

CABINET MEETING – 17 NOVEMBER 2020

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Farrington Row Multi Storey Car Park

Author(s):

Executive Director of City Development

Purpose of Report:

The purpose of this report is to update Cabinet on the feasibility work carried out in relation to the construction of a new multi storey car park (MSCP) on Farrington Row, as part of the Riverside Sunderland Masterplan and to seek approval to progress with procurement of a contractor to design and build the MSCP.

Description of Decision:

Cabinet is requested to:

- i. Authorise the Executive Director of City Development, in consultation with the Vibrant City Portfolio Holder and the Dynamic City Portfolio Holder , to take all necessary steps to procure the delivery and completion of the MSCP, including the procurement of a design and build contractor for the scheme and any other relevant appointments; and
- ii. Approve the funding arrangements for the MSCP and the resultant variation to the Capital Programme.

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The Constitution requires prior Cabinet approval where the value of a proposed procurement exceeds £250,000.

Approval will enable progression of the project through procurement of a main contractor to design, costing and deliver a new MSCP, to support the proposed commercial and residential development within Riverside Sunderland.

Delivery of the MSCP will support the wider regeneration of Riverside Sunderland, driving regional economic growth and job creation and other regeneration benefits to the City.

Alternative options to be considered and recommended to be rejected:

(i) Not to pursue the MSCP project - not an option as required to support both planned/committed and future developments on Riverside;

(ii) Procure a MSCP on a smaller scale;

(iii) Not go out to procurement and carry out works in-house. This option has been rejected as the Council does not have the expertise to undertake these specialist works.

Impacts analysed;

Equality **Privacy** **Sustainability** **Crime and Disorder**

Is the Decision consistent with the Council's co-operative values? Yes

Is this a "Key Decision" as defined in the Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes

CABINET – 17 NOVEMBER 2020

FARRINGTON ROW MULTI STOREY CAR PARK

REPORT OF THE EXECUTIVE DIRECTOR CITY DEVELOPMENT

1. Purpose of the Report

- 1.1 The purpose of this report is to update Cabinet on the feasibility work carried out in relation to the construction of a new multi storey car park (MSCP) on Farringdon Row, as part of the Riverside Sunderland Masterplan and to seek approval to progress with procurement of a contractor to design and build the MSCP.

2. Description of Decision (Recommendations)

- 2.1 Cabinet is requested to:
- i. Authorise the Executive Director of City Development, in consultation with the Vibrant City Portfolio Holder and the Dynamic City Portfolio Holder, to take all necessary steps to procure the delivery and completion of the MSCP, including the procurement of a design and build contractor for the scheme and any other relevant appointments; and
 - ii. Approve the funding arrangements for the MSCP and the resultant variation to the Capital Programme.

3. Introduction/Background

- 3.1 In March 2020, Council approved the 2020/21 Capital Programme which included financial provision for the costs of undertaking the feasibility works to support the proposals for Riverside Sunderland. On 24th March 2020 Cabinet approved the procurement of design team to undertake a feasibility study to create a new MSCP as part of those proposals. A multi-disciplinary design team headed by Ryder Architecture was appointed to progress the study.
- 3.2 A new city centre MSCP is required to serve the Riverside Sunderland commercial and residential proposals and to satisfy seller obligations within the Conditional Development Agreement (CDA) with Legal & General for the delivery of its 150,000 sq. ft. net of speculative Grade A office development on the Vaux site. The seller's obligation under the CDA is to provide a minimum of 500 car park spaces within the vicinity of the site in support of the development of Riverside Sunderland (which includes L&G's office development with their first development anticipated to be operational in 2022). The Council is committed to deliver a new MSCP by practical completion of the first L&G building in order to meet this car parking requirement. Provision of this key additional car park capacity is essential in attracting other prospective tenants and to reduce pressure on other City Centre parking such as St Mary's MSCP.
- 3.3 Following development of the housing proposals and additional development within the former Vaux site, additional space requirements have been

identified and it is intended that the MSCP will service the occupants and visitors to these developments and will bolster the City Centre parking capacity outside of traditional business hours. The car park is proposed to operate through a combination of pre-paid permits and paid parking, intended to provide the Council with a sufficient revenue stream to cover operational costs in each year. In addition, the financing costs associated with the capital investment will be covered over the life of the MSCP.

- 3.4 The Riverside Sunderland Masterplan identified the preferred location for the MSCP to be situated on Farringdon Row to optimise development opportunity on the former Vaux site and to place parking provision on the periphery of the City Centre to help reduce City Centre congestion. Creation of a multi storey car park as a consolidated parking facility will also help to achieve a pedestrian priority within the newly created housing and commercial developments on the former Vaux site.

4. Current Position

Design

- 4.1 Following approval to proceed with the feasibility study, a multi-disciplinary design team was appointed in April 2020, headed by Ryder Architecture, and included civil, structural, fire, Mechanical, Electrical and Plumbing engineers; landscape architects and planning consultants; with Turner & Townsend appointed to provide project management, cost and Construction Design Management services, to develop options appraisals, procurement strategies and cost plans for the project.
- 4.2 The identified site within the Riverside Sunderland Masterplan runs to the east of Farringdon Row, between the southern junction with the A1231 and the River Wear to the north. The eastern boundary of the site follows the physical escarpment of Riverside Park and is connected to the former Vaux residential and commercial sites via footbridge over Galley's Gill and by footpath alongside the A1231.
- 4.3 The site is a mix of cleared former industrial and park land and is subject to a number of constraints that have influenced the design and location of the MSCP. These include being bounded by the A1231 busy arterial route and a large retaining wall escarpment to the east of the site into Riverside Park; steep level changes across the site from former industrial uses; key utility infrastructure and historic tunnels crossing the site.
- 4.4 The Design Team initially considered ten option studies, differing in location, and orientation across the site and developed the preferred location at the southern end of Farringdon Row through a further six options, considering size, form and end users. The options are shown in the Feasibility Study, attached in Appendix 1.
- 4.5 As part of the L&G investment in commercial development on the former Vaux site, the Council is contractually obligated to provide 500 car parking permits to satisfy requirements within the CDA with Legal & General, with the parking provision to be made available before the first building becomes operational in

late 2022. In addition, following outline design development of plots 4,5 & 6 within the Riverside Sunderland Masterplan, a requirement for 100 staff car parking spaces has been identified by the proposed occupant, for their proposed development which will be operational in early 2024.

- 4.6 Furthermore, as some of the key objectives of the Riverside Sunderland Masterplan are to create a sense of community and to reduce car dependency; parking provision for the new homes is to be limited to slightly less than one space per dwelling, with the majority to be supplied 'off-plot'. Two of the new neighbourhoods created in Riverside Sunderland, will be situated in the vicinity of the MSCP at Vaux and Farrington Row, requiring approximately 150 car parking spaces for the new homes.
- 4.7 As the residential communities and plots 4-6 are to be located in Riverside Sunderland, on a similar timescale and in the immediate vicinity of the planned MSCP, it is considered prudent to house these additional car parking requirements within the design for the MSCP; avoiding further valuable development land being utilised for parking and to remove a significant quantum of car traffic accessing the main residential and commercial area of the former Vaux site. The proposal taken forward for concept design was therefore to provide a car park housing 750 spaces.
- 4.8 The Concept Design shown in the attached Feasibility Study shows the MSCP running parallel to Farrington Row, providing c. 750 vehicle spaces across 7 floors, in a split-level design that responds to the natural level changes across the site. The building is 108m in length by 33m wide and is 21m in height. This is equivalent to approximately five floors of office accommodation. The building steps down on its eastern side and is staggered at both the northern and southern sides, to break up the form and to respect the surroundings of the Riverside Park.
- 4.9 Access to the car park is taken from Farrington Row at the northern end of the MSCP and is set in grounds of hard and soft landscaping. A public footpath will run to the east of the MSCP along the escarpment, overlooking Galley's Gill and will provide pedestrian links to the main residential and commercial area of the former Vaux site via Galley's Gill footbridge and Silksworth Row.
- 4.10 The MSCP will likely be formed by a steel frame (though subject to detail design and further cost analysis), structural grid construction, with the upper levels accessed via two circulation cores at the northern and southern ends of the building. The primary core is at the northern end will contain two passenger lifts allowing entry from each split level. Both cores include escape stairs, lobbies and service risers. At the entry point, there is also a management office, staff rest room, switch room and maintenance store.
- 4.11 A modern external elevational treatment is proposed to wrap the functional nature of the MSCP building, establishing its prominent position as a gateway to Riverside Sunderland. This will be designed in further detail in the next stages of the project and prior to submission of a Planning Application, to reflect the surrounding landscape and modern residential and commercial development proposed in the Riverside Sunderland Masterplan.

- 4.12 In order to futureproof the 50-yr design life of the MSCP, options also include for the MEP systems to have capacity to enable the entire MSCP for electric vehicle charging, with an initial 15% of the spaces enabled upon operation. Each floor above ground level holds 57 standard spaces, with motorcycle parking interspaced. Cycle storage will be provided at ground floor level along with accessible spaces, ensuring a minimum of 6% of the total MSCP spaces will be provided.
- 4.13 Following recent enquiries for a 20,000 sq ft retail store to be located with parking at the edge of the City Centre, feasibility design options considered the potential for a retail unit to be housed within the footprint of the MSCP. This could provide an active ground floor use and revenue stream for the Council and may form part of the detailed design if firm interest is received from the commercial market.
- 4.14 Due to the height and vantage point afforded by the proposed location of the MSCP, the concept design for the MSCP includes for a roof level management office that could be utilised for control of future City events.

Operations

- 4.15 It is proposed that the MSCP will be managed and operated under an extension of existing arrangements provided across the City by the Parking Services Team, within the Infrastructure, Planning & Transportation Section. Revenue implications and assumptions are included within the outline cost plan and will be refined as the detailed design is progressed.
- 4.16 To satisfy the various end-user requirements, it is proposed that the car parking will operate under a mix of annual business permits, alongside residential and designated parking permits that will be subject to annual service charges. Outside of business hours, car parking will be available for general public use, providing capacity adjacent to the Riverside Park and charged at appropriate rates in line with other City Centre car parks.
- 4.17 The approved capital programme includes funding for a £9m MSCP. Following the feasibility process and as a result of the requirement for additional spaces, the current project cost estimate for the MSCP is £14m. The additional cost is expected to be met from capital contributions as set out below.
- 4.17.1 Details of the agreement are still ongoing between the Council and the proposed occupant for plots 4-6, however it is anticipated that a capital contribution of c. £ 2m will be received for the 100 spaces they require upon the opening of their proposed development, which is expected to be early 2024. In the event a contribution or higher pre-paid permit charge cannot be agreed with the proposed occupant to provide this car parking capacity then it is intended that the additional spaces would be available for alternative use.
- 4.17.2 It is proposed that a phased capital contribution of c.£3m will be received from the housing developments for the 150 spaces required commencing in Summer 2021.

4.17.3 In the event that these commercial deals do not materialise, the spaces will revert to Council and be available for alternative use.

Procurement & Next Steps

- 4.18 The Design Team have now completed the feasibility study and now seek to progress to the next stage of the project; to procure a Contractor to deliver a two-stage detailed design and build contract for a 750 space Multi Storey Car Park at Farringdon Row.
- 4.19 It is proposed to extend core commissions of the existing Design Team to ensure continuity of the project.
- 4.20 A Procurement Options Appraisal report has been prepared by the Corporate Procurement team in conjunction with the Design Team, considering all routes to market in relation to the procurement of a Main Contractor. Discussions are continuing between Corporate Procurement and the Design Team to refine exacting requirements; however, it is intended to procure the MSCP using existing frameworks to undertake a two-stage detailed design and build process.
- 4.21 The next steps required and timescales to deliver this project are as follows:

Activity	Timescale
Completion of Developed Design, Surveys and Investigations	November 2020
Commence procurement process for Main Contractor	December 2020
Planning Submission and Statutory Consultations	December 2020
Completion of Technical Design, Detailed Cost & Risk Management Plans	March 2021
Determination of Planning Application	March 2021
Appoint Contractor	March 2021
Subject to the grant of planning permission, Construction Phase	July 2021 – June 2022

5. Reasons for the Decision

- 5.1 The Constitution requires prior Cabinet approval where the value of a proposed procurement exceeds £250,000.
- 5.2 Approval will enable progression of the project through procurement of a main contractor to design, costing and deliver a new MSCP, to support the proposed commercial and residential development within Riverside Sunderland.
- 5.3 Delivery of the MSCP will support the wider regeneration of Riverside Sunderland, driving regional economic growth and job creation and other regeneration benefits to the City.

6. Alternative Options

6.1 Alternative options to be considered and recommended to be rejected:

- i. Not to pursue the MSCP project - not an option as required to support both planned/committed and future developments on Riverside;
- ii. Procure a MSCP on a smaller scale;
- iii. Not go out to procurement and carry out works in-house. This option has been rejected as the Council does not have the expertise to undertake these specialist works.

7. Impact Analysis

- (a) **Equalities** – an Equality Analysis (EA) and accessibility review will be undertaken in due course as part of the detailed design stage and will inform the delivery of the project.
- (b) **Sustainability** – a detailed sustainability assessment will be undertaken in line with all statutory and Council Policy and included with a Planning Submission for the project.
- (d) **Reduction of Crime and Disorder – Community Cohesion / Social Inclusion** - Reduction in vandalism, lighting and monitoring will be considered and measures included in the design of the MSCP.

8. Other Relevant Considerations / Consultations

(a) Co-operative Values:

(b) Other Considerations:

- (i) **Financial Implications** – Council on 4th March 2020 approved a £9m scheme within the Capital Programme for 2020/2021 to 2023/2024 for the delivery of the MSCP. The forecast income from the MSCP is expected to be in excess of the operating costs which will enable the financing costs associated with the capital investment to be recouped over the life of the MSCP. Following the feasibility process and as a result of the requirement for additional spaces, the current cost estimate for the delivery of the MSCP is £14m. The additional £5m is anticipated to be met from capital contributions as set out in 4.17. If some or all these contributions are not realised, then the additional spaces would be available for alternative use.

In accordance with the Council's Financial Procedure Rules, the Cabinet may authorise variations to the Capital Programme provided such variations are within available resources and consistent with Council policy. It is proposed that Cabinet authorise the proposed variation.

- (ii) **Risk Analysis** – A full risk assessment has been prepared for the project delivery. A more detailed and costed risk management plan including mitigation, will be developed prior to the project progressing to its construction phase. This will include some of the areas highlighted within paragraph 4.3

In addition to those risks relating to the procurement and construction phase, the Council will bear the operational risk associated with the MSCP. This will arise in relation to both the operating costs associated with managing and running the car park alongside the risk of generating the forecast revenues including those from agreed commercial arrangements with Legal and General and the developments referred to in paragraph 4.17.

- (iii) **Legal Implications** – The procurement of the design and build contractor and any additional appointments required for the MSCP scheme will be carried out in accordance with the Council's Procurement Procedure Rules and where applicable the Public Contracts Regulations 2015.

Under the terms of CDA with L&G, it is the responsibility of the Council as seller to procure the provision of 500 car parking spaces within the locality to service L&G's speculative development plots by practical completion of their first development. The proposed scheme will enable the Council to discharge this obligation.

The proposed site for the MSCP on Farringdon Row is subject to a joint venture agreement dated 17 January 2010⁶ between the Council and Homes England. The JV agreement facilitates the direct delivery of the site by the Council and Siglion for business and residential purposes in accordance with local planning policy, subject to the deemed disposal of each plot for market value which is then credited to the joint venture.

- (iv) **Health & Safety Considerations** – The works are to be procured using contractors and consultants experienced in work of this nature. The Construction Design and Management (CDM) Regulations apply and the successful Main Contractor will be appointed as Principal Contractor under the regulations, with the existing Project Management Consultant team being extended to continue with the role of Principal Designer.
- (v) **The Public / External Bodies** – Initial discussion with key stakeholders have formed part of the initial feasibility works and further stakeholder engagement will continue at appropriate stages of the detailed design and at planning stage.
- (vi) **Project Management Methodology** – The projects are to be managed using the PRINCE2 methodology, which is the appropriate standard.

- (vii) **Procurement** – A Procurement Options Appraisal report has been prepared by the Corporate Procurement team in relation to the procurement of a Main Contractor and has considered all routes to market. Discussions are continuing between the Corporate Procurement and Design Team to refine exacting requirements; however, it is proposed that the project will be procured using existing framework agreements.