

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			
Total spend	£ 300,000	0	0	0
Funded by :				
Earmarked Reserve	£ 300,000	-	-	-
Total funding	£ 300,000	£0	£0	£0

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
Total direct expenditure	£89,350	£92,960	£96,820	£100,970
Car Parking Fees	(£347,790)	(£347,790)	(£347,790)	(£347,790)
Net direct income	(£258,440)	(£254,830)	(£250,970)	(£246,820)
Electricity cost reduction	(£6,500)	(£14,000)	(£16,000)	(£17,000)
Reduction in maintenance costs	(£2,500)	(£5,000)	(£5,000)	(£5,000)
Revised Net Income	(£267,440)	(£273,830)	(£271,970)	(£268,820)

Average occupancy of the car park is 51%.

Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> 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. 2. Healthy and Safe Communities. The lighting improvements will be a contributory factor in the reduction for the potential of anti-social behaviour.
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Equality, Diversity and Human Rights Implications	The improved lighting fit will be of particular benefit to persons with eyesight difficulties.
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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.
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GDPR/Privacy Impact Assessment	No formal assessment has been undertaken but there are no expected impacts on privacy or data security issues.
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	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
