

Committee: Cabinet

Agenda Item

Date: 26 march 2013

12

Title: Lower Street Car Park – Heads of Terms of proposed agreement

Portfolio Holder: Cllr Susan Barker, Cabinet Member for Environmental Services

Key decision: No

Summary

1. Planning Permission has been granted for redevelopment of the Castle Lotus site in Stansted to provide retail floorspace, a health centre and residential flats. The car parking generated by this new development is intended to be accommodated in the adjoining Lower Street Car Park. The developer has requested that the council agrees to the developer remodelling the car park to provide additional spaces, and the provision of dedicated car parking for the health centre and residential flats. The developer is prepared to pay for the alterations and to pay the annual season ticket charge for the use of the dedicated spaces after an initial rent free period. The development provides the community of Stansted with the fit for purpose primary health care facilities it needs, an objective that the council has been working to achieve with its NHS partners for many years.

Recommendations

2. An Agreement based on the Heads of Terms set out in paragraph 6 of this report be approved.

Financial Implications

3. The agreement for 20 year term would provide the council with a guaranteed minimum additional income of £22,400 a year excluding VAT from a point two years after first occupation, subject to a 5 yearly review, without the need to incur capital expenditure. If the Management Company opted for the maximum number of spaces the guaranteed additional income would be £29,750 a year excluding VAT. Taking into account the 16 month construction period for the development and the two year rent free period from first occupation, the first financial year in which some additional income would be received would be 2016/17, with the first full year of additional income being 2017/18. Existing pay and display and season ticket income is not expected to reduce either during construction or on occupation of the development as the number of spaces available for general use would not decrease.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

Impact

5.

Communication/Consultation	The parish council has been given the opportunity to comment on the proposed Heads of Terms. The revised car park layout is consistent with illustrative plans that supported the planning application for development on the Castle Lotus site, and included in the related public consultation.
Community Safety	
Equalities	
Health and Safety	
Human Rights/Legal Implications	None
Sustainability	
Ward-specific impacts	Site lies in Stansted North
Workforce/Workplace	The car park is managed on behalf of the council by the North Essex Parking Partnership. The public parking would continue to be managed by the Partnership, but the management company would be expected to manage the spaces it requires.

Situation

6. The proposals follow negotiations conducted on the council's behalf the Asset Management team, Braintree District Council. The principal points of the Heads of Terms proposed by the Developer are:

- The agreement would be for a 20 year term to match the period of the head lease for the medical centre.
- The costs of alterations to the car park are to be borne by the Developer, including the cost of altering or upgrading the lighting and CCTV and re-siting the pay and display machine and the installation of barriers or bollard controls;
- A management company for the development would be established. The number of spaces required by the management company will lie within

the range 64 to 85 at the option of the company. The number of spaces required can be altered by the company subject to the council being given 6 months notice, and the costs of any necessary associated changes to the car park layout would be borne by the management company;

- The charge for the allocated spaces would be £420 a space a year, reviewed every 5 years from commencement of the agreement. £420 is the current annual season ticket rate for non businesses in this car park.
 - The agreement would commence on first occupation of the development. This is likely to be the opening of the health centre. There would be a charge free period for the allocated spaces for two years from commencement.
 - During construction, an area of the existing car park would be required for a construction compound. As a first phase of the project, the eastern end of the site would be laid out as additional car parking so that the number of spaces available for public use would not be reduced.
 - Spaces dedicated for health centre use would be made available as pay and display spaces for general public use at weekends and on bank holidays.
7. The charge free period from first occupation is justified as a normal commercial concession to support the viability of the development whilst the floorspace becomes fully occupied. The development provides the community of Stansted with the fit for purpose primary health care facilities it needs, an objective that the council has been working to achieve with its NHS partners for many years.
8. Stansted Mountfitchet Parish Council's views and those of Cllrs Dean and Evans are appended. It is not anticipated that the car park will become regularly full. If this scenario were to arise, the priority objectives for the car park would need to be reviewed. Long stay parking is relatively space hungry so if short stay parking capacity during the working day were to be deemed to be the overriding need, the balance between long and short stay could be adjusted and long stay parking could be restrained by charging policy/ maximum time limits. Relocation of the skateboard facilities to an alternative site could free up significant additional site area for spaces.
- 7 Normally there is significant spare capacity on the 109 existing spaces. While the health centre and flats will generate demand that is not there at present, the combination of spare and additional capacity will accommodate the growth in demand that might be expected. It does not necessarily follow that population growth in the village and its catchment will result in more demand for parking because the growth in retail expenditure could easily be attracted to Bishops Stortford and Harlow. The same applies to spending on services. The car parking generated by the new retail floorspace proposed on the adjacent development, which will prevent some of that expenditure from leaking out of the district, is within the capacity of the site, together with the

health centre parking, the residential and other parking generated by the wider community.

- 8 If the management company exercises discretion to secure allocation of 85 spaces rather than 64, there still should be adequate parking. The parish council has commented that 120 public spaces only represent 11 more than at present. This implies that the parish council believes there is currently a shortage of public spaces. However, in practice the agreement would make better use of an underutilised amenity.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
The number of spaces available for general public use is inadequate	1 The number of pay and display and season ticket holder spaces provided will be increased and the existing car park is rarely full to capacity. The dedicated health centre spaces will be made available for general public use when the health centre is closed.	2 Occasionally users may be dissuaded by lack of capacity from visiting businesses in part of the village	Monitoring use of the car park and demand management measures if warranted.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.