

REPORT TITLE: VAULTEX SITE- CREATION OF A DECKED PARK AND RIDE
CAR PARK

21 OCTOBER 2020

REPORT OF CABINET MEMBER: Councillor Martin Tod, Cabinet Member for
Service Quality and Transformation; and transport.

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WARD(S): ST. MICHAEL'S

PURPOSE

The Council has been awarded £5,647,676 (£5.65m) in grant funding from the Enterprise M3 Local Enterprise Partnership (EM3 LEP); through the Getting Building Fund, to deliver a decked Park and Ride (P&R) car park at the former Vaultex site. The funding agreement requires a completion of works by the end of January 2022; these are challenging but achievable timescales. On the 18th August 2020 Cabinet (CAB3258) approved the use of the Procurement Hub Major Projects Framework (MPF) to progress a feasibility study with Willmott Dixon and use of the MPF to procure Willmott Dixon as the design and build contractor for the project.

A financial appraisal of the estimated impact on the council's budget has been undertaken and this paper seeks authority to incur expenditure and to progress the project with Willmott Dixon using the MPF.

This project will support the Council's economic and sustainability objectives as well as continued regeneration of the local area.

RECOMMENDATIONS:

That cabinet:

1. Approve capital expenditure as set out in Exempt Appendix 2.
2. Approve a supplementary estimate of up to £153,000, funded by prudential borrowing, to enable installation of a green wall if feasible and practical to install at the car park.
3. Agree to appoint Willmott Dixon to progress the construction of the decked car

park based on the Feasibility Study through the preconstruction and construction stages to completion.

4. Delegate authority to the Strategic Director Place and Service Lead Legal to negotiate and enter into preconstruction services and delivery agreements with Willmott Dixon which include a requirement for Willmott Dixon to appoint the Principal Designer; and to enter into any associated agreements such as leases, wayleaves, grant agreement as required to progress the decked car park.
5. Agree that Willmott Dixon submit a full planning application and undertake consultation supported by Council officers prior to such submission in accordance with statutory requirements and the parameters set out in this report at paragraphs 6.1 and 6.2.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

1.1 Tackling the Climate Emergency and Creating a Greener District

- a) Delivering additional Park & Ride (P&R) to the east of Winchester city centre is a direct recommendation and action of Winchester City Council's Climate Neutrality Action Plan (CNAP). It also supports the Council's Electric Vehicle Charging Strategy.
- b) Increased P&R will reduce traffic and pollution within the city centre and encourage more people to walk and cycle into the city centre. The Council Plan states that delivering the City of Winchester Movement Strategy (WMS) is crucial to tackle the Climate Emergency. The WMS recommends additional P&R to the east of Winchester, to reduce traffic on the road network, congestion, pollution and delays. The former Vaultex site is a key development to achieve this.
- c) Improved connectivity and wayfinding is proposed as part of Winchester Sport & Leisure Park (WS&LP) development. The Winchester Movement Strategy has also identified the improvement of cycling and walking routes between the Railway station, City Centre and the Sport and Leisure Park at Bar End. This will be progressed jointly with the County Council. Users of the new P&R will benefit from these improvements and signage will highlight alternative methods to travel into city centre, such as on foot or by bicycle.

1.2 Vibrant Local Economy

Increased P&R within walking and cycling distance improves access to the City centre and all that it has to offer for business, shoppers and visitors.

1.3 Living Well

The former Vaultex site is within 1km of the city centre and users will be encouraged to use active travels methods, such as walking and cycling. Bicycle storage will be available at Vaultex to support this. The new P&R will also support the Winchester Sport and Leisure Park as it can provide additional parking spaces during high volumes of use, such as sporting competitions.

2 FINANCIAL IMPLICATIONS

- 2.1 In September 2017 the Strategic Asset Purchase Scheme board (SAPS) approved a capital budget of £2,091,000 for the purchase of the former Vaultex site, the demolition of the existing building and construction of a surface car park to meet increasing demand for P&R and support proposals to reduce city centre traffic.

- 2.2 The site purchase was completed in May 2018 and was temporarily leased back to its original owners for a year. After they vacated, the building was demolished in preparation for conversion to a car park. In June 2020 (CAB3239), Cabinet approved a budget and expenditure for the build of a surface car park and delegated authority to the Strategic Director: Place to prepare and enter into the EM3 Local Enterprise Partnership (LEP) funding agreement pending award of Government funding for a grant from the LEP and to further progress that project, subject to funding and detailed approval.
- 2.3 Council approved an increase to the capital budget of £5.65m at its meeting on 23 September 2020 (CAB3256).
- 2.4 In order to install a green living wall, a supplementary estimate for an additional £153,000, in accordance with financial procedure rule 8.2, is required. This will increase the total budget from 2020/21 and the wall will be funded by prudential borrowing at an estimated additional annual borrowing cost of just under £8,000 per annum over the 30 year project life assuming a cost of borrowing of 3%. At this stage it is not certain that all of this allocation will be required, this will become clearer as the design progresses.
- 2.5 Having now been awarded a grant of £5.65m from the LEP, approval is sought for the construction of a decked car park of approximately 300 spaces on the site, including the green wall, if feasible and practical to do so, to be funded by the grant with the balance funded by prudential borrowing.
- 2.6 Between 2013 and 2019, usage of the council park and ride sites increased by as much as 8% annually and they are now reaching effective capacity particularly at busy periods such as Christmas. Therefore, in order to assess the impact on the council's existing budget, the financial appraisal (Appendix 1) details the estimated impact on net income by delivering the additional capacity assuming a central case of 2.5% growth in usage. In this central case, the car park is estimated to reach full capacity within 7 years. There is a net cost in the first three years following completion due to the estimated business rates and maintenance liability with a growing surplus from year 4 and an estimated total net surplus of £4.1m, including inflationary increases, over the estimated 30 year life.
- 2.7 However, given Covid-19 and the potential future economic landscape there is considerable uncertainty around car parking usage; in order to assess the potential impact, two further scenarios have been modelled: 1% representing slower growth and 5% higher growth should things return to "normal" after Covid-19. In these scenarios the car park is estimated to reach capacity within 17 and 4 years respectively and with an estimated total net surplus of £3.2m to £4.7m including inflation. With only 1% growth there would be a small net deficit impact on the council's budget until 2027/28 reducing each year as usage increases.
- 2.8 Should car parking capacity reduce elsewhere in the city the extra capacity will be utilised sooner; however, this will not result in a net increase in income to the council as income will be lost from the closure of other car parks.

- 2.9 A quantity surveyor to provide consultancy services to support the project including assessing costs, valuing works on site, and monitoring payments to contractors will be required at an estimated cost of £70,000 as well as a mechanical and electrical technical advisor with sustainability expertise at an estimated cost of £15,000. These estimates have been included in the cost of construction.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 This report is further to cabinet decision CAB3852 on 18 August 2020 where cabinet approved delegated authority to the Strategic Director: Place and Service Lead – Legal to:
- a) procure, award and approve a direct award via the Procurement Hub Major Projects Framework (MPF), which is an OJEU compliant framework; and
 - b) enter into and agree terms within the standard form of contract, either New Engineering Contract (NEC) or Joint Contracts Tribunal (JCT), to progress the project to completion.
- 3.2 Willmott Dixon Construction & Partners have been appointed from the framework to provide the relevant design and build experience. The OJEU contract award notice reference number is 2018/S 090-201476. The contract procurement rules have been followed.
- 3.3 In order to further progress implementation of the decked car park the council are recommended to enter into a preconstruction services agreement (PCSA) and a delivery agreement (NEC4 contract) with Willmott Dixon. These agreements are required for the project to progress through Gateways 3 and 4.
- 3.4 The Construction (Design and Management) Regulations 2015 require a Principal Designer to be appointed for the project which will be undertaken by Willmott Dixon as principle contractor.

4 WORKFORCE IMPLICATIONS

- 4.1 Enforcing parking controls at this new car park will be undertaken by the parking team and this will be balanced alongside other new requirements and demands on enforcement.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The previous building on the Vaultex site has been demolished and the site cleared in preparation for development. The necessary maintenance of the car park will be managed by the Parking team and funded from the parking account.

6 CONSULTATION AND COMMUNICATION

- 6.1 Further consultation will be undertaken in November to support development of the design prior to submission of the required planning application. This will include local representative groups, residents, the Town Forum and ward councillors. This will include its visual appearance and its operational impact on nearby residences, including noise, drainage and lighting.
- 6.2 Pre-planning submission discussions have also begun to take place, with a list of requirements issued from the Planning Authority to the project team and Willmott Dixon. These have been incorporated into the Feasibility Study phase to reduce the time risk by conducting some early survey work, such as visual and traffic impact assessment studies. This process will include consultation with statutory and City and County Council consultees.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The future decked car park will include photovoltaic panels and electric vehicle charging points, to support the council's carbon reduction targets.
- 7.2 The decked car park supports the WMS objectives of reducing traffic movements through and into the city centre and will support the Carbon Neutrality Action Plan (CNAP), where the expansion of P&R capacity at Vaultex was detailed in the December 2019 Adopted Plan. The CNAP sets out that the 300+ P&R spaces provided at Vaultex contributes to the reduction of carbon emissions.
- 7.3 The design brief includes that cladding is provided on the front facing elevation of the decked car park. This could be provided in a number of different ways including conventional cladding which comes in a variety of materials and styles including a 'green' planted option. The option to provide this through a live 'green' (planted) wall is preferable from an environmental (supporting the climate change agenda) and aesthetic point of view. This report recommends this approach, if feasible and practical to do so, and seeks additional funding for this purpose. Other options such as mature planting will also be considered.
- 7.4 The existing ecology of the site, drainage and pollution levels and the sites location in relation to the River Itchen has been evaluated as part of the surface car park project. Further studies regarding the decked car park's impact on noise and light pollution, air quality and wider ecological impacts are being explored as part of the feasibility study and will be throughout the design and construction of the car park. The necessary steps to ensure there is not a negative impact will be undertaken.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 The Public Sector Equality Duty has been considered for this project, such as the provision of disabled and parent parking and sensible access arrangements. The appropriate location of these spaces will be explored. These spaces will have clear signage, in particular, to discourage non-blue

badge holders from parking there and where necessary, will be enforceable under the Parking Places Order.

8.2 Park and Ride buses are fully accessible. An Equality Impact assessment will be undertaken and placed on file prior to final design.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

10 RISK MANAGEMENT

10.1

Risk	Mitigation	Opportunities
<p><i>Community Support</i></p> <p><i>Public opposition to increased car parking provision.</i></p>	<p>Pre-consultation on the design ahead of planning application. Public opportunity to respond during the planning process.</p> <p>Continue to engage local residents near Vaultex site.</p>	<p>Vaultex supports WCC's carbon neutral objectives, Carbon Neutrality Action Plan and the City of Winchester Movement Strategy.</p>
<p><i>Timescales</i></p> <p><i>Tight timescales for successful project delivery / completion.</i></p>	<p>Cabinet approved use of the Procurement Hub Major Projects Framework (OJEU compliant) for direct award to a sole supplier, this has improved the project's likelihood of delivery.</p>	<p>Deliver a 300+ space sustainability led P&R, delivering on the WMS and CNAP</p>
<p><i>Project capacity</i></p> <p><i>Reduced project capacity to deliver the project as no assigned Project Manger</i></p>	<p>Willmott Dixon resource.</p>	
<p><i>Financial / VfM</i></p> <p><i>Overspend resulting in WCC needing to finance shortfall</i></p>	<p>Gateway approval process in the project, with detailed and accurate budget reporting. WCC will get a forecast and can take necessary steps to mitigate overspend as necessary. Budget includes contingency.</p>	<p>Grant funding</p>

<p><i>Projected usage and income is lower than forecast</i></p> <p><i>Project delays result in missing the tight delivery deadlines which could put grant funding in jeopardy resulting in an additional borrowing cost of up to circa £280,000 per annum if the full grant funding is lost</i></p>	<p>The financial appraisal has included a sensitivity analysis for a much lower level of growth than historic trends which demonstrates the project is still viable</p> <p>Continued and close liaison with the EM3 LEP regarding programme and delivery timescales and relating to any problems with continued impacts of Covid or other unforeseen circumstances.</p>	<p>If growth trends return to normal, actual income will be higher than forecast. Furthermore the total capacity may reduce in the future if city centre car parks are closed and providing additional P&R capacity, including significant EV charging point provision, “future proofs” the council’s available car parking</p> <p>Thorough site assessment including underground investigations, close work with WDC around project planning and careful consideration of Government Covid Guidance</p>
<p><i>Legal</i></p> <p><i>A challenge on the basis that the correct procurement and statutory procedures and consultation are not followed.</i></p>	<p>The precise following of the statutory procurement process and standing order requirements will mitigate the risk of challenge.</p>	<p>Public consultation and correct following of procedure enhances the council reputation.</p>

11 SUPPORTING INFORMATION:

- 11.1 The council has been awarded £5.65m Enterprise M3 Local Enterprise Partnership (EM3 LEP) grant funding to deliver a sustainability led decked park and ride at the former Vaultex site. Approval was granted on the 18th August 2020 (CAB3258) to appoint Willmott Dixon using the Procurement Hub Major Projects Framework (MPF) to undertake a detailed, free feasibility study.
- 11.2 An initial feasibility study has now been completed by Willmott Dixon and includes an agreed project brief initial feasibility cost /cash flow plan, schedule of necessary surveys, project risk register, outline programme, community

investment information; clarifications, recommendations & next steps.

- 11.3 Initial outputs from the feasibility study highlight the tight timescales for delivering this project before the end of January 2022, as required in the funding agreement with the EM3 LEP. Opportunities to improve the successful delivery of the project and reduce time needed include using funding previously allocated to delivering the surface car park to inform initial studies (as outlined in CAB3258). These studies have been commissioned early to de-risk the project and improve the accuracy of the initial costs, project timescales, understand and reduce potential impact on neighbouring properties and the road network, and are being incorporated into the feasibility study and preconstruction phase.
- 11.4 The feasibility study provides reassurance that a decked, approximately 300 space park and ride can be delivered on the former Vaultex site, with provision for photovoltaic panels and a number of electric vehicle charging points; as per the EM3 LEP Business Case.
- 11.5 The next Gateway upon completion of the feasibility study is 2: Preconstruction, also known as RIBA 2 - 3 (developed design and submit full planning application). An overview of indicative timings for the project is provided below.

11.6

Key Milestone:	Indicative date milestone achieved:
Cabinet approved use of Willmott Dixon for the free Feasibility Study	August 2020
Feasibility Study completed	late September 2020
Appoint Willmott Dixon to progress the project (post CAB3263) – pre-construction services agreement	late October 2020
Complete RIBA 3: design and submit full planning application	November 2020
Receive planning consent and sign construction contract with Willmott Dixon	March 2021
RIBA 4: detailed design development, construction method, programme, risks and costs agreed	April 2021
Planning conditions released and site mobilisation begins	April/May 2021

Construction begins	May 2021
Construction complete and car park operational	late January 2022

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 The LEP funding allocation specifies the delivery of a decked car park as set out in this report, as such no other options have been considered at this stage.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3258 – 18 AUG 2020 PROVISION OF A DECKED PARK AND RIDE CAR PARK AT THE VAULTEX SITE, WINCHESTER

CAB3239 – 24 JUNE 2020 VAULTEX PARK & RIDE EXTENSION

Other Background Documents:-

Planning Determination for surface car park

APPENDICES:

Exempt Appendix 1 Financial appraisal

Exempt Appendix 2 – commercially sensitive cost information