

## **MERSEYWAY CAR PARK MAINTENANCE & REFURBISHMENT**

### **Report of the Corporate Director (Place) and Deputy Chief Executive**

#### **1. INTRODUCTION AND PURPOSE OF REPORT**

- 1.1 The report seeks authority to undertake structural repairs to the Merseyway Multi-storey Car Park to prevent further structural deterioration, ensure the safety of users, protect the car parking revenue stream and halt water ingress to retail units below the car park structure.
- 1.2 The proposed works have been broken into two phases, this report seeks authority for Phase 1 based on a financial borrowing model funded through car parking revenue via savings generated on the Management Fee budget following the termination of the NCP contract and on the Prudential Borrowing budgets that currently fund the repairs undertaken in 2012 and will end in 2024/2025.
- 1.3 These works support the redevelopment of the Town Centre ensuring that this critical asset is well maintained.

#### **2. BACKGROUND**

- 2.1 The current condition of the Merseyway Car Park is the result of an extended period of limited investment in preventative maintenance. There have been ongoing ad hoc patch repairs when essential but the structure has gradually deteriorated over time. A full structural assessment has been undertaken alongside the production of a Life Care Plan, which is a statutory legal duty. This work identified some initial urgent repairs (now complete) alongside some medium-term interventions to waterproof and repair concrete elements of the structure. The various areas of the car park are identified using a colour system, a plan showing this is provided at Appendix 1 to this report.
- 2.2 The car park is a Council asset, prior to its purchase of the Merseyway Shopping Centre in 2016 the Council already owned the car park and was responsible for its maintenance and management. The car park sits atop of many retail units and public areas of the Merseyway Shopping Centre effectively forming its roof. Currently water ingress is causing damage to the concrete structure and critically leaks into retail units in several areas of the shopping centre. These leaks are into units for which the Council are the landlord, this presents a risk to the ongoing operation of those retailers and the rental income they provide.
- 2.3 The works also offer the opportunity to ensure the car park meets the changing requirements of the shopping centre. The position of disabled parking, pedestrian routes, signage etc can all be improved to support the proposed town centre redevelopment activities. These include the Innovation Centre, proposed Stockroom (working title), public realm improvement, and the redevelopment of the former M&S and BHS units. Whilst the works will support the above-mentioned projects it is interdependent from them, the maintenance works are required whether they proceed or not to protect the concrete structure and existing retail units below.

- 2.4 Construction of the new lift / stair core at Adlington walk requires the closure of the Chestergate car park entrance to support the new public realm layout at the southern end of Adlington Walk where it meets Chestergate. To prevent unacceptable queuing onto the highway at the remaining entrances it is necessary to remove the barrier entry system, this is a condition of the planning approval for the works. It has been agreed that RingGo (mobile phone payment) becomes the predominant charging mechanism in the future to support some Pay and Display. This change to the payment mechanism was approved by the Cabinet Member for Sustainable Stockport in July 2021.
- 2.5 The car park has also been identified as a location for PV solar installations, this is currently identified in the form of car ports above the location of the proposed Stockroom development, these are to be delivered under the Greater Manchester Unlocking Clean Energy project.
- 2.6 The Merseyway Car Park is increasing in importance with regards to the provision of parking within the town centre as other surface car parks are removed to facilitate redevelopment (long and short term) or due to emerging structural issues (Heaton Lane). Furthermore, as increasing numbers of developments are delivered, some without parking on site, it is likely demand will increase, this may be offset by a change in working practices and travel demand post COVID.

### 3. PROPOSED WORKS

- 3.1 The assessment works have identified the list of remedial works below. These cover the Merseyway car park surface, structures and its drainage systems. No works are required to the Red Rock or Debenhams car parks at this time.

Recommendation
Resurfacing and waterproofing of the whole external levels of the Merseyway car park (yellow, red, orange, green and blue zones) to prevent water ingress.
Concrete repairs to underside of concrete structure where damaged by water ingress.
Repairs to drainage system to prevent future water ingress into the structure
Immediately undertake measures to support cracked concrete façade panels to the Green Zone.
Line car park oil and petrol interceptors to prevent leakage into watercourse.

- 3.2 A budget estimate has been prepared by the capital programme quantity surveying team for the above works which represent the minimum investment required to maintain the structure. The estimated cost is **£5.25m – £5.5m** to achieve the actions outlined above
- 3.3 Delivery of the works is proposed to be split into two phases. The areas of greatest concern are the yellow zone where water ingress is affecting retail units below and the orange zone where water ingress is showing clear evidence of structural degradation below. Furthermore repairs to the oil and petrol interceptors should be prioritised to prevent a breach of water quality regulations.

Repairs to the façade panels within the green zone are also required to maintain public safety.

3.4 The table below outlines the proposed phasing for delivery:

<b>Phase 1</b>	<b>Phase 2 (subject to further approvals)</b>
2021/22 – 2023/24	2022/23 – 2023/24
Yellow Zone concrete repairs, drainage repairs and waterproofing	Red Zone concrete repairs, drainage repairs and waterproofing
Orange Zone concrete repairs, drainage repairs and waterproofing	Blue Zone concrete repairs, drainage repairs and waterproofing
Oil and petrol interceptor repairs	Green Zone concrete repairs, drainage repairs and waterproofing
Green zone façade panel stabilization	Any further improvements (see section 4)

3.5 In addition to the essential maintenance of the life care plan there are a number of opportunities for improvement that need to be considered when investing in the asset. These are detailed in subsequent sections.

#### **4. OPPORUNTIES FOR FUTHER IMPROVEMENTS**

- 4.1 The proposed works, notably the waterproofing, provide the opportunity to re-mark the car park to better facilitate vehicle and pedestrian circulation. A study is underway to consider the location of disabled parking, improvements to pedestrian safety and movements notably due to new Adlington Walk entrance, vehicle circulation given changes to entrances / exit and removal of car park barriers etc. The results of this study will be utilised to design the car park layout upon completion of the works. Furthermore should opportunities for other changes to signages, access, circulation be identified these will be considered for Phase 2 of the works.
- 4.2 Plans are under development to install solar ports with electric charging provision below delivered via the Greater Manchester Unlocking Clean Energy project. This project will look to facilitate delivery of this new infrastructure.
- 4.3 There is an opportunity to replace the existing lighting system within the car park with LED, this will be considered during Phase 1 and if deemed viable a proposal will be put forward for Phase 2 to fund a lighting upgrade.

#### **5. FINANCIAL IMPLICATIONS**

5.1 The table below outlines the estimated cost for Phase 1.

	<b>Phase 1 Items</b>	<b>Cost</b>
1	Further surveys, testing and design.	£0.1m

2	Works to Yellow and Orange Zone – drainage, concrete and waterproofing	£3.9m
3	Works to Green Zone façade panels	£0.20m
4	Oil and Petrol interceptor repairs	£0.20m
	Total	£4.4m

\* Costs exclude any works to Debenhams rooftop car park

#### Phase 1 split of capital investment by financial year

Financial Year	Capital Investment
2021/2022	£0.25m
2022/2023	£2.50m
2023/2024	£1.65m

- 5.2 It is proposed that the Phase 1 are funded through borrowing repaid through the parking revenue budget. Appendix 2 provides the Annuity Table showing the repayment of funds over 15 years, this is illustrative as the interest rate is calculated twice daily but the figure of 1.75% is correct at 4<sup>th</sup> January 2022. Savings from the approved changes associated with the charging regime and associated management contract would initially support the borrowing at £0.138m per year. Further the parking revenue budget is currently funding borrowing for Merseyway surface improvements undertaken in 2012, this will be repaid by 2024/2025. There is currently a charge of £0.209m per year to parking revenue to cover this. Beyond 2024/25 this charge could be retained to offset capital borrowing costs alongside the £0.138m saving from the NCP contract termination.
- 5.3 As outlined in section 3.2 the estimated total cost of the works is in the region of £5.25m - £5.5m, therefore beyond the Phase 1 works a further £0.85m - £1.1m may be required to complete the works. This will be validated during Phase 1 and a separate paper brought forward outlining the funding requirements for a second phase of works.

## **6. RISK ASSESSMENT CONSIDERATIONS**

- 6.1 Due to the ongoing COVID 19 pandemic there remains uncertainty around future car parking demand and its associated income, this may not return to pre-pandemic levels for a number of years. The revenue from Merseyway car park in 2019/20 was £0.988m and the current 2021/22 forecast is £0.607m. However with the increasing number of new and proposed developments such as the Innovation Centre, STOK (former M&S), Stockroom alongside various residential developments in the Underbanks area, Weir Mill etc and the associated construction works including for the Interchange these may offset any reduction seen due to COVID 19.
- 6.2 Inflation is currently a major risk on construction projects. The cost estimates for this project include for inflation and have 15% risk allowance to support any unforeseen costs.

## **7. LEGAL CONSIDERATIONS**

- 7.1 Having discussed with the legal team there does not appear to be anything out of the ordinary in terms of legal considerations with regard to this project. The decision is a Cabinet decision under the Council's constitution.

## **8. EQUALITIES IMPACT**

- 8.1 Equality Impact Assessments (EqIAs) are used by the Council as an equality monitoring tool to ensure and demonstrate that our proposals comply with the requirements of the Public Sector Equality Duty (PSED) to protect individuals from unfair treatment and to promote a fairer and more equal society.
- 8.2 There are nine protected characteristics defined by law. These are age, disability, gender reassignment, marriage or civil partnership status, pregnancy and maternity, race, religion or belief, sex (gender) and sexual orientation.
- 8.3 As the works proposed are maintenance in nature there are no equality impacts.

## **9. ENVIRONMENTAL IMPACT**

- 9.1 This project reflects the priorities of the Council's Climate Action Now strategy and seeks to ensure that the refurbishment of an existing public asset is done in such a way to maximise carbon efficiency and where possible deliver against our carbon reduction commitments.
- 9.2 An Environmental Impact Assessment has been undertaken and found the works to have an overall neutral impact. The proposed scheme involves extending the life of the existing asset, this will avoid demolition and minimises the impact of embodied carbon.
- 9.3 As the provision of solar PV is through the Greater Manchester Unlocking Clean Energy project and any LED lighting upgrade would be part of Phase 2 these were not considered as part of this Environmental Impact Assessment.

## **10. CONCLUSIONS AND RECOMMENDATIONS**

- 10.1 The Scrutiny Committee is recommended to comment on and note the report.
- 10.1 Cabinet to resolve to approve the Phase 1 works funded at a cost of £4.4m through borrowing based on savings or existing borrowing costs from within the car parking revenue budget.

## **BACKGROUND PAPERS**

There are none

Anyone wishing to inspect the above background papers or requiring further information should contact Mark Glynn on Tel: 0161-474-3700 or by email on [mark.glynn@stockport.gov.uk](mailto:mark.glynn@stockport.gov.uk)