

COMMERCIALISATION OF THE PARK AND RIDE SITES

To: **Economy and Environment Committee**

Meeting Date: **21 April 2015**

From: **Executive Director: Economy, Transport and Environment**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **To inform Committee of the work being undertaken to commercialise the Park and Ride sites.**

Recommendation: **It is recommended that Committee:**

a) Comment on the commercial opportunities that are being sought.

b) Comment on the potential financial implications of pursuing commercialisation; and

c) Note the work to date and the next steps.

Officer contact:

Name: Joseph Whelan

Post: Head of Passenger Transport Services

Email: Joseph.whelan@cambridgeshire.gov.uk

Tel: 01223 715585

1. BACKGROUND

- 1.1 The Business Plan relies on income being raised from a number of sources. Wherever possible the County Council is seeking to exploit commercial opportunities to generate income from assets it owns and manages including the seven Park and Ride sites. Six of the seven sites have permanent buildings on site that provide waiting rooms and toilets. The seven sites are visited by over 3 million people each year.
- 1.2 The primary function of all of the Park and Ride sites is a transport interchange with significant car parking. Small scale ancillary activity has taken place in the past and has generated income. This included coffee vans and hot food takeaway vans. There is currently a car boot sale that takes place at Trumpington Park and Ride site on Sundays. Given the continuing and significant budget pressures, it is timely to take a more strategic and rigorous view as to the potential commercial opportunities that are available to the Council for these sites.
- 1.3 The County Council owns the sites at St Ives, Longstanton, Babraham Road and Trumpington. The Council leases the sites at Newmarket Road, Maddingley Road and Milton.
- 1.4 Committee will be aware of work undertaken to explore the installation of a solar park at the Trumpington Park and Ride. The outline business case for a solar park at Trumpington was completed in January 2015.
- 1.5 The outline business case shows that the solar park would not provide a financial return on the required investment and hence is not viable at present. This is because the canopies that hold the photovoltaics add significant cost.
- 1.6 The business case for solar on park and ride sites could easily change if electricity prices rise, commercial storage solutions become viable or power purchase arrangements can be set up with local businesses or domestic users. This report does not develop the issue of a solar park any further, but that could be the case in the future.

2. MAIN ISSUES

Potential uses

- 2.1 There are a number of additional commercial services and facilities that could be introduced at the sites. Coffee shops and other retail uses, office meeting space, click and collect internet shopping points, car washes are some examples.

Work undertaken

- 2.2 A half-day event with prospective interested parties took place on 24 February 2015. This event was the first step in mapping out the potential appetite for commercial development at the sites.
- 2.3 The event was advertised on Source Cambridgeshire and local and national land agents were also invited. Colleagues in the Cambridge Bid were alerted

as was the Chambers of Commerce. Individual businesses located in Cambridge city centre were also approached in person and made aware of the event. The event involved a briefing and then a visit to Trumpington Park and Ride site.

- 2.4 The event was attended by representatives of fifteen businesses. Follow up meetings have taken place with six businesses with a further four scheduled.
- 2.5 The follow up meetings are discussing outline business plans including the level of capital investment required and an indication of the level of income to the County Council. The proposals are commercially sensitive so no further details can be provided in this report. On the basis of the current engagement it is anticipated that the various proposals will generate a useful revenue contribution but will not dispense with the need for the parking charge.

Management of commercial development

- 2.6 If larger development such as new retail uses are proposed, significant investment may be required. For proposals of this scale it may be appropriate for the County Council to enter into a joint venture with one or more partners.
- 2.7 For joint ventures the Council and the investor(s) would share the capital investment and the commercial returns. The proportion of capital invested by the partners will directly determine the revenue to be earned.
- 2.8 An alternative approach could be to let the space and for the tenant to provide all of the required investment. This approach would require limited capital funding from the County Council and may be more suitable for uses where the space within existing building can be utilised.
- 2.9 It is important to bear in mind that for the three Park and Ride sites that are leased, agreement with landlords would need to be secured for commercial development to take place. If that agreement were secured then it is anticipated that a proportion of the revenue generated by the County Council would be shared with the respective landlord.

Planning considerations

- 2.10 Activities that make better use of the existing buildings, e.g. a coffee shop are likely to be more acceptable in planning terms as these are seen as ancillary to the main use of the sites. Achieving more intense retail uses at the Park and Ride sites, such as petrol filling stations would be more challenging in planning policy terms. This is because they would be distinct new land uses and would not be considered as ancillary to the main use of the sites. Before any proposals are developed, detailed discussions with the District and City Councils (Huntingdonshire, South Cambridgeshire and Cambridge City) would need to take place.
- 2.11 A further consideration is whether new commercial use would provide competition with services and facilities at existing local centres such as at Trumpington High Street or St Ives town centre. Where new uses at the sites require planning permission then the impact of the proposal will be assessed and submitted to accompany the necessary planning applications.

- 2.12 It would be important to undertake public engagement ahead of the submission of planning applications to ensure that any proposals are discussed and concerns aired ahead of formal submission of applications. Proposals could be amended as necessary.

Further work

- 2.13 The proposals discussed to date are encouraging. The next step is to move onto formal procurement. As noted above further follow up meetings are planned. The complexity of the proposals that come forward will determine how soon it will be possible to go to the market with an invitation to tender and what consultations with partners will be required before this.
- 2.14 If the proposals require investment from the County Council as a joint partner then further Member decisions will be required. Hence at this stage, it is not possible to specify when the County Council will go to tender. However Officers will progress this work as quickly as possible.
- 2.15 The progress made to date is focussed on securing commercial income in the short to medium term. The location of some of the Park and Ride sites may change as part of the City Deal programme of investment. Therefore it is intended to commence work to take a strategic and longer term view of the opportunities that may arise if current Park and Ride sites, such as at Trumpington are vacated in the next 5-10 years.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

The following bullet points set out details of implications identified by officers:

- Income raised would support the provision of services.
- New commercial development would generate new local employment.

3.2 Helping people live healthy and independent lives

The following bullet points set out details of implications identified by officers:

- Provision of new facilities at the Park and Ride sites where they are near to new communities, such as Trumpington, may help reduce the risk of isolation by offering a community focal point such as a coffee shop.

3.3 Supporting and protecting vulnerable people

There are no direct implications under this heading.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- The Council continues to need to make significant savings. Any income generated would help reduce the level of savings to be made in future.
- Should the Council proceed in future to invest in commercial opportunities at the Park and Ride sites then an assessment would be required of the risk of not recovering sufficient revenue to make the investment financially viable.

4.2 Statutory, Risk and Legal Implications

The following bullet points set out details of significant implications identified by officers:

- Where required, planning applications would need to be submitted. The conditions attached to any planning permission would need to be adhered to.
- Due diligence would need to be undertaken on any proposals requiring Council investment.

4.3 Equality and Diversity Implications

There are no significant implications within this category

4.4 Engagement and Consultation Implications

The following bullet points set out the details of significant implications identified by officers:

- Engagement has taken place with local businesses.
- Commercialisation at the Park and Ride sites has been discussed with Officers at Cambridge City Council, South Cambridgeshire District Council and Huntingdonshire District Council. The planning policy issues are covered earlier in this report. County Officers will brief District colleagues as the work moves forward. .

4.5 Public Health Implications

See section 3.2 above.

Source Documents	Location
None	.