

<b>Full Business Case (FBC)</b>			
<b>1. General Information</b>			
<b>Directorate</b>	Place	<b>Portfolio/Committee</b>	Clean Streets, Recycling and Environment
<b>Project Title</b>	<i>Introduction of charges for Car Parking in Cannon Hill Park</i>	<b>Project Code</b>	
<b>Project Description</b>	<p>This document sets out the business case for implementing charges for Car Parking in Cannon Hill Park and investment and improvement in the parking facilities within the park.</p> <p><u>1.1 Context – Car Parking in Major Parks</u></p> <p>A business case to introduce car parking in major city parks was produced and approved by:</p> <ul style="list-style-type: none"> <li>- Commercialism Board (23 January 2017)</li> <li>- Trusts and Charities Committee (1 March 2017)</li> </ul> <p>The business case sets out the case for introducing parking schemes across the major parks within the city to enable:</p> <ul style="list-style-type: none"> <li>- Income to invest in deteriorating car parking facilities</li> <li>- Income to support and invest in the parks and surrounding areas</li> <li>- Promotion of green travel options</li> <li>- Investment in city parks and facilities from users outside of the city boundary</li> </ul> <p><u>1.2 Cannon Hill Park</u></p> <p>Cannon Hill Park is one of the most vibrant and successful parks within Birmingham, it provides a range of high quality facilities and events and is a hub park within the City. As well as the park facilities provided Cannon Hill Park is also home to the Midlands Art Centre (MAC), a popular and leading cultural venue within the city and the Birmingham Wildlife Conservation Park.</p> <p>Cannon Hill Park and the MAC are served by a car park that has capacity for over 400 cars and currently, with the exception of major match days at Edgbaston Cricket Ground, the car park is free at the point of access. Although the car park is very popular it is in need of significant investment and improvement works and has been subject to a number of safety issues in recent years.</p> <p>As part of the 2016/17 budget process a proposal was included to work alongside the MAC to generate a surplus of £0.02m by introducing car parking charges in parks across the City in addition to a previous commitment of £0.06m (citywide). These proposals were undelivered, but this proposed scheme is the first of a series of schemes that will enable the Parks service to meet this saving requirement.</p>		

To enable the Council to invest in the car parking facilities and to support the continued development of a sustainable relationship with the MAC the Council is seeking to invest in the car parking facilities on site and implement a charge for car parking.

### 1.3 Proposal

The Council is seeking to introduce the charges at Cannon Hill Park in June 2017 and to implement a phased programme of improvement works to support their introduction. The proposed scheme for the car park will be (opening 07:00-23:00):

- £2 per car for up to 4 hours
- £3 per car for up to 16.5 hours

To support the implementation and minimise the impact of displacement parking on local residents an experimental parking order has been put in place on surrounding roads (Russell Road, Moorcroft Road and The Russells), which will prevent parking on these roads from 10:00-18:00. Feedback will be sought from local residents as to whether these measures are effective and a decision taken as to whether to vary the terms of this order.

The scheme will encourage the usage of cashless parking options, but there will be cash payment machines available in the car park.

### 1.4 Phasing of Improvement Works

Implementation of the scheme is subject to implementation of various improvement works to the parking infrastructure at Cannon Hill Park. The proposal is to phase these works as follows:

#### **Phase 1 – Pre Go-Live 23 June**

- Ticket Machines and Signage
- Surface Improvements to the Conservation Park's Car Park

#### **Phase 2 – Summer/Autumn 2017**

- Installation of CCTV
- Installation of Lighting

Procurement is taking place on a schedule of rates basis, using existing frameworks. The frameworks being utilised are the ESPO Framework 509 'Parking Management Solutions' for the procurement of ticket machines and the Highways and Infrastructure Works Framework agreement (P0178) agreement for the delivery of physical works. The value of the contracts is below the threshold for the BBC4SR to apply. However, the contractors on these frameworks are already Charter signatories and are committed to pay the Birmingham Living Wage.

### 1.5 Cannon Hill Park and Relationship with Midlands Art Centre and Capital Improvements

An initial agreement has been put in place with the MAC whereby the MAC will receive 50% of the operating surplus of the Car Parking scheme (i.e. prior to repayment of borrowing) as a fee for operating the car park and responding to security issues.

In addition to this and to support the MAC in providing effective management of the Car Park a number of capital improvement works have been identified (which are set out in this business case), including:

- Resurfacing
- Lighting
- CCTV

### 1.6 Financial Case

Following an initial business case for the wider scheme, which focussed on the investment required specific parking resources, a further more detailed investment plan is being developed for each park.

The financial case associated with this scheme includes capital investment in:

- Parking infrastructure and facilities
  - o Prior to go-live (i.e. resurfacing)
  - o Ongoing phased improvement works (i.e. lighting, CCTV)
- Parking orders and equipment (i.e. TROs, Ticket Machines)
- Professional Fees (i.e. Project Management)

The financial case also considers the revenue cost of running the scheme (i.e. cash collection, ongoing repairs and maintenance, replacement ticket machines). It should be noted however that on a day to day basis oversight of the scheme will be provided by the MAC as part of the revenue share arrangement.

Assumptions are set out in the financial section of the business case and are based on a 20% reduction on current usage and are considered by stakeholders to be a conservative estimate of usage.

An additional benefit of this scheme is that it will enable Birmingham to benefit from income from outside of the City as Cannon Hill Park and the MAC have a high number of users from outside of the City.

The scheme will be enforced via the Council's citywide enforcement contract, income from enforcement will be retained by the Highways service. It is anticipated that the costs of enforcement will be offset by income.

### 1.7 Key Risks/Dependencies

There are a number of key risks and dependencies for which a mitigation and management plan will be put in place – these risks focus

	<p>around:</p> <ul style="list-style-type: none"> <li>- Anticipated income figures not achieved</li> <li>- Adverse reaction from stakeholders</li> <li>- Delays to the scheme impacting on the realisation of income</li> <li>- Negative impact on local residents caused by displacement parking</li> <li>- Negative impact on the usage of Cannon Hill Park and associated facilities</li> </ul>
<p><b>Links to Corporate and Service Outcomes</b></p>	<p>Introducing charges for car parking in Cannon Hill Park support other areas of priority for BCC, including:</p> <p><u>2.1 Promotion of Public and Green Transport Options:</u></p> <p>Promoting and driving sustainability is a core priority of the Council, particularly related to transport and travel options. Implementing a car parking charge at car parks would support this priority.</p> <p>There are public transport options serving each of our 'major' parks, which are also supported by 'green' transport facilities (e.g. cycle facilities). The introduction of car parking charges would be accompanied by a promotion of these alternative forms of transport.</p> <p>It is anticipated that introducing parking charges and promoting other travel options will help to incentivise the use of 'green' forms of transport.</p> <p><u>2.2 Commercialism:</u></p> <p>Commercialism focuses on maximising the value of every asset within the organisation to drive a financial return, which will enable the authority to protect other services to Birmingham. As part of the Commercialism approach work is taking place across the organisation to identify income opportunities to enable the continued provision of key services to citizens.</p> <p>The approach of charging for car parking in parks is well embedded in a number of other local authorities – with authorities such as Derby City Council and Warwickshire County Council charging and generating substantial income from their flagship parks.</p> <p><u>2.3 Working with Cultural Sector:</u></p> <p>The Council is seeking opportunities to promote a sustainable model for the cultural sector in an environment of reducing grants and funding for the cultural sector. One of the key approaches to this end is to work in partnership with the organisations within the sector to sweat and maximise the value of any asset. The shared operations and surplus</p>

	from the charging scheme in Cannon Hill Park will be an example of such a scheme and will provide learning for other similar schemes going forward.		
<b>Project Definition Document Approved by</b>	<i>Not applicable</i>	<b>Date of Approval</b>	<i>Not applicable</i>
<b>Benefits Quantification- Impact on Outcomes</b>	<b>Measure</b>		<b>Impact</b>
	<i>Introduction of Car Parking Charges</i>		<i>Generation of £0.122m in 17/18 and £0.160m in a full year. This will contribute to approved savings targets with the balance available for investment in services and profit share with the MAC</i>
	<i>Improvement in facilities</i>		<i>Improved car parking facilities, including surfacing, lighting, CCTV and signage</i>
	<i>Sustainable funding scenario for MAC</i>		<i>Profit share arrangement creating a sustainable funding scenario for the MAC</i>
	<i>Investment from beyond Birmingham</i>		<i>Cannon Hill Park receiving investment from users beyond the Birmingham City boundary</i>
<b>Project Deliverables</b>	<p>Project deliverables are:</p> <ul style="list-style-type: none"> <li>• Implementation of a sustainable car park charging scheme</li> <li>• Improvement in car parking facilities through phased programme of works</li> <li>• Traffic management orders in place for surrounding roads to prevent displacement parking</li> </ul>		
<b>Scope</b>	<p>Within the scope of this project is the following:</p> <ol style="list-style-type: none"> <li>1. Introduction of a charges for parking in Cannon Hill Park, including agreeing the fee structure and any related TROs that are required</li> <li>2. Introduction and installation of a mechanism for payments (e.g. ticket machines/cashless)</li> <li>3. Any consultation required prior to introduction</li> <li>4. Implementation of any related highways orders and parking schemes in local neighbourhoods</li> <li>5. Scheduling, Phasing and overseeing a programme of improvement works for Cannon Hill Park</li> </ol>		
<b>Scope exclusions</b>	<p>Out of scope of this project is the following:</p> <ol style="list-style-type: none"> <li>1. Ongoing management or operational responsibility for running the car parks</li> <li>2. Developing arrangements or agreements with the MAC around profit share (this will sit with the business as usual team)</li> </ol>		
<b>Dependencies on other projects or activities</b>	<p>There are a number of dependencies related to the delivery of this scheme, which include:</p> <ul style="list-style-type: none"> <li>• Formal approval of permanent TRO from Assistant Director for Highways Infrastructure in consultation with relevant cabinet member</li> <li>• Physical Works required to achieve go-live</li> <li>• Existing scheduling of major events in Cannon Hill Park</li> <li>• Relationship with special interest groups</li> <li>• Availability of a project manager and specialist resource in</li> </ul>		

highways and transport				
<b>Achievability</b>	<b>Milestone</b>	<b>Date</b>		
	Initial Business Case of wider scheme to Commercialism Board	23 January 2017		
	Approval by charities and trust committee	1 March 2017		
	Cabinet Member Approval	April 2017		
	TRO consultation and agreement	April 2017		
	Phase 1 Physical Works	May/June 2017		
	<b>Go-Live of Phase 1</b>	<b>23 June 2017</b>		
	Phase 2 Physical Works	Summer/Autumn 2017		
	Phase 3 Physical Works	Autumn/Winter 2017/18		
<b>Project Manager</b>	<i>Matt Hageney</i>			
<b>Budget Holder</b>	<i>Steve Hollingworth</i>			
<b>Sponsor</b>	<i>Steve Hollingworth</i>			
<b>Project Accountant</b>	<i>Guy Olivant, <a href="mailto:Guy.Olivant@birmingham.gov.uk">Guy.Olivant@birmingham.gov.uk</a></i>			
<b>Project Board Members</b>	<i>Commercialism Board, Cllr Ward, Cllr Trickett, Cllr Mahmood, Jacqui Kennedy, Waheed Nazir, Angela Probert, Nigel Kletz, Ken Lyon, Connie Price</i>			
<b>Head of City Finance (HoCF)</b>	<i>Guy Olivant</i>	<table border="1" style="width: 100%;"> <tr> <td style="background-color: #ADD8E6;"><b>Date of HoCF Approval:</b></td> <td style="text-align: center;"><i>28/04/2017</i></td> </tr> </table>	<b>Date of HoCF Approval:</b>	<i>28/04/2017</i>
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## 2. Budget Summary (Detailed workings should also be supplied)

The financial case set out below covers a likely cased scenario based on a number of assumptions, including:

1. The charging model being operated as outlined within this business case, with annual reviews undertaken to review and assess the charging model to create an optimum model
2. A 50/50 surplus share arrangement with the MAC on operating surplus, with the Council funding agreed capital investment
3. Enforcement taking place as part of Birmingham's wider parking enforcement contract and incurring no additional charge, however any penalty charge notice income will be realised as part of the Parking Services budget
4. Relevant parking orders being put in place at both the car park itself and surrounding streets
5. A range of payment options being available, but where possible cashless parking will be promoted

### 6.1 Income and Expenditure:

The business case for implementing the parking scheme will include a range of income and expenditure.

Income streams will include:

- Pay on the day parking for each car
- Opportunities in the future to directly deliver event car parking at a premium price

One off expenditure to be funded on an invest to save basis of approximately £450k which will include:

- Investment in equipment/machinery
- Implementation of traffic orders
- Project Management
- Phased programme of capital investment to improve the infrastructure within the Car Park

Ongoing annual revenue expenditure will include:

- Revenue costs associated with cash collection and management
- Revenue costs associated with cashless parking
- Repairs and maintenance

**APPENDIX 3**

	2017/18 £'000	2018/19 £'000	2019/20 – 2027/28 £'000	Total (11 years) £'000
<b>Capital</b>				
Capital Investment (Appendix 1)	450	-	-	<b>450</b>
Prudential Borrowing	(450)	-	-	<b>(450)</b>
<b>Net Capital Position</b>	-	-	-	-
<b>Revenue</b>				
Car Parking Income	(132)	(175)	(1,575)	<b>(1,882)</b>
Operating Costs	10	15	135	<b>160</b>
Contribution to Commercialism Team	5	0	0	<b>5</b>
Borrowing Charges	0	49	441	<b>490</b>
Operating Surplus share to MAC	61	80	720	<b>861</b>
<b>Net Revenue Surplus</b>	<b>(56)</b>	<b>(31)</b>	<b>(279)</b>	<b>(366)</b>
<b>Planned Start date for delivery of the project</b>	<i>April 17</i>		<b>Planned Date of Technical completion</b>	<i>December 17</i>

<b>3. Checklist of Documents Supporting the FBC</b>		
<b>Item</b>	<b>Mandatory attachment</b>	<b>Number attached</b>
<b>Financial Case and Plan</b>		
<ul style="list-style-type: none"> <li>Statement of required resource (people, equipment, accommodation) – append a spreadsheet or other document</li> </ul>	Mandatory	Appendix A – worksheet 3
<ul style="list-style-type: none"> <li>Milestone Dates/ Project Critical Path (set up in Voyager or attached in a spreadsheet)</li> </ul>	Mandatory	Appendix A – worksheet 1
<b>Project Development products</b>		
<ul style="list-style-type: none"> <li>Populated Issues and Risks register</li> </ul>	Mandatory	Appendix A – worksheet 2