

Sittingbourne Town Centre: Report on Car Parking and Multi Storey Car Park Proposals

1. Background

This report provides information to members about the Spirit of Sittingbourne (Spirit) phase 1 proposals for the regeneration of Sittingbourne Town Centre (STC) and the impact that the loss on parking will have on council budgets. It also provides information on which members can decide if they will approve for the Council to build and operate a multi-storey car park in Sittingbourne Town Centre to replace spaces lost to development and to support the regeneration of the Town.

When Spirit begins construction works the Council-owned car parks listed below will be closed for redevelopment and there will be a loss of spaces in the Town that will have an adverse impact upon the Council's income. The Council has been developing a new strategy for long and short term parking that will provide suitable and sustainable car parking to cater for existing use and future growth, and has been considering building and operating a multi-storey car park in order to maintain some control of numbers and charges so that parking can become an integral part of the Town Centre regeneration.

This report includes details of a number of other projects associated with STC that may impact upon Town Centre parking, such as the proposed sale of the Swale Recreational Trust site on St Michael's Road, and the possible relocation of Network Rail parking from the station square in order to free up this space for regeneration.

As part of the overall Spirit phase 1 proposals the Council is considering that it build, own and operate a multi-storey car park in the Town Centre to replace the parking lost through redevelopment. The Council will incur a loss of revenue income due to the closure of existing car parks, and the funding and construction of a multi-storey car park would provide an opportunity for the Council to recover that lost income. It would also allow the Council to control the charging structure that will allow it to tailor provision and costs that will support the regeneration. If it was left to the private sector to provide new parking the charging structure may be disadvantageous in the early stages of regeneration if driven solely by financial concerns and revenue income.

An indicative phase 1 Town Centre parking requirement has been determined by Spirit and their consultants, Peter Brett Associates. They have concluded that a multi-storey car park with 220 spaces, and a further 10 surface spaces, would be adequate, and their report is contained for information in Appendix V. The Council considers that this would be a minimum requirement as it accounts for the replacement of lost spaces but does not allow for significant growth if the Town Centre were to flourish.

This report takes information from the Peter Brett report and uses the Council’s more up-to-date records to refine the data. The report also considers an option to provide additional spaces to cater for future growth from the regeneration. It is also of note that the proposed car park will be on Council-owned land and will be better situated to support the Town Centre. It will primarily serve the cinema, restaurants, and retail units in a much closer and more customer-friendly location than the existing car parks, and this should result in a greater level of use. The high level analysis and predicted income streams contained in this report are based upon a relocation of existing use and income, and therefore it can be considered to be a conservative estimate. In the approved Spirit Viability they predict the yield from the multi storey to be 5%.

The provision of suitable and sustainable parking is critical to the regeneration of Sittingbourne Town Centre, and is an essential requirement to support the Spirit proposals. The proposed cinema operator and associated retail and leisure providers in the area of the Forum will require certainty on the parking provision before they will commit to leases or capital funding, and it is of the utmost importance that the Council determine at the earliest opportunity that it will fund and build the multi-storey car park. If not, the redevelopment may be frustrated or delayed whilst a private sector partner is found, and in this case the provision and charging structures may not be in the Town or the Council’s best interests.

It is also of note that phase 1 of the regeneration includes for the construction of a cinema and restaurants on the Forum Car Park land owned by the Council, and these are to be the key drivers to economic growth in the Town Centre. In addition, there will be new residential accommodation on the Cockleshell Walk and Spring Street Car Parks, and a new retail provision on the Princes St site; these new businesses will generate additional business rates for the Council and New Homes Bonus monies from the residential elements.

2. Existing Total Town Centre Car Parking

The current allocation of Town Centre parking operated by the Council comprises:

1.	Albany Road	104 spaces
2.	Central Avenue	60 spaces
3.	Cockleshell Walk	102 spaces (long stay)
4.	Crown Quay Lane	42 spaces
5.	The Forum	162 spaces
6.	Spring Street	72 spaces (long stay)
7.	St Michaels Road	107 spaces (long Stay)
8.	The Swallows	86 spaces
9.	Swale House	72 spaces
10.	Station street	22 spaces
11.	Bell Road	24 spaces (long Stay)
	Total	853 spaces

Spaces that will be lost directly or indirectly as a consequence of the Spirit phase 1 redevelopment:

1.	Cockleshell Walk	102 spaces (long stay)
2.	The Forum	65 spaces
3.	Spring Street	72 spaces (long Stay)
4.	St Michaels road	78 spaces (long stay 48 on SRT land, 30 spaces for Network Rail)
5.	Station Street	22 spaces
		Total 339 spaces lost (252 long stay, 87 short stay)

Taking information from the Peter Brett report in Appendix V and from the Council's own data, the overall average use of short term parking across all car parks is in the order of 83% during the week and 76% over the weekend, with the majority of use being concentrated on the Forum and Station Street Car Parks.

Cockleshell Walk and Spring Street are designated for long term parking, and the current average use during the week is 50% and 95% respectively.

Peter Brett Associates as commissioned by Spirit have analysed the phase 1 parking and determined that a multi-storey car park with a capacity of 200 spaces will be sufficient to replace the lost spaces and support the Town Centre. Their report did not consider the replacement of the Network Rail Station forecourt parking or the potential loss of the Swale Recreational Trust land; including these would give a revised total parking requirement of 278 spaces.

The long stay usage that will be displaced from Cockleshell Walk, Spring Street, Station Square, and St Michaels Road is 252 spaces. It is considered prudent to not have long term parking within a new multi-storey car park, and therefore it is proposed that Albany Road and Crown Quay Lane be re-designated as long stay, giving a replacement provision of 146 spaces. The remaining land on St Michael's Road will provide 59 spaces, resulting in a total future long stay provision of 205 spaces against a loss of 252 spaces. (NB 30 spaces on this car park may fall under the ownership of Network Rail under a land swap arrangement). This would result in a loss of long term parking in the order of 47 spaces.

3. Revenue Cost implications

Irrespective of a decision for the Council to build and operate a multi-storey car park, there will be a loss of revenue income due to the closure of some of the existing car parks and partial closure of the Forum. The impact of these closures on the Council's revenue budget is assessed in Appendix II. In the analysis it has been assumed that there will be no other costs incurred by the Council for any of the car parks that are being closed. Parking enforcement is currently outsourced to a contractor, and the contract allows for flexibility to reduce the number of enforcement officers without cost.

This report considers the loss of car parking spaces due and provides information on the numbers and revenue implication to Council budgets due to the loss of and reallocation of long stay parking. The estimated impact on revenue income is detailed in Appendix I.

In summary there will be a revenue loss to the borough council of some £114,043 per annum, assuming that the Tesco rent is paid if full and any payment to the Swale Recreational Trust ceases as and when they dispose of their land.

Existing total net income	£228,395
Future total net income	£114,352
Lost revenue income	£114,043

The reason there will be such a significant loss of revenue income is because the Council leases part of the Forum Car Park from Tesco at a cost of £170k per annum. In the current situation it requires income from the whole car park, including the area owned by the Council, to pay the Tesco rent, and the loss of Council land to the Spirit redevelopment will result in the Council incurring the same cost against a reduced income.

In addition, if the Swale Recreational Trust disposes of their land on St Michael’s Road the Council will no longer be liable for the £17k annual rental/payment to them, but will suffer from a further loss of income from the loss of 48 long term parking spaces in the Town Centre. These have been taken into account in the figure above, so the situation will improve if this is not taken forwards.

4. Phase 1 Parking Strategy

It has been assumed that the following strategy (subject to formal approval) will be applied to the phase 1 parking:

- relocate long stay parking from Cockleshell Walk, Spring Street, Station Square, and part of St Michaels Road to Albany Road and Crown Quay Lane Car Parks, giving 205 long term spaces. This will replace 252 lost spaces, but 30 of these may be required for Network Rail;
- close Cockleshell Walk and Spring Street Car Parks for redevelopment;
- close 40% of the Forum Car Park to allow for construction of the cinema and restaurants;
- close Station Street Car Park to allow for construction of the multi-storey car park;
- close the Network Rail Car Park to the station forecourt, and relocate to St Michael’s Road;
- construct a 220 or 270 space multi-storey car park on land between the Forum and St Michael’s Road; and
- construct 10 surface car park spaces on land between the Forum and St Michael’s Road.

Discussions have been ongoing with Network Rail and they tell us that they are still considering an extension to their existing long stay car park by introducing a new deck above the existing car park. This is something that they have done at a number of other stations and they believe that Sittingbourne would benefit from such a scheme.

They are particularly interested in collaborating with the Council on a long term parking strategy for the Town, and it would benefit their business case to be able to take account of the lost spaces from the Council's proposals.

It would be of further benefit to NWR if the Council chose to further reduce or not to operate any long term parking in the Town and to re-designate Albany Road and/or Crown Quay Lane back to short term parking. This would be of great benefit to the Council if regeneration is particularly successful.

5. Multi Storey Car Park proposal

As part of the Spirit phase 1 works it is proposed that the land comprising Station Street Car Park and the land between the Forum and St Michael's Road be removed from the development land, and the Council fund and construct a multi-storey car park to serve the Town Centre. The Council owns the land and would construct and then operate the multi-storey car park and surface parking to replace spaces lost to the development. It would manage these in the same way that it does the existing parking.

Appendix II provides detail of the existing short term parking that will be affected by the phase 1 proposals. It assumes that this will all be re-provided in a new multi-storey car park with 220 spaces and 10 surface spaces. An option is also given to provide additional spaces to cater for growth and to build a car park with an additional 50 spaces, giving a total capacity of 270. This would allow the Council to take advantage of increased demand from the redevelopment.

This would increase the level of risk to the Council, but would demonstrate the Council's commitment to the Town and provide increased revenue return if regeneration was as successful as expected.

6. Finance

Within the development agreement Spirit will design the car park to RIBA stage D and obtain detailed planning consent, and the Council will then source a contractor in accordance with procurement regulations to build it. There are a number of delivery options and the Council will carry out its own procurement, procure an independent expert to procure and manage the construction, or procure the build through the Spirit consortium; whichever route is chosen it will be managed to follow due process.

If it agrees to finance and construct the multi-storey car park the Council will have to act in the same way that a private investor would and meet the cost of construction. It would also need to make a capital contribution to Spirit towards the master planning and design to stage D, highways, public realm, and infrastructure works. Spirit will be responsible for obtaining a detailed planning consent, all highways and public realm works up to the site boundary, and the provision of statutory services into the site.

It is assumed that all of the existing short term usage from the closed car parks will transfer to the new multi-storey and that there will be some increased use due to the regeneration of the Town. For the purposes of this analysis it is assumed that the Council will not introduce evening charges for a period of at least 10 years until the regeneration proposals have been fully implemented and the Town Centre becomes a more vibrant community.

Appendix II provides a high level analysis of predicted revenue income assuming that all short term parking relocates to the new multi-storey car park.

Appendix III provides a high level analysis of predicted revenue income and expenditure assuming a small incremental growth during the first five years of operation. This prediction has been provided with no evening charges as per the existing parking strategy.

Appendix IV provides a similar analysis for a multi-storey car park with a capacity of 270 spaces. In the high level revenue analysis at Appendix III all costs associated with lost revenue and one-off costs for car park closures have been discounted because they will be incurred regardless of whether the council builds and operates the new multi-storey and surface parking.

7. Other matters

An option will remain for the Council to consider funding and operating the car park for a period of time in order to support the regeneration of the Town centre and also to establish robust income and expenditure figures, and then it could market and sell the car park as a going concern on the open market.

8. Appendices

- Appendix I: Analysis of the impact of Spirit proposals on the Council's revenue budget
- Appendix II: Predicted income for the multi-storey car park from transferring spaces
- Appendix III: Multi-storey car park predicted revenue income and expenditure – 220 spaces
- Appendix IV: Multi-storey car park predicted revenue income and expenditure – 270 spaces
- Appendix V: Peter Brett Report