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Friday, 22 March 2019

Dear Sir/Madam

## **ECONOMIC GROWTH, ENVIRONMENT AND DEVELOPMENT (OVERVIEW & SCRUTINY) COMMITTEE**

A meeting of the Economic Growth, Environment and Development (Overview & Scrutiny) Committee has been arranged to take place **MONDAY, 1ST APRIL, 2019 at 6.00 PM IN THE COMMITTEE ROOM** District Council House, Lichfield to consider the following business.

Access to the Committee Room is via the Members' Entrance.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Neil Turner', written in a cursive style.

Neil Turner BSc (Hons) MSc  
**Director of Transformation & Resources**

**To: Members of Economic Growth, Environment and Development (Overview & Scrutiny) Committee**

Councillors Cox (Chairman), Ball (Vice-Chair), Warfield (Vice-Chair), Mrs Baker, Mrs Boyle, Drinkwater, Mrs Eagland, Mrs Fisher, Mrs Lax, Marshall, Smith and Mrs Stanhope MBE



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## AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Call-In of Cabinet Decision - Multi Storey Car Park, Refurbishment Project 5 - 12



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# Call-In of Cabinet Decisions - Multi Storey Car Park, Refurbishment Project



Report of the Director of Transformation and Resources

Date: 1<sup>st</sup> April 2019  
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 Key Decision? NO  
 Local Ward Members N/A

**Economic Growth,  
 Environment &  
 Development  
 (Overview &  
 Scrutiny) Committee**

## 1. Executive Summary

- 1.1 At its meeting on the 12 March 2019, Cabinet approved recommendations relating to the procurement of works to the multi- storey car park, Birmingham Road, Lichfield.
- 1.2 The Cabinet report is at **Appendix A**.
- 1.3 The Decision Notice was published and circulated to all Members with the view that the Decisions would take effect after 5 working days unless the decision was ‘called-in’ during that period.
- 1.4 On the 18 March 2019, Councillor Mrs Woodward, as Leader of the Opposition Group, Called-In the Cabinet Decisions in line with Part 4 (Rules of Procedure) of the Council’s Constitution.
- 1.5 Councillor Mrs Woodward’s reasons for the Call-In are as follows: :

“This decision was not presented for pre-decision scrutiny and should have been, in my view. Calling in the decision will give the opportunity for all Members to discuss all of the implications of and background to the proposed expenditure.

The specific areas that I would like to see scrutinised are as follows:

- Reference was made at Cabinet to it (a) being a consequence of the failure of the former Friarsgate project and (b) the length of time it had taken to bring the proposals forward. These need to be examined in a public forum and shared with Members, especially why this was not followed through at the time (ie early summer 2018).
- References were made at Cabinet to the proposals being “at no cost” and “doing this for nothing”. This is patently not the case and needs further examination.
- In the Cabinet report, the breakeven period for the proposed lighting works is stated to be “five years after a change over”, yet the discussion at Cabinet revealed that the longevity of the car park is unknown and may be as little as two years. This would far outweigh the income from parking and would not provide value for public money and there should be a full assessment of the financial risks is needed.
- The safety concerns raised in the report (ie “replacing the failing upper deck covering, repairs to various areas of damaged concrete, anti-corrosion treatment to structural steelwork, replacement of the damaged Birmingham Road height limiters, replacement of fire doors and frames” etc) could and perhaps should have been addressed before now. The call in will allow Councillors to understand the reasons for the delay and the relative urgency of each of these measures.
- One Cabinet Member asserted that the current lighting does not meet “the required standards” but that LED lighting “will help” (only). The required standards, as referred to, need to be presented to members along with the reasons why they have not been met up to now and how far the current proposals will enable the Council to meet its obligations.

- The proposed cosmetic measures, including the lighting, should be judged against the safety concerns and a full business plan for all of the proposals presented for scrutiny.”

1.6 The remit for items relating to car parks is with the Economic Growth, Environment & Development (Overview & Scrutiny) Committee and so consideration of the Call-In of the Decisions is for this Committee.

## 2. Recommendations

2.1 The Committee is being asked to consider the Decisions taken by Cabinet.

2.2 Committee may either accept the Decisions made by Cabinet, which will then come into effect on the date of this meeting, or to refer it back to Cabinet for reconsideration. If the Committee is minded to refer the Decisions back to Cabinet, it must provide its reasons for doing so, in accordance with paragraph 17.4 of Part 4, Section 5 of the Constitution.

2.3 If Committee asks Cabinet to reconsider its Decisions, Cabinet can choose to maintain, amend or rescind the Decisions. Members will be advised on Cabinet’s Decisions and, in accordance with paragraphs 17.1 and 17.2 of Part 4, Section 5 of the Constitution, the decision shall not be subject to further Call-In.

## 3. The Call-In Procedure

3.1 The Centre for Public Scrutiny of Birmingham University – who the Council uses to provide scrutiny training - says “Call-in provides a mechanism for councillors to intervene when they feel that a decision being made by the executive needs to be revisited (or possibly changed). It provides a key check and balance in the leader/cabinet system of governance – a long-stop that, in theory, prevents the overweening exercise of power by Cabinet. It should, however, be regarded as a measure that is only needed in exceptional circumstances, rather than day-to-day. It sits in the context of a range of other tools at scrutiny’s disposal to influence decision making.”

3.2 The Council’s rules for Call-In can be found in Part 4 of the Constitution.

Alternative Options	Committee can choose to either accept the Cabinet Decisions or refer the Decisions back to Cabinet for further consideration.
Consultation	None directly relating to this report
Financial Implications	None directly relating to this report.
Contribution to the Delivery of the Strategic Plan	None directly relating to this report
Equality, Diversity and Human Rights Implications	None directly relating to this report
Crime & Safety Issues	None directly relating to this report

GDPR/Privacy Impact Assessment	None directly relating to this report
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	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Do not comply with the rules for Call-In	Follow process in the Constitution	Green

**Background documents**  
Cabinet report 12 March 2019 attached at Appendix A

**Relevant web links**  
None

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# Multi Storey Car Park, Refurbishment Project

Report of the Cabinet Member for Economic Growth, Environment & Development Services :  
Councillor Ian Pritchard



Date	12 March 2019
Agenda Item	4
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Key Decision?	YES
Local Ward Members	Although situated in the town centre, the car park is a major asset of this Council and therefore an issue affecting all Wards.

**Cabinet**

## 1. Executive Summary

- 1.1 Due to the previously planned demolition in connection with the Friarsgate project, maintenance work on the Birmingham Road, Multi Storey car park has been limited to essential items only for some years.
- 1.2 This has led to a backlog of tasks which will now need to be completed in order to ensure the continued structural integrity of the car park and also to make sure that the facility can provide a reasonably pleasant and inviting offer for our customers.
- 1.3 The intention of this project is to provide for a minimum five year life extension to the structure with no further major works expected in that period.
- 1.4 If redevelopment intentions for the area were to change making retention of the facility for the longer term desirable, additional structural works would be required, but none of the works proposed in this report would prejudice this course of action.
- 1.5 It is likely that the works would be split into two areas with one tender for structural and decorative works and a second for lighting improvements. However, if advice from our new purchasing providers at Wolverhampton City Council was to the contrary, the two operations could be combined into one tender.

## 2. Recommendations

- 2.1 That Cabinet approves the procurement of works to undertake a refurbishment of the Multi Storey car park.
- 2.2 That Cabinet delegates to the Cabinet Member for Economic Growth, Environment and Development Services, in consultation with the Head of Economic Growth, the authority to appoint contractors following a procurement exercise and subject to the costs being within agreed budgets.

That Cabinet agree to recommend to full Council :

- The inclusion of a new project in the Capital Programme with a total cost of up to **£300,000** (including **£50,000** of contingency) funded by the restricted earmarked reserve entitled 'Birmingham Road Car Park Repairs and Renewals'.

- A change to the revenue budget to reflect the savings identified in the revenue implications section of this report

### 3. Background

- 3.1 The structure has been regularly inspected by consultant engineers and their recommendations form the core of the works proposed for the structural tender. These will include : replacing the failing upper deck covering, repairs to various areas of damaged concrete, anti-corrosion treatment to structural steelwork, replacement of the damaged Birmingham Road height limiters, replacement of fire doors and frames, a deep clean of the entire building and localised improvements to paintwork and lining. Based on the engineers advice and experience of similar works it is expected that these works will cost in the region of **£150,000**.
- 3.2 The lighting fit is a mixture of units many of them thought to date from a major refurbishment carried out around 30 years ago. As well as presenting an ever increasing maintenance requirement, these units are extremely energy hungry by modern standards. Due to the marked variety in the performance of the existing units and the fact that a large number of them are not functioning, it is not practical to produce exact figures but based on projections carried out for the Friary Car Park project, it is expected that a complete refit with modern LED units would offer a sufficient pay back in reduced energy and maintenance costs to reach a breakeven point five years after a change over. Experience from the Friary Car Park project suggests that these works will cost in the region of **£100,000**. The scope of this scheme would also be extended to include some relatively minor works to the wiring and control systems to make sure that they comply with modern standards.
- 3.3 Income from the car park has been set aside in a dedicated sinking fund to provide for such works and this project can be easily funded from within these amounts as the fund value at 1 April 2018 was **£2,057,328** and this projected to rise to **£2,207,000** by 31 March 2019. We are required to consult with the Railway Pension Fund in their role as owners of the Three Spires Shopping Centre before drawing on these funds, but they have indicated their agreement in principle to this course of action.
- 3.4 Deck closures will be required as a minimum but it is hoped to avoid or at least minimise any general closure of the whole facility. The tender will be structured to encourage potential contractors to reduce disruption for customers and to keep loss of income to the lowest practical level.

Alternative Options	Do not carry out any significant works. This carries the risk of further deterioration with increased costs in the long run.
Consultation	In compliance with the lease and sinking fund requirements, the Railway Pension Fund have been consulted on this matter and have indicated their agreement.

## Financial Implications

1. The project is intended to commence during Q1 of financial year 2019/20 with completion during Q2 of the same year.
2. The intended spend will be taken from the dedicated sinking fund set up to allow for major works to this facility. These amounts would not be available for any other purpose.
3. The modernised lighting fit will deliver substantial savings in both energy and maintenance cost.

### Capital Programme

The recommended Capital Programme budget and funding for the project is detailed below :

Details	2019/20	2020/21	2021/22	2022/23
Structural works	150,000			
Lighting works	100,000			
Contingency	50,000			
<b>Total spend</b>	<b>£ 300,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Funded by :				
Earmarked Reserve	£ 300,000	-	-	-
<b>Total funding</b>	<b>£ 300,000</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

### Revenue Budget

The approved and revised revenue budget (assuming approval for the project and a 60% reduction in energy consumption) for the Multi Storey car park is detailed below :

Details	2019/20	2020/21	2021/22	2022/23
Premise related costs				
Electricity	21,360	23,500	25,850	28,440
Business rates	36,690	38,100	39,570	41,090
Other	3,500	3,560	3,600	3,640
Supplies and services				
Fees	1,800	1,800	1,800	1,800
Share of general car park costs	26,000	26,000	26,000	26,000
<b>Total direct expenditure</b>	<b>£89,350</b>	<b>£92,960</b>	<b>£96,820</b>	<b>£100,970</b>
Car Parking Fees	(£347,790)	(£347,790)	(£347,790)	(£347,790)
<b>Net direct income</b>	<b>(£258,440)</b>	<b>(£254,830)</b>	<b>(£250,970)</b>	<b>(£246,820)</b>
Electricity cost reduction	(£6,500)	(£14,000)	(£16,000)	(£17,000)
Reduction in maintenance costs	(£2,500)	(£5,000)	(£5,000)	(£5,000)
<b>Revised Net Income</b>	<b>(£267,440)</b>	<b>(£273,830)</b>	<b>(£271,970)</b>	<b>(£268,820)</b>

Average occupancy of the car park is 51%.

Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> <li>1. Vibrant and Prosperous Economy. The improvements will ensure that the car park continues to provide city centre car parking in support of the retail and visitor economies.</li> <li>2. Healthy and Safe Communities. The lighting improvements will be a contributory factor in the reduction for the potential of anti-social behaviour.</li> </ol>
Equality, Diversity and Human Rights Implications	The improved lighting fit will be of particular benefit to persons with eyesight difficulties.
Crime & Safety Issues	No major impacts on crime and safety issues are expected but a well lit environment is one of the principles in the Secured by Design standards for car park operation.
GDPR/Privacy Impact Assessment	No formal assessment has been undertaken but there are no expected impacts on privacy or data security issues.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	That the repairs fail to deliver the expected life extension	The works are as recommended by qualified and respected civil engineers	Green
B	The works period exceeds expectations leading to an extended closure	The tender will be written in such a way as to encourage the reduction of any closures.	Green
C	Tender costs are above expectations	The guide prices are based on solid examples and if prices exceed the recommended brackets no award of tender will be made without further approval from Councillors.	Green
D	The repairs fall below an acceptable standard	The works specification has been drawn up with the assistance of the consultants and the tender specification will require suitable guarantee periods for the repairs.	Green
E			

Background documents

Relevant web links