delegation of authority for procurement of EV chargers and a cycle hub provider to Transport and Planning AD. The facility could be provided and managed directly by the operator but the Council could also manage the facilities in-house (EV chargers). A full options appraisal will be conducted to inform the procurement, and consultation with the Portfolio Holders for Resources, Environment and Regeneration and Economy and Transport.</p> <p>The project cost includes costs for the delivery of 25% of the EV charging points, with enabling works for a further 50% of spaces. Activation of those additional spaces would require a further business case to be developed by the Council to evaluate further capital input vs operating costs and benefits.</p>

### Planning Implications

5.4 Planning Committee granted permission for the scheme with the following amendments:

- Consultation with the Police must be carried out (completed)
- Disabled parking spaces layout on the ground floor needs to be amended so that more of these bays are under cover (completed)

5.5 The Police have been engaged and they are supportive of the proposed plans for the new MSCP. Comments include advice on the security of the MSCP building and Secured by Design guidance on security for the cycle hub. They encourage the use of Park Mark scheme proposed for this project as it demonstrates the commitment to Public Safety.

5.6 The layout of disabled spaces has been amended (see **Appendix B**) to reflect the requirement for more disabled parking spaces to be within the MSCP building.

### Environmental Implications

5.7 Draft of embodied carbon report has been prepared for the new asset as requested by Members. This is to be reviewed and discussed with Huber, who advised that such reports are typically produced to compare a building with an

existing building. SBC does not have such reports available on St George's car park, which could be used as a comparison to the new MSCP modular car park. Therefore the current draft report can only provide information about the new MSCP with no comparison. Please see the draft attached as **Appendix C**.

### **Climate Change Implications**

- 5.8 Huber's EV charging points specialist consultant confirmed that the battery storage and solar panels option will help to support the demand for energy use by EV (the remaining power would come from the grid) or could cover lighting, lift operation and any other small power.

### **Staffing and Accommodation Implications**

- 5.9 Car park staffing numbers may need to be reviewed in order to have the right amount of staff available to run the car park especially when offering additional services (i.e. space hire, potential to offer the space for different uses etc.).
- 5.10 The cycle hub will be provided within the car park's footprint by an external provider who can manage the facility on behalf of SBC. This is the most common management model for cycle hubs.
- 5.11 A provider of EV charging points to be appointed to manage and maintain EV points. There will be no income to the Council but also no need for additional cost to staff who would have to manage it.

### **Equalities and Diversity Implications**

- 5.12 All implications apply as per previous reports. Also station lift has been improved to ensure it is reliable and provides disabled users with easy access to/from the station.

### **Service Delivery Implications**

- 5.13 Cleaning regime is being discussed in more details with SBC's Parking team and Direct Services team who have already given initial comments on this and provided an estimated cost for the maintenance of the new MSCP. The estimate is approx. £11,500 per annum. Proposed Maintenance Schedule:

Mechanical Sweep – Once per week

Litter Pick – Daily (Mon-Fri)

Grass – 10 cuts per season

- 5.14 Landscaping team has been consulted on the soft landscaping required in front of the MSCP. The advice was to choose a grass option due to the cost and ease of maintenance of a relatively small area. Also the MSCP design itself is quite expressive therefore a toned landscaping would suit the overall image of the MSCP.

### **Community Safety Implications**

- 5.15 In addition to the previous report, the Police have now provided guidance on how to build a secured cycle storage and are happy with use of Park Mark scheme, which Huber have experience with.

### **Other Corporate Implications**

- 5.16 The new asset will provide opportunity for Commercial team to potentially bring some income from advertising internally within the car park. Initial discussions have taken place and there could be areas designated for advertising within the car park, i.e. by paying machines where the biggest footfall is.
- 5.17 The new MSCP will provide improved sustainable transport options in Stevenage. There is an insignificant number of EV charging bays available in the town centre and none are provided around the railway station.

### **APPENDICES**

- A New Station MSCP with Cycle Hub Proposal 20211221
- B 19102 Proposed Site Plan updated 20220114
- C LCA report - Carbon Footprint 20211201