

REPORT TITLE: THE DEAN CAR PARK, NEW ALRESFORD

18 JULY 2023

REPORT OF CABINET MEMBER: Cllr Learney – Portfolio Holder for Climate  
Emergency

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WARD(S): NEW ALRESFORD

PURPOSE

To seek approval for additional budget in support of the progression of a new public car park at The Dean in New Alresford and to agree the method of procurement of the land and car park.

RECOMMENDATIONS:

1. To agree to enter into a contract to purchase a completed car park and freehold ownership of the associated land rather than the original decision to acquire the land and procure a contractor to construct the car park. (As per CAB3005).
2. To agrees additional budget of up to £60,000, for stamp duty and the provision of payment machines and signage, bringing the total revised budget to £1,065,000 and approve expenditure of the budget under Financial Procedure Rule 7.4.
3. To delegate to the Corporate Head of Asset Management to finalise and enter into the contract with the developer/landowner for the purchase of the land and the new car park.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 Tackling the Climate Emergency and Creating a Greener District
- 1.2 The car park will provide for residents and visitors to access local facilities rather than travelling further afield.
- 1.3 The car park is currently subject to a planning application covering the whole site including the residential element of the development and hence will be vetted for compliance with Council policies through this process.

### 2 FINANCIAL IMPLICATIONS

- 2.1 In the original approval in January 2018 (CAB3005 refers), the Council intended to purchase the land with the remaining budget allocated for the creation of a surface car park. For the reasons outlined elsewhere in this report, it is now intended that the developer construct the car park and sell the land and completed car park to the council for the original budget sum. Additional budget of £60,000 for Stamp Duty & Land Tax (£40k) and for signage and payment machines (£20k) is now required.
- 2.2 Since the original approval in January 2018, the cost of borrowing has increased significantly. Whilst this only makes up 40% of the total funding, the change in the cost of borrowing results in a projected small overall deficit of circa £60,000 over the estimated life (25 years) of the asset. If at the time of borrowing rates were 1% higher the cumulative deficit would increase to £150,000; conversely, if rates were 1% lower, there would be a cumulative surplus of £30,000. It should be noted that the council is acquiring freehold land which will continue to be available for use.
- 2.3 Further details are provided in the financial appraisal attached at Appendix 1.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 As the developer has overall management of the site it is considered to be more cost effective operationally and logistically for the developer to procure and manage the construction of the car park. Contractors working on this small site under different management could delay the programme impacting on future car parking income and increasing costs.
- 3.2 The council will enter into a contract with the landowner to purchase the land and car park following construction of 40 car parking spaces on the land to be transferred to the Council. This is subject to the developer securing planning approval.
- 3.3 The landowner will be expected to construct the surface car park to current new surface car park standards, allowing the council access to inspect

progress, a hand over process, a snagging period, transfer of the relevant warranties/guarantees/insurance policies to the council.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 This matter will be progressed within existing staff resources.

#### 5 PROPERTY AND ASSET IMPLICATIONS

- 6 The parking team will take on management of the car park once handed over to the Council and will manage in line with other Alresford car parks.

- 7 A financial valuation of the deal has been undertaken which has confirmed value for money in respect of this deal.

#### 8 CONSULTATION AND COMMUNICATION

- 8.1 The developer has recently held a public exhibition and the planning process will be subject to public views. Local ward councillors have been involved in the process and kept up to date on progress.

#### ENVIRONMENTAL CONSIDERATIONS

- 8.2 The car park would provide for current unmet parking demand and the needs of new development that is planned in Alresford. It is in a location that is accessible to a wide section of the local community and would replace commercial buildings that generate heavy goods vehicle movements in a partly residential area. Although there is often some spare capacity at the Arlebury Park Recreation Ground car park, this is some way from the central facilities and is therefore not considered to be accessible for all. The site adjoins the Alresford Conservation Area and is currently occupied by commercial buildings which do not make a positive contribution to the Conservation Area. Redevelopment of the site, with careful consideration given to design, is expected to improve the neighbouring environment and enhance the setting of the Conservation Area.

#### 9 PUBLIC SECTOR EQUALITY DUTY

- 9.1 An equality impact assessment has been completed in relation to the parking and access improvement programme of which this project is part of (CAB3384). The main consideration is in relation to the layout of the car park and the associated number of disabled; and parent and child spaces to be provided. This will be determined through careful assessment and confirmed through the planning application process. It is anticipated that 2 shared disabled/ parent and child spaces will be required. This is based on other provision elsewhere in the town and use of these and the likelihood that this new car park will be utilised by all day parkers as a result of recent tariff changes at The Station Car parks which is now more focused on short term parking

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 None

11 RISK MANAGEMENT

11.1 The overall risks are deemed to be low. The planning process will test the proposal and the legal agreement will provide a sound basis of the land acquisition and provision of the car park construction and handover.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure	Finance to undertake a credit check prior to signing contracts and provision of a bond considered	
Income generated is lower than forecast	Prudent assumptions have been made in the financial appraisal	Usage and/or fee inflation may be higher than forecast
Exposure to challenge	Possible but considered low, due to sound planning approach	
Innovation	n/a	
Reputation	n/a	
Achievement of outcome	n/a	
Property	The acquisition is covered by a land purchase agreement / contract	Securing a new asset
Community Support	The public exhibition results showed support for the proposal.  The principle of development is consistent with the Local Plan allocation and Masterplan for The Dean. Detailed objections would be considered through the planning application process.	To provide much needed additional parking capacity to encourage use of local facilities.
Timescales	These are dependent on the planning process and	The opportunity for development could be lost

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
	subsequent progression of the construction by the developer	without the Council's involvement, as this will improve viability. Development may otherwise be delayed or not take place
Project capacity	The required input is being provided by the council's legal, financial and parking teams.	
Other	n/a	

## 12 SUPPORTING INFORMATION:

- 12.1 In January 2018 Cabinet considered this scheme (CAB3005) and agreed the purchase of the site for this car park and the associated procurement and construction of a new car park. At that time it was envisaged that the car park would be constructed by the City Council, following acquisition of the land as approved by CAB3005. It is now intended that the developer of the site will construct the car park as part of the overall development and then the Council will purchase the land/ completed car park from the developer through a land purchase agreement.
- 12.2 The Local Plan Part 2 allocates land at The Dean, Alresford for mixed use development, including provision of a new public car park (policy NA2). A Masterplan for the allocated land was agreed by the City Council in February 2017 and identifies the optimum location for a public car park as the site of Units 1-3 The Dean, which are currently commercial units in various private ownerships.

## 13 OTHER OPTIONS CONSIDERED AND REJECTED

- 13.1 The Council could choose not to purchase the land and the car park. This has been rejected as the need for additional car parking has been demonstrated in the local plan.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

CAB3005 ACQUISITION OF LAND AT THE DEAN, ALRESFORD FOR A PUBLIC CAR PARK 17 JANUARY 2018.

CAB3384 PRIDE IN PLACE – PARKING AND ACCESS IMPROVEMENT PROGRAMME 25 JANUARY 2023

Other Background Documents:-

None

APPENDICES:

Appendix 1 Financial Appraisal.