

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S
REPORT TO

Cabinet
06 June 2023

Report Title: Castle Multi-Storey Car Park Contract Award

Submitted by: Deputy Chief Executive

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: Town

Purpose of the Report

To award the main construction contract for the Castle Car Park through the Pagabo framework to Morgan Sindall.

Recommendation

That Cabinet

- 1. Subject to Planning permission, authorise the Deputy Chief Executive in consultation with the Portfolio Holder, Finance, Town Centres and Growth to**
 - enter into a contract with Morgan Sindall for the construction of the Castle multi-storey car park for a sum of no more than £12m, to commence in August 2023**
 - enter into a contract with Morgan Sindall to carry out enabling and infrastructure works across the car park and wider Ryecroft site for a sum of no more than £1m,**
 - commence the associated process of Traffic Regulation Order consultation**
 - note the car parks that will be closed and disposed of for housing in accordance with an updated Asset Management Plan Strategy to be published in the Autumn of 2023.**
 - Complete all legal documentation to finalise land assembly.**

Reasons

The Council has secured £11m from DLUHC from the Future High Street Fund for the redevelopment of the Council owned Ryecroft site and further improvements to the Town Centre.

The Council appointed Morgan Sindall as design and build contractor for the Castle car park and subject to the award of planning consent, it is now appropriate to award a contract for the construction of the Castle multi-storey car park. Furthermore, it is also appropriate that Morgan Sindall are instructed to carry out enabling and infrastructure works across the car park adjacent wider Ryecroft site to maximise Future High Street Funding grant funding and ensure efficiency of delivery for the Ryecroft site.

This project forms a key step in the town centre developments that are planned through the Future High Street Fund and Town Deal grant funding.

A number of smaller car parks on the periphery of the town centre will be closed and disposed of to contribute to the resourcing and viability of the Castle multi-storey car park.

1. **Background**

- 1.1 In December 2020 MHCLG (now DLUHC) confirmed to the Council that its Future High Street Fund business case submission had been successful and that £11,048,260 was approved for Newcastle town centre. In January 2021 the Council submitted confirmation of its acceptance of the grant and detailed that the funding would be used to secure the demolition of the former Civic Offices, design and build a new multi-storey car park, acquire and demolish York Place and undertake public realm works.
- 1.2 Construction of the new Castle multi-storey car park at Ryecroft is intended to provide a replacement for the Midway multi storey car park which is becoming uneconomic to maintain to a standard desired by users, does not have the capacity to provide EV charging points and whose dated design provides smaller car parking spaces than could be provided in a new car park. It is also intended to anchor the wider development aspirations for the Ryecroft site such as the hotel development.
- 1.3 In April 2021 the Council agreed to accept the grant offer and subsequently funding agreements have been signed and the first tranche of the grants were released in accordance with the submitted cash flow for the programme of works.
- 1.4 Morgan Sindall were chosen as Design and Build Contractors in December 2021 following a procurement exercise using the Pagabo framework.

2. **Update**

- 2.1 Since the January 2023 Cabinet update a planning application for the Castle car park was submitted in March 2023 and a decision will be made at the Planning Committee on 20th June 2023.
- 2.2 The proposed Castle multi-storey car park will deliver 450 new spaces along with 39 Electric Vehicle charging spaces and 11 accessible spaces. Access and egress from the new car park is via Liverpool Road.
- 2.3 Assuming that planning consent is granted the construction of the new car park will commence in August 2023 and be completed in May 2024.
- 2.4 The total construction cost for the new park will be no more than £12m.
- 2.5 To facilitate construction of the new multi-storey car park it is necessary to review and amend the associated Traffic Regulation Orders to change arrangements around the area, this will enable appropriate arrangements to be put into place for the car park to operate.
- 2.6 A section of the site is in joint ownership with Staffordshire County Council and we are currently finalising the land purchase to enable complete land ownership of the overall site for development.

3. **Proposal**

- 3.1 It is proposed that Council enter into a Main Contract (NEC 4) for the construction of the Castle multi-storey car park with Morgan Sindall through the Pagabo framework for the cost of no more than £12m. It is also proposed that Morgan Sindall are instructed to carry out site stripe, site levelling, enabling and infrastructure works at a cost of no more than £1m and that consultation in commenced in relation to the necessary amendments to Traffic Regulation Orders for the development of the car park.

3.2 Subject to the upcoming new Asset Management Plan and Strategy the following car parks will be closed and disposed of for new housing development – again subject to the new Local Plan being adopted which is due to be consulted upon this summer:-

- Blackfrairs
- Hassell Street
- Cherry Orchard
- Goose Street
- A section of Kings Street
- Bankside / Well Street
- The Midway

4. **Reasons for Proposed Solution**

- 4.1 The decision will enable the project to progress as per the programme agreed with Government and the Future High Street Fund awards and commitments.
- 4.2 To use this Government funding opportunity to support delivery of Council Plan objectives and Car Parking Strategy.
- 4.3 To uplift the status of Newcastle town centre as the heart of economic, social and community life in the Borough.

5. **Options Considered**

- 5.1 Various options in terms of layout, materials used and main construction method have been considered during the design development of the car park.
- 5.2 Land at Ryecroft is the only viable option for building a new multi storey car park to replace the Midway multi storey car park

6. **Legal and Statutory Implications**

- 6.1 The Local Government Act 2000 gives local authorities the powers to promote the economic, social and environmental well-being of their areas. As part of the FHSF the Council will be required to comply with funding conditions.

7. **Equality Impact Assessment**

- 7.1 The nature of the project is intended to seek benefits for all people who use the town centre and to support the economic and social health of Newcastle town centre as a destination.

8. **Financial and Resource Implications**

- 8.1 There is a total contribution of £3.5m towards the construction of the Castle multi-storey car park from the Future High Street Fund. In addition to this there is £0.400m funding from the Newcastle Town Deal Fund in respect of EV charging points with the remaining amount being funding from the Council Capital Programme. There is also a further allocation of circa £0.9m from the Future High Street Fund for infrastructure works on the Ryecroft site which will support delivery of this project.
- 8.2 The Council's contribution to the Castle multi-storey car park in the sum of £8.2m has been included within the 10 year Capital Programme. £7.1m was approved at the February 2023 Full Council meeting as a part of the 2023/24 budget setting process, a further £1.1m will be required as a result of inflationary increases. Value engineering work has been completed in order to reduce building costs without affecting quality.

8.3 Part of the Council's funding for the Castle multi-storey car park will come from the sale of the existing Midway multi-storey car park and a review of other redundant assets for disposal. It is anticipated that the Council will achieve between £1.5m and £2m from the sale of these car parks as brownfield sites for housing development. The remaining funding will be provided through borrowing.

8.4 Summary table showing Future High Street Funded projects, including the Multi-Storey Car Park;

FHSF Project	Funding Allocation (£)	Actual/Committed Spend to date (£)	Balance Remaining (£)
Ryecroft / Site Preparation	3,556,191	2,688,466	867,725
Castle MSCP Development	3,500,000	585,062	2,914,938
York Place	3,215,218	1,921,301	1,293,917
Stones Public Realm	321,251	-	321,251
Market Stalls	75,600	-	75,600
Project Management	380,000	197,548	182,452
Total Funding	11,048,260	5,392,377	5,655,883

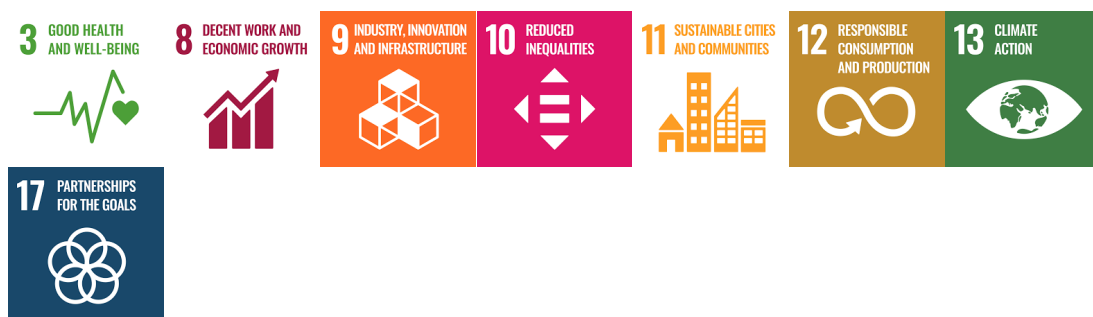
9. Major Risks

9.1 Failure to award a contract for the construction of the Castle multi-storey car park would result in the inability of the Council to deliver a key Future High Street Fund project and would potentially result in grant money awarded towards the project being withdrawn.

9.2 If a replacement car park is not developed at Ryecroft then the opportunity to replace the Midway multi storey car park will be missed.

10. UN Sustainable Development Goals (UNSDG)

10.1 Newcastle town centre is a highly accessible location, encouraging greater use of its land and assets enhances its role as a centre for services, leisure, retail and living and its connection to local residents. In that respect, the project supports the realisation of the following UNSDG objectives:-



11. Key Decision Information

11.1 This is a key decision as it involves expenditure of more than £250,000 which is funded through Future High Street Fund and Council capital funds.

12. Earlier Cabinet/Committee Resolutions

12.1 October 2019, Cabinet concerning development of the second stage Future High Street Fund bid and procurement of consultancy support.

12.2 December 2019, Economy Environment & Place Overview and Scrutiny Committee Town Centre Funding Update (information item)

12.3 July 2020, Cabinet concerning approval for submission of bid into MHCLG

12.4 April 2021 Cabinet accepting Future High Street Fund Grant monies and grant conditions.

12.5 December 2021 Cabinet Contract Award to Morgan Sindall

12.6 March 22 Cabinet Ryecroft Update

12.7 January 2023 Cabinet update report on progress made on the multi-storey car park project.

13. **List of Appendices**

13.1 None

14. **Background Papers**

14.1 Planning application reference 23/00192/DEEM3