

ECONOMIC DEVELOPMENT COMMITTEE

20 JUNE 2018

REVIEW OF NEWARK LORRY PARK

1.0 Purpose of Report

- 1.1 For Members to consider the challenges and opportunities for the future development and potential expansion to the Newark Lorry Park.

2.0 Background Information

- 2.1 The new Council Offices, Castle House, occupies land previously used for lorry parking. Currently this has resulted in a reduction from 166 spaces to 122.
- 2.2 The Council commissioned specialist consultants to identify various options to mitigate the loss of capacity and at its meeting on 30 March 2016 the Economic Development Committee considered these and agreed the following:

AGREED (unanimously) that Option A, to retain and expand the existing lorry park, be approved.

- 2.3 Detailed work on a scheme to expand the lorry park was, accordingly, undertaken by an external consultant providing additional adequate hardstanding for approximately 160. The scheme to extend the lorry park was approved by the Economic Development Committee in March 2017.
- 2.4 Last year the Government carried out a study looking at the provision of overnight lorry parking facilities. The study was released in mid-May of this year and it highlights the fact that the shortage of overnight parking has become more acute, with an estimated need for 1,400 more spaces across the country.

3.0 Introduction

- 3.1 Since the Committee's decision in March 2017, detailed work on preparing a planning application has been undertaken and it has become apparent that the scheme developed by the external consultants was not as comprehensive as it should have been. The scheme omitted a number of key features that have an impact on both the visual aesthetics of an important gateway to Newark and on the overall costs of the project.
- 3.2 The Capital Programme at present, based on the work carried out by the Consultants and approved by Council has £792k allocated to this project. It is broadly split as follows:-

Construction	£625,658
Lighting	£50,000
Fees	£54,000
Contingency and Prelims	£62,566
Total	£792,224

3.3 These costs have now been updated in line with BCIS for 3rd Quarter of 2018 and are now £890,000, an increase of £97,776

3.4 As stated above in 3.1, an examination of the construction element has highlighted that it does not include any allocation of funds for a range of necessary elements including:-

1. Appointment of Principal Designer (CDM Regulations) £4000
2. Detailed Landscaping Plan £2000
3. Aerial Tree Inspection £825
4. Reptile Survey £300
5. Clearing of Shrubs to allow completion of topographical survey £720
6. Topographical survey (area missed off original survey) £1400
7. Landscaping costs £50,000
8. Fencing £10,000
9. Signage and lining works £15,000
10. Crash Barriers to protect new lighting columns £15,000
11. Additional Lighting £50,000
12. Improve CCTV System £35,000
14. Additional Contingency due to suspected presence of asbestos £35,000
15. Fees associated with redesigning lorry parking bays and access road £10,000
16. Improve pedestrian access and crossing to main entrance of Lorry Park £20,000

Total additional costs £249,245

Total Revised Cost of Scheme **£1,139,245**

3.5 A number of further external factors have come to light, some of which have a direct impact on the lorry park project. These additional factors (set out below, 3.6 to 3.10), together with the increase in the costs of the extension project (set out in 3.4, above) means that the whole package needs to be reconsidered.

Additional Security

3.6 Over the autumn and winter months there were regular reports of criminal activity taking place on the lorry park. A number of vehicle trailers were damaged and goods removed. Goods ranging from designer clothes and electrical home entertainment systems were stolen. The nature of the thefts allied with police intelligence led to the belief that this was organised activity taking place along the A1 corridor from Leeds to Cambridge.

3.7 Officers from the Council have worked closely with the police to put in place short term measures to counter this activity and to capture evidence of the wrongdoing. This included the introduction of a temporarily Automatic Number Plate Recognition (ANPR) system, additional security staff and additional strengthening of the perimeter fence.

3.8 Whilst there have been no recent incidents, the existing security arrangement is not sustainable.

- 3.9 A more permanent and sustainable solution to the security concerns is the provision of a barrier entry and exit system linked to an ANPR and also linked to an automatic payment system. In effect this would require all lorries to pass through the barrier to enter the site. Vehicles would then have their number plate scanned. If they are registered with the SNAP prepaid card system they would be able to leave via the exit barrier without any further interaction and their presence would be noted and they would be charged accordingly. Vehicles not using the SNAP system would be required to pay the requisite fee to allow them to pass through the exit barrier. It should be noted that approximately 60% of the business in the lorry park is now comes via freight companies signed up to SNAP accounts.

Refuelling Centre

- 3.10 Newark Lorry Park is well used and is an important location on the transport network. For these reasons it has attracted the attention of a national company that install and operate refuelling operations for heavy goods vehicles. The company provide an above ground diesel fuel storage and refuelling facility for the use by vehicles using the lorry park but also attracting passing vehicles to use the facility.
- 3.11 The company require a 10 year lease to operate on the lorry park in return for this it would pay the Council an annual fee of approximately £45,000. There would potentially be some loss of parking spaces to accommodate the refuelling bunker but it is estimated that this would be less than 10 spaces. Part of the need to consider all these schemes as a whole is the potential to redesign the overall layout taking account the potential to locate the fuel bunker and the barrier so as to maximise the parking potential.

Café and Welfare Facilities

- 3.12 The site currently offers range of facilities. The café on the site is owned by the Council and is currently let on a lease to a local provider. The owner offers basic fayre with the opening hours of the facility being 6.00am to 9.00pm Monday to Friday. The café does not open at the weekends. Drivers can buy a combined parking and meal voucher ticket which can be exchanged within the café facility for food or drink.
- 3.13 Showers and toilet facilities are available on site and are free to use to drivers. They are also open for general use for a small charge. The shower and toilet facilities are open between 6.00am and 10.30pm.
- 3.14 Until recently, these facilities were not open on Saturday or Sunday. However, there is currently an ongoing trial to open the facilities for 5 hours on each day.

4.0 Options Appraisal

- 4.1 The overall capacity of the lorry park is 122 vehicles at any one time. The current level of occupancy varies across the week and can be split into two distinct periods. The 4 evenings of Monday to Thursday are the busiest days of the week with Friday evening Saturdays and Sundays seeing a reduction in occupancy.

4.2 Analysis of the occupancy indicates that on the busy days of the week the lorry park operates at about 83% of its capacity giving an average occupancy of 101 vehicles per day. On the remaining days the occupancy is approximately 40 vehicles per day. Lorry drivers need confidence that space will be available in their chosen stopping point so as not to exceed their driving hours. The reduced capacity that the lorry park is operating on does mean that drivers arriving later in the day are reticent to visit Newark in case there are no free spaces.

4.3 A business case for the proposed extension updated with the additional costings and based on the above occupancies is set out below. The outturn budget figure shown in the table is based on the current capacity of 122 spaces and therefore for consistency the total available spaces through all the calculations are based on this base figure.

Project	Capacity	Tariff	Income	Additional income after scheme	Cost of works	Payback period- Years
Do Nothing	122	£14.50	£313,162*	N/A	N/A	N/A
Full extension	189	£14.50	£459,109	£145,947	£1,139,000	7.8
NW extension	170	£14.50	£420,365	£107,203	£740,509	6.9
NE extension	141	£14.50	£361,229	£48,067	£398,735	8.3

Notes

*This is the out turn budget figure for 2017/18

1. Income modelled on 40 vehicles on 3 nights per week and 83% of capacity on 4 nights per week.
2. All future predictions based on current fee of £14.50 which when corrected for VAT and SNAP commission is an average ticket income of £11.78

4.4 The above figures have been calculated at a tariff of £14.50. Benchmarking has been undertaken with similar lorry parks and it is considered feasible that the improvements set out in this report, if implemented, would allow for a tariff of £16.50 to be charged. If a full extension was approved at the new cost and the tariff was increased to be in line with other similar lorry parks the payback period would reduce. Any proposal to increase the tariff would be brought back to committee as part of its regular setting of fees and charges once works are completed.

4.5 With an increased fee of £16.50 the payback period is reduced to 6.1 Years

5.0 Proposals

5.1 The business case completed as part of the options appraisal indicates the pay back periods for the various extension options. It is proposed that the full extension is considered as the most appropriate option which gives a payback period of 7.8 years

- 5.2 Additional to the potential to extend the lorry park and provide additional parking it is proposed that other considerations are taken into account in order to provide a degree of future proofing for the lorry park and to give some future certainty to its operation.
- 5.3 The fuel bunker will add an additional attraction to the lorry park and will provide a fixed income for the next 10 years. Therefore it is proposed that subject to legal scrutiny a lease with the fuel bunker provider is agreed.
- 5.4 As stated earlier in this report there has been a need to add additional security measures. It is important that any future security is sustainable and also does not impinge and prevent any future developments of the site. The provision of a barrier entry and exit system will provide this solution. The need for the barrier system to be implemented was agreed by CMT as a matter of urgency after consultation with key Members. The funding for this has been identified and therefore forms no part of the additional costs.
- 5.5 As the lorry park develops it will be important to review the café and welfare facilities in order to ensure that they match the wants and needs of all the site users. The areas for review will include
- i) The terms of the lease of the café to include opening hours and the food offer
 - ii) The shower and toilet facilities, in terms of numbers and gender
 - iii) Potential to provide free wifi

6.0 Staff Resources

- 6.1 There are currently two staff employed to work at the lorry park. A cleaning operative is employed for 20 hours per week. Their normal working hours are 10.30am to 2.30pm Monday to Friday.
- 6.2 The second staff member is employed in the posts as Lorry Park Attendant. This post is responsible for taking parking payments, managing the welfare and shower facilities, security and health and safety and being the first point of contact for any issues that arise on the lorry park.
- 6.3 If the lorry park is developed it will be necessary to review the roles of these posts to ensure that they remain fit for purpose. The entry and exit barrier will reduce the requirement to handle cash and this will free up additional time for the attendant post to address other functions across the lorry park. Whilst the function and hours of the role may change it is not considered at this point that this will have any material change in overall cost

7.0 Equalities Implications

- 7.1 An Equalities Impact checklist has been completed and no implications have been identified.

8.0 Impact on Budget/Policy Framework

- 8.1 Currently the capital programme scheme for the extension project has been agreed at £792,000. The additional costs identified in the report will add an additional £347,021 to the capital costs of the scheme.
- 8.2 The income from the lorry park with capacity for 122 at a tariff of £14.50, for 2017/18 was £313,162. The full extension has the potential to increase the income to £459,109 based on the same tariff; i.e. an increase in income of £145,947. This, on an estimated capital spend of £1,139,000 is a return of 12.81%, or a full pay back after 7.8 years.
- 8.3 The additional space created by the extensions will require additional funds to be set aside for repairs and renewals. The potential to site the fuel refuelling bunker on the lorry park does give an additional revenue income of £45,000 which could be used in part to provide additional repairs and renewal funding.

9.0 RECOMMENDATIONS that:

- a) Members consider the revised scheme for the Newark Lorry Park extension and confirm their approval for the project;**
- b) the required additional capital and revenue budgets for the project be approved; and**
- c) the siting of a fuel bunker on the lorry park subject to legal agreements be approved.**

Reason for Recommendations

To allow the District Council to commence construction of the extension to the Newark Lorry Park and associated developments.

Background Papers

National Survey of Lorry Parking
Department of Transport

For further information please contact Alan Batty on Ext 5567

Deborah Johnson
Strategic Development Manager