

## DEVELOPMENT OF BUCKHURST 2 CAR PARK

Cabinet - 13 October 2016

Report of Chief Officer Environmental and Operational Services  
Chief Finance Officer

Status: For recommendation

Also considered by: Policy and Performance Advisory Committee - 6 October 2016  
Council - 22 November 2016

Key Decision: No

---

**Executive Summary:** This report seeks approval to develop the existing Buckhurst 2 car park to provide additional town centre parking capacity and residential accommodation.

---

**This report supports the Key Aims of value for money and financial self sufficiency.**

**Portfolio Holder** Cllr. Fleming

**Contact Officers** Richard Wilson, Ext. 7262  
Adrian Rowbotham Ext. 7153

---

**Recommendation to Policy & Performance Advisory Committee:** That it be recommended to Cabinet that

- (a) a planning application be submitted to provide additional long stay parking at the Buckhurst 2 Car Park, Sevenoaks
- (b) the planning application includes provision for residential accommodation to partly offset the cost of the proposed car park
- (c) Members recommend the preferred funding method from the scenarios detailed.

**Recommendation to Cabinet:** That it be recommended to Council that

- (a) a planning application be submitted to provide additional long stay parking at the Buckhurst 2 Car Park, Sevenoaks
  - (b) the planning application includes provision for residential accommodation to partly offset the costs of the proposed car park,
  - (c) Members recommend the preferred funding method from the scenarios
-

---

detailed.

**Recommendation to Council: That**

- (a) a planning application be submitted to provide additional long stay parking at the Buckhurst 2 Car Park, Sevenoaks
- (b) the planning application includes provision for residential accommodation to partly offset the costs of the proposed car park,
- (c) Members recommend the preferred funding method from the scenarios detailed.

---

**Reason for recommendation:** The proposed development has the potential to deliver much needed long stay parking in the town centre of Sevenoaks complimented by some residential accommodation.

---

**Introduction and Background**

- 1 In Autumn 2013, Members requested officers to investigate the provision of additional parking capacity in the Sevenoaks Town Centre.
- 2 It was evident from demonstrated demand levels and independent and in-house surveys that capacity, particularly for long stay parking, was at a critical usage level. This situation has not changed.
- 3 It was resolved at Cabinet on 6 March 2014 that:
  - a) A planning application be submitted to provide an additional 300 car park spaces on the existing Buckhurst 2 car park by providing a two storey elevated car deck, and
  - b) It be recommended to full Council that:
    - Subject to planning consent, to undertake a Procurement exercise for the project and subject to the successful tender being within the estimated costs as outlined in this report, to award a contract to design and build the elevated car park decks on the existing Buckhurst 2 car park.
    - A budget of £3.5-£4.0 million be approved to be financed by borrowing from the Public Works Loan Board.
    - That delegated authority be granted to the Portfolio Holders for Finance and Resources and Economic and Community Development to, after consideration of the tender evaluation, accept the most economically advantageous tender, to award the contract and authorise expenditure and approvals within the estimated costs outlined in this report and the borrowing approval.

- That a planning application be submitted for the decking of the existing Bradbourne car park to increase parking capacity in the area adjacent to the railway station.
  - A planning application be submitted to provide additional parking spaces in the existing Suffolk Way car park by providing either a one or two storey elevated car deck, to allow for longer term provision of additional short stay parking capacity.
- 4 Subsequently a planning application for the Buckhurst 2 Car Park was prepared for submission in October 2014. However, due to concerns raised by Kent County Council with regard to the transport assessment relating to the traffic controlled junction at Pembroke Road/Suffolk Way/High Street the application was withdrawn pending resolution of the concerns raised by Kent Highways.
  - 5 Following discussions with Kent Highways and a revised transport assessment being prepared, these concerns were resolved to Kent Highways satisfaction in February 2015.
  - 6 During the pre-application consultation, however, concerns were raised by several objectors about the overall height of the proposed decked car park and particularly the impact on the Heritage asset site of Knole Park. Concerns on the impact were also raised by other objectors including the Sevenoaks Society.
  - 7 Members subsequently requested officers to look into the feasibility of 'Cutting' the proposed car park into the existing ground to reduce the overall height. The original proposal constructed the decking on the existing profile of the site which has a considerable slope from the Buckhurst Avenue/Webbs Ally Corner to the Leisure Centre.
  - 8 The current proposal 'cuts' into the site, to level the site and its lowest existing level. This considerably reduces the overall height of the proposed structure.
  - 9 A draft scheme has now been prepared for this proposed structure.

#### Estimated Costs

- 10 In March 2014 a budget of up to £4m was approved. This was based on a feasibility study from a company called 'Topdeck' of a basic steel frame structure and based on Autumn 2013 prices. The cost didn't include fees.
- 11 This scheme, by October 2014, had risen to an estimated cost of £5.8m due to fees; additional design requirements following pre-application consultation; inflation and contingencies. The additional design requirements alone amounted to an additional £720,000. Inflation added £292,000.

## Revised Feasibility

- 12 Consultant's Willmott Dixon have been appointed, through the SCAPE Procurement route to provide a feasibility study for a 527 space car park (existing capacity 291 spaces) 236 additional spaces, by providing a 3 storey deck on the existing Buckhurst 2 site, by cutting into the site and lowering the existing level to the lowest point of the existing site, with a unit transfer slab to allow construction of residential units on one elevation of the site.
- 13 The estimated cost of this proposal is £9.5m including all fees and contingencies (10%). It may be prudent to allow a further 5% additional contingency to cover the Council for any unforeseen costs. Rounding up gives a total estimated cost of £9.85m.
- 14 The increase in costs are related to a basement style construction including sheet piled retaining wall and removing and disposing of 20,000 cubic meters of excavated materials; piled foundations; provision of residential transfer deck, and inflation (since Autumn 2013).
- 15 It is anticipated that providing the residential transfer deck will allow residential accommodation to be included in the final design to partly offset the additional cost of the car park. The residential transfer deck could accommodate a development of ten 4 bedroom town houses. An independent valuation for the development has indicated a total sale value of £8,073,600, with construction costs estimated at £2,320,000 and allowing for contingency, fees, marketing and disposal costs at £559,190, this would realise an estimated £5,194,000 surplus. The market value for just the residential deck has been estimated at £3,590,000.
- 16 Detailed design and costings will be commissioned should Members decide to proceed with the project. A more detailed cost plan will be developed as the design progresses.
- 17 The other available option to increase long stay parking capacity on this site could be to resubmit the planning application originally prepared in October 2014.

## Business Case

- 18 There is a proven shortage of long stay parking in the Sevenoaks Town Centre, demonstrated by demand levels and from in-house and independent surveys. It is essential that additional long stay parking, particularly for workers and residents, be provided to ensure the continued economic viability of the Town.
- 19 The Buckhurst site is well located to serve local businesses and support the local economy. There is also an increased demand for residents' parking permits.
- 20 Consideration needs to be given to the preferred method of funding, with the cost partly offset by providing residential accommodation on one elevation of the site. The car park will provide 236 additional parking

spaces, in total 527 spaces on this site. Funding scenarios are provided in Appendix 'A'.

### Planning

- 21 The Buckhurst 2 site in Planning Policy terms is suitable for redevelopment for a variety of uses including residential, business, leisure and retail. Town Centre parking should be managed to ensure adequate and convenient provision for shoppers and appropriate provision for long stay parking.
- 22 The provision of decked car parking would support the vitality of the Town Centre, and therefore there is Planning Policy support in principle for decking this car park.
- 23 A development of 10 residential units with a combined floor space of more than 1000sqm would result in a need to provide affordable housing. Policy SP3 of the Core Strategy requires that 30% of the units should be affordable and the preference is for those to be provided on site, although in exceptional circumstances a financial contribution can be made towards off site provision. In addition, since August 2014, new residential developments need to pay the Community Infrastructure Levy (CIL) to fund local infrastructure. The adopted charging schedule requires a payment of £125 per sq metre.

### Procurement

- 24 A contracting Authority/Central Purchasing Body arrangement (SCAPE Procurement Route) will be utilised, which has followed an OJEU compliant process to form 'frameworks' from which a panel of consultants and contractors have been appointed. This SCAPE procurement framework would be used to engage the major works contractor who would in turn engage consultants and sub-contractors under the same framework agreement.

### **Key Implications**

#### Financial

The total cost of the car park, including the residential deck and contingencies is estimated at £9.85m. The potential for the net income from the housing scheme included in the report is £4.6m (£5.2m less £0.6m for affordable housing and CIL contributions). This results in a net cost for the scheme of £5.25m.

	£m
Car park cost	9.85
Housing scheme net income	(4.60)

Net Scheme Cost	5.25
-----------------	------

The financial requirements of the scheme are to break even over 30 years and also to break even over the 10-year budget period.

A number of funding scenarios have been investigated and the details of those most relevant are detailed in Appendix A and are summarised in the table below.

	Funding	Average Annual Yield	Net Impact on Revenue over 30 years cost/(surplus)	Average annual cost to revenue over the first ten years of operation cost/(surplus)
		%	£000	£000
A	100% £9.85m External Borrowing from the Public Works Loan Board (PWLB)	-2.5%	7,467	358
B	£4.6m from housing scheme capital receipts and £5.25m from the PWLB.	-0.2%	306	107
C	£4.6m from housing scheme capital receipts and £5.25m from the PWLB. Increase all off-street parking charges by an additional 1% for 5 years	2.9%	(4,567)	(7)

**Scenario A:** It was originally intended that this car park project would be funded by external borrowing from the Public Works Loans Board (PWLB). If the cost of the car park is taken alone and funded by a PWLB loan it would not meet either financial requirement. The cost over 30 years £7.467m and an average cost over the first ten years of £358,000 per annum.

**Scenario B:** Funding the scheme by the potential net income of the housing scheme which is £4.6m and the remaining £5.25m by external borrowing from the PWLB. This scenario results in a cost over 30 years of £306,000 and an average annual cost over the first ten years of £107,000 per annum. The difference over the two periods is due to the cost of borrowing remaining constant and the parking charge income increasing by inflation each year. Therefore, this scenario also does not meet either financial requirement.

**Scenario C:** This scenario is the same as scenario B except that it assumes that all off-street parking charges are increased by an additional 1% (i.e. 3.5% instead of the current assumption of 2.5%) for 5 years. This is therefore an additional

contribution from the users of the district's car parks to make the scheme cost neutral for the wider population. This scenario meets both financial requirements by making a surplus of £4.567m over 30 years and a small annual surplus of £7,000 over the first ten years.

The Affordable Housing and CIL figures are calculated from para 6.10 of the affordable Homes SPD and Adopted CIL Charging Schedule.

The Public Works Loan Board (PWLB) rate used in all calculations is 2.24% for a 30 year annuity loan as at 15 September 2016.

Further scenarios are possible by changing the mix of funding sources.

## **VAT**

VAT incurred relating to works to the car park will be recoverable as it will be attributable to the Council's taxable supplies, assuming it remains a car park.

As long as the sale/long lease of new build town houses qualifies for zero rating (first grant of a major interest in a dwelling by the person constructing) any VAT incurred on related costs can be recovered without any impact on the Council's partial exemption position, although the majority of the build costs are likely to be zero rated. If it is a design and build contract the entire supply will be zero rated.

If it is all wrapped up in a single contract to build the houses and car park we would expect the contractor to apportion this in some way. It will be up to the contractor to calculate the amount of VAT that it must account for and provide the Council with VAT invoices/receipts accordingly.

Should the current proposal change then further advice may have to be obtained based on the role the Council may play in construction and ownership.

## Legal Implications and Risk Assessment Statement.

The project construction costs identified in the report are estimates only and full details design and costings would need to be commissioned.

Any procurement will be carried out in accordance with the general principles of Contracting Authority/Centre Purchasing body arrangement (SCAPE)

Borrowing will be subject to the Council's financial procedure rules. New investment is made possible by the 'General Power of competence' introduced by Section 1 of the Localism Act 2011.

The proposed decking would be built on existing Council owned car park land.

Any planning application submitted would need to be considered and determined by the Council's Development Control Committee.

The parking surveys have provided strong evidence of the shortage of long stay parking provision in the Sevenoaks Town. Failure to provide the additional car

parking identified is likely to have a detrimental effect on the future economic viability of the town, and District, as a venue to work, shop and visit.

A parking solution is required not only to meet the current, but future anticipated demand on parking capacity.

The Government has introduced greater powers for landowners to change the use of buildings without the need for planning permission (through its changes to the General Permitted Development order). Amendments that allow for offices to be converted to residential use and for space above shops to be converted to dwellings without the need for planning permission increase demand for parking in Town Centres. Without the need for these changes of use to be considered through the Development control process there is no scope for the Council to require additional parking for the new residents these developments will create, which will lead to increased demand for on and off street parking for residents in Town Centres.

Although the construction period, on site, for this method of construction is relatively short, temporary alternative parking will need to be made for existing users, during the on-site construction period.

A Risk Assessment is provided at Appendix B.

### Community Impact and Outcomes

Increased car parking capacity would have a strong positive impact on the town centre. It would allow more people to access local services, tourist attractions and support the high proportion of independent businesses in the Town Centre. The retail offer in the town continues to be of a very high standard, with high occupancy rates and continued inward investment from the likes of Wagamamas and Marks and Spencer. Further investment in parking provision will strengthen the retail offer and ensure that Sevenoaks town has increased footfall in years to come.

It would also support businesses and staff and reduce impact on residential roads.

### Equality Assessment

The decisions recommended in this report have a low relevance to the substance of the Equality Assessment. There is a positive impact on end users.

### **Conclusions**

The parking capacity/demand survey undertaken in November 2013 has identified current critical parking levels in existing Council owned car parks (above 90% utilisation) identifying a demand for additional long stay spaces and additional short stay spaces (based on 90% utilisation rates).

A technical feasibility study has indicated that additional car park spaces could be provided by constructing elevated car park decks on the existing Council owned Buckhurst 2 car park.



Planning Policy advice has identified that the site has the potential to deliver additional car park spaces through the use of decked car parking construction methods and other uses, including residential.

Estimates on potential additional income generation indicate that the estimated 'pay-back' period to cover loan costs is extensive.

To advance the project to planning application stage, expenditure will need to be incurred with regard to surveying and design and planning application fees.

Although the construction period, on-site, is relatively short, alternative temporary parking provision will need to be considered for existing car park users, during the on-site construction period.

It is recommended that a planning application be submitted to provide additional parking for long stay parking at the Buckhurst 2 car park for the immediate future.

This proposed project supports the key aim in the council's vision, as detailed in the approved Corporate Plan; to either borrow or utilise existing financial resources, to generate on-going revenue income.

#### **Appendices**

Appendix A - Funding scenarios

Appendix B - Risk Assessment

#### **Background Papers:**

[Report to Cabinet 6 March 2014 - 'Sevenoaks Town Centre Parking Review'](#)

**Richard Wilson**  
Chief Officer Environmental and Operational Services

**Adrian Rowbotham**  
Chief Finance Officer