

## **POLICY AND FINANCE COMMITTEE**

**20 SEPTEMBER 2018**

### **EXTENSION AND IMPROVEMENT OF NEWARK LORRY PARK**

#### **1.0 Purpose of Report**

- 1.1 For Members to consider the changes to the extension scheme for Newark Lorry Park and the provision of additional funding for the scheme.

#### **2.0 Background Information**

- 2.1 In March 2017 the Economic Development Committee agreed the scheme for the extension of Newark Lorry Park.
- 2.2 Since the Committee reached that decision detailed work on preparing a planning application was undertaken and it quickly became apparent that the scheme developed by the external consultants was not as comprehensive as it should have been with the omission of 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.
- 2.3 In June 2018 the Economic Development Committee considered a further report that detailed the additional works required to further the scheme and the additional funding required.
- 2.4 The report also considered the addition of an above ground fuel bunker on the Lorry Park site as an additional facility to be provided.
- 2.5 The minute from the meeting is shown below.

*AGREED (with 7 votes for and 3 votes against) that:*

- (a) the revised scheme for the Newark Lorry Park extension project be approved;*
- (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.*

#### **3.0 Proposals**

- 3.1 Details of the proposal are set out in the report to the Economic Development Committee meeting held on 20 June 2018 which is attached as **Appendix A** to the report.

#### **4.0 Equalities Implications**

- 4.1 An Equalities Impact checklist has been completed and no implications have been identified. The design of the scheme will ensure that there is access to the facilities for disabled users.

## **5.0 Impact on Budget/Policy Framework**

- 5.1 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.
- 5.2 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%.
- 5.3 The additional space created by the extensions will require additional funds to be set aside for repairs and renewals, contractual services, utilities and business rates. 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.
- 5.4 Once the works are complete it is unlikely that the income from lorry parking will achieve its full potential within the first year. Therefore the income profile for 2019/20 to 2022/23 will be tapered to take account of this.
- 5.5 In order to ensure there is sufficient budget to keep the lorry park maintained to the standard required it is considered appropriate to increase the general fund cost budget by the amounts shown below.

Repairs and Maintenance	£3,000
Electricity	£2,000
Gas	£700
Water	£700
Rates	£24,000
Contractual Services	£3,000
Contribution to R & R	£4,000

- 5.6 It is anticipated that the capital works will not be completed before the start of the new financial year and therefore the additional revenue costs will only be required starting in 2019/20 and therefore will be accounted for as part of the 2019/20 budget process.

## **6.0 Comments of Director – Resources and S151 Officer (FIN18/19 209)**

- 6.1 The increase in expenditure required for 2019/20 will be covered by the additional income in the first year, with additional income in the subsequent years. The changes referred to in paragraph 5.0 will be built into the base budget from 2019/20 onwards.
- 6.2 Assuming there are no resources available for the additional £347,021 capital budget, this will increase the borrowing in the capital programme. If the Council were to borrow to fund this scheme, based on current rates and the life of this asset, the cost would be £50,000 per £1,000,000 borrowed. Therefore this would cost approximately an additional £17,400 per annum.

**7.0 RECOMMENDATIONS that:**

- (a) additional capital expenditure for £347,021 for the extension of Newark Lorry Park, be approved for inclusion in the Council's Capital Programme; and**
- (b) the Lorry Park budget be amended as per paragraph 5.0 as part of the 2019/20 – 2022/23 budget process.**

**Reason for Recommendations**

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

**Background Papers**

Nil

For further information please contact Alan Batty - Business Manager – Environmental Health & Licensing on 01636 655467.

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