

## PORTFOLIO HOLDER DECISION RECORD SHEET

<b>Name of decision maker:</b>	Cllr Nicholas Tiley
<b>Portfolio:</b>	Finance and Governance
<b>Date of Portfolio Holder Decision:</b>	16 April 2013

<b>Title of Decision:</b>
Appointment of consultant to progress the development of a multi storey car park in Berkhamsted.

<b>Decision made and reasons:</b>
Approval is given to the appointment of White Young Green to progress the due diligence required to consider the development of a multi storey car park (MSCP) in Berkhamsted at a cost of £88,000, exclusive of VAT.
Officers believe that there could be a strong business case for a multi-storey car park in the town centre of Berkhamsted. However, this will be tested by the preparation of a detailed business case (phase 1), the results of which will be reported to the Portfolio Holder before further funds are spent on the design, planning and procurement stages.

<b>Reports considered: ( here reference can be made to specific documents)</b>
Detailed tender submissions are available, if needed.

<b>Officers/Councillors/Ward Councillors/Stakeholders Consulted:</b>
Cllr Andrew Williams – Leader of the Council Cllr Nicholas Tiley – Portfolio Holder for Finance and Resources Julie Laws – Portfolio Holder for Environmental Services & Sustainability James Doe – Assistant Director for Planning, Regeneration and Development James Deane – Assistant Director for Finance and Resources

<b>Monitoring Officer comments:</b>	The comments of the Monitoring Officer have been incorporated into the report
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<b>Deputy S151 Officer comments:</b>	There is currently £120k in the capital programme to fund phase 1 of this project, the appointment of a consultant to carry out a detailed feasibility study and business case
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<b>Implications:</b>
The project will require circa £3.5 million of capital to deliver and should generate revenue of around £200k pa, subject to the business plan. The overall impact of the additional parking,

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estimated at a net increase of 200 spaces, is likely to be positive in town centre.

### **Risks:**

Risks can be set out under:

1. Business Case – the justification for the investment required will only be made when DBC has received an external validation of the proposal from the recommended consultant. This paper sets out that direction as phase 1 and recommends the expenditure of £88k for that report, which includes traffic studies. Subject to acceptance of that report, it will be recommended DBC continue with the instruction to use WYG.
2. Planning – DBC planning officers have been consulted in the early stages of the concept and the principle seems to be accepted. Note the adjoining land owner, Waitrose, is cautious of the idea, but to date has not objected. The site is within the town centre of Berkhamsted and is in a Conservation Area; as such local stakeholders will be interested in the proposals and may object.
3. Construction – subject to the business case being accepted and DBC being able to fund the construction, the procurement of the construction will be undertaken in the correct form. The development approach needs to be agreed, which will be discussed within the phase 1 business case. For example, should DBC appoint the design team and contractor directly, or deliver the MSCP through the services of a developer, who will undertake the complete service and hand a completed building to DBC.
4. Operational – DBC already has 24 car parks and is therefore resourced to take on the operational activities of a multi storey car park.
5. Pace – the process of development will be undertaken in stages:

The delivery of the project will be in four phases:

Phase 1 - completion of due diligence to establish demand for parking and certainty of projected income and development costs of the MSCP. The outcome of this report will be reported to the Portfolio Holder, with a recommendation to proceed to Phase 2, if appropriate, and with confirmation of the development method, i.e. direct or via a partner.

Phase 2 – Design, planning approval and tender of MSCP. The outcome of this stage can be reported to the Corporate Regeneration Group for approval. The design will also go through the DBC planning approval process.

Phase 3 – tender and construction phase of the project. The results of the tender will be reported to Cabinet for approval and release of constructions funds, estimated to be about £3 million.

Phase 4 – operation of the asset by DBC Parking and Building Services teams.

### **Value for Money:**

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The justification for the investment will be set out in the phase 1 business case. However, it is anticipated the return on capital invested should provide an appropriate level of return for DBC together with a reliable net income stream over the long term, subject to the cost of the maintenance of the asset.

### Options Considered and reasons for rejection:

If DBC do not proceed with the MSCP the implication will be:

1. Parking pressure in the town centre will continue and is likely to have an adverse impact on the community, business and traffic movement. At present officers are not aware of any other landowner coming forward with similar proposals.

### Portfolio Holders Signature:

Date:

Details of any interests declared and any dispensations given by the Standards Committee:

### For Member Support Officer use only

Date Decision Record Sheet received from portfolio holder: 20/03/13

Date Decision Published: 16/04/13

Decision No: PH/015/13

Date of Expiry of Call-In Period: 23/04/13

Date any Call-In received or decision implemented:

### Background

DBC has received an initial feasibility report on the commercial justification and impact of providing a MSCP in Berkhamsted town centre. The report was positive and the next stage is to take this analysis to a much more detailed level.

This Portfolio Holder decision will result in the appointment of a consultant to take the proposal to a more robust level and, subject to approval, to the design, planning, procurement and construction stages.

### Tender Analysis

DBC approached the HCA Multi-Disciplinary panel, which is an OJEU compliant group of consultants with access to a wide range of skills. As the panel is large, a sifting brief was used and tender submissions were received from White Young Green and Halcrow.

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Both these companies provided good submissions and the analysis identified White Young Green (WYG) as the company who provided the best offer to DBC. The fees for WYG are:

Phase 1 - £88k (to provide detailed business case, including surveys, risk register and recommendation on the delivery route)

Phase 2 – £157k, to undertake design work. This is dependent upon delivery route but it is anticipated, given the sensitive nature of the site's location, that DBC will undertake the design through the services of the consultant.

Phase 3 - £67k, to provide project the management role during construction stage. This is dependent upon the delivery route.

Other costs – fees and other costs, such as a Party Wall Surveyor, to handle any issues adjoining owners may have with the design, are set out in the tender providing £28.5k.

### **Conclusion**

Following the tender exercise the preferred consultant is White Young Green, who coincidentally provided DBC with the initial feasibility study. The tender exercise was undertaken with the assistance of DBC's procurement officers and the appointment of WYG is recommended.

The findings of the final feasibility report should be submitted to the Portfolio Holder in May this year, from which approval may be sought to proceed to Phase 2, subject to the method of delivery. A more detailed delivery strategy will be made at this stage once all the options have been considered.