



WMCA Board

Date	9 February 2018
Report title	Longbridge Park & Ride Decking Scheme and Charging Policy
Portfolio Lead	Councillor Roger Lawrence - Transport
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Report to has been considered by	WMCA Programme Board, WMCA Leadership Team and STOG

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

- (1) Endorse the Longbridge Park and Ride scheme which will construct a 5-storey, 644, high quality, space car park providing increased network resilience and supporting Birmingham and the wider region in the 2022 Commonwealth Games transport capability.
- (2) Agree to introduce car park user charging at this location, in order to finance the operational and capital borrowing costs associated with this project in line with other exceptions at Sutton Coldfield and Solihull.

- (3) Delegate the responsibility for setting exact levels of car parking charges jointly to the WMCA Lead Member for Transport and the Managing Director of TfWM, in consultation with Birmingham City Council Lead Member for Transport. This will enable the ability to set and adjust charges in line with achieving modal shift objectives and repayment requirements for scheme borrowing.

1. Purpose

- 1.1. Longbridge is providing Birmingham City Council and TfWM with an opportunity to significantly enhance the resilience capability of the region with the construction of a multi-storey car park in a strategic position on the network. In order to achieve the most desirable outcome with maximum capacity the purpose of this report is to seek approval from the WMCA Board to allow car park user charging at Longbridge to fund the repayments of borrowing to deliver this scheme.
- 1.2. If this scheme is not delivered, the alternative would be to deliver a much smaller scheme and lose the opportunities presented at this key location on the highway network. The area around this location suffers from significant levels of on-street parking which this scheme will help alleviate. Data captured by TfWM shows that a significant level of customers using this station travel from outside of the West Midlands Conurbation due to the frequency and capacity of services from Longbridge.

2. Background

- 2.1. Longbridge station is strategically well located on both the highway and rail network for a major Park and Ride facility to be constructed here. This has been supported by Birmingham City Council and is reflected in the adopted Longbridge Area Action Plan.
- 2.2. A surface level car park was constructed in 2014 on land owned by WMCA close to the station and provides 102 spaces for rail users. This car park is usually full around 0715 highlighting the strong demand at the station. Significant levels of on-street parking now occur around the station due to the inadequacy of the car park.
- 2.3. Following approval of a BCC / WMCA business case in May 2016 GBSLEP approved a contribution of £1.8M recognising the importance of this scheme. TfWM had given a commitment to GBSLEP and BCC that it would fund the cost of a 2 deck car-park. Subsequently BCC and TfWM reviewed the scheme and identified that with additional land purchase and negotiation the scheme could be expanded to support 644 spaces, complementing the Longbridge Connectivity scheme and station upgrade projects, and also supporting the growing Network Resilience requirements.
- 2.4. The funding approved by the GBSLEP is time limited, and should a decision not be granted on the introduction of car park charging, the scheme will need to be revisited in its entirety due to the loss of £1.8m of funding.

3. Network Opportunities

- 3.1. The highway network to the site has already been designed to cater for up to a 1,000 space facility. The rail services serving this station are fast and frequent into Birmingham City Centre and onto North Birmingham and Lichfield. This presents an opportunity to help reduce congestion levels on the busy A38 corridor. Evidence shows that a high proportion of customers at this station travel by car from outside of the conurbation into the West Midlands to take advantage of a frequent and fast service.

- 3.2. Aecom were commissioned to undertake demand modelling to determine the capacity required to meet demand and to consider the impact of charging to use the car park and how this would contribute to delivery costs of the scheme. The outcome of the Aecom study has demonstrated the strong potential future demand for Park & Ride at this location. The Aecom work also tested the likely demand under various charging scenarios.
- 3.3. The location of the car park has also generated interest from other parties. Discussions are underway with the University of Birmingham about whether they would be interested in funding a deck exclusively for the use of university staff and visitors totalling circa 100 spaces. The University is interested in the proposal and is taking this through their governance process.
- 3.4. WMCA has already undertaken a tendering exercise and awarded a car park decking framework contract to respected industry contractors. Suppliers bid in the summer of 2017 to construct a 5 deck car park allowing for a 644 space car park, the most ambitious of its type to date by the WMCA and BCC. The preferred supplier was Bourne Parking Limited who submitted a tender for £4.78m (£5.73m with land acquisition, fees and contingency) to provide a 5 deck facility.

4. Customer Experience and Charging Proposals

- 4.1. Given the funding gap that exists between the £1.8M GBSLEP funding and the total project cost, it is proposed to fund capital borrowing and cover operational costs through levying a parking charge on customers in order to provide a well-managed, safe and secure parking location. Although similar charging is undertaken at Sutton Coldfield and Solihull in order to provide customer improvements, current policy of free customer use at WMCA operated car parks requires an exemption to be sought from the Board.
- 4.2. The facility at Longbridge has been designed with customer experience in mind, and charging will allow the focus on providing high quality customer facilities with safety and security forming a key part of operation. The revenue will support Automatic Number Plate Recognition (ANPR) technology for the Park and Ride site and TfWM will look to incorporate Swift accounts for season ticket holders linking to ANPR, utilising technology for payment and data capture. The car park will make payment options easy and convenient for via a host of options including contactless, phone, web and Auto Pay. Another proposed enhancement to the customer experience will be an expansion in the Electric Vehicle charging infrastructure at this car park. Adequate lift facilities and stairwells which are bright with good lighting facilities will be provided.
- 4.3. Based on the demand modelling undertaken by Aecom and financial modelling by WMCA finance team it is estimated that through charges of between £2 and £4 per day (with assumed discounts for season tickets) the scheme can be viably funded through capital borrowing over a 25-year term. At Solihull where charging is already applied the charge is £5 in the peak and £2.50 off peak. Sutton Coldfield is £1.30 daily charge taking into account the very different models to support different locations, although this is currently being reviewed. The additional discussions with the University of Birmingham taking a whole deck of the car park could impact the final level of charging.

- 4.4. With negotiations ongoing with BCC and Birmingham University relating to car park utilisation and local on street parking mitigations the level of car park charging cannot be confirmed, but for the convenience of the Board authority is sought via this report to delegate the responsibility for setting the exact charge to the WMCA Lead Member for Transport and the Managing Director of TfWM, in consultation with Birmingham City Council Lead Member for Transport. The charge is therefore expected to be between £2 and £4 per day but allows a flexibility to be given to assess commercial and wider modal-shift objectives of the project. There may be future requirements to adjust the charging in light of under or over-utilisation so this delegated authority would provide the ability for adjustment.
- 4.5. The wider impacts of implementing charging at Longbridge will be kept under review with BCC, both in terms of any impacts on on-street parking and at other stations. If WMCA are not able to implement parking charges at this site the scheme in its current design would not be in a position to move forward and would need to be reviewed. The desire to offer high quality customer facilities relies on the ability to charge in this location as the current annual cost of car parking maintenance and management of £2.4m is fully committed and there is no additional budget available to increase this further.

5. Impact on the Delivery of the Strategic Transport Plan

- 5.1. This project fully supports the delivery of the Strategic Transport Plan and the wider requirements for resilience in the transport network.

6. Financial implications

- 6.1. The overall budget for the project is made up as follows:

	£000
Main Contractor Costs	£4,783
Land Acquisition	£70
Legal Fees for Land Acquisition	£7
Grounds Investigation and Other Fees	£22
Planning Application Costs (Aecom)	£32
ANPR Supply and Install	£36
Project Management Fees	£40
Contingency (15%)	£748
GRAND TOTAL	£5,738

As detailed above, an indicative commercial proposal has been developed to evidence that the Park and Ride is able to fully meet the costs of the borrowing to bridge the £3.9m funding gap based on a charge of between £2 and £4 per day. It should be noted that any successful conclusion of negotiations with the University of Birmingham about the funding of a deck at the car park would impact on the amount of borrowing required and the level of charge that would be needed.

Sensitivity tests on the financial scenarios undertaken on the commercial model demonstrated that lower parking charges at the car park would contribute towards the overall debt and operating cost but may need grant support from WMCA to break even in cash terms over the 25 year evaluation term, or require on 3rd Party funding from the University of Birmingham as detailed above.

6.2. It is possible that desktop price versus demand assessment may prove to be incorrect which will represent both a risk and an opportunity in terms of income generation as all options above a 2 deck car park may result in some spare car park capacity at a charge of between £2 and £4 per day. It is due to this uncertainty that the responsibility for setting the charge is to be delegated to the WMCA Lead Member for Transport and the Managing Director of TfWM, in consultation with Birmingham City Council Lead Member for Transport to ensure that the income generating opportunities of the car park can be maximised based on the actual price / demand relationship.

7. Legal Implications

7.1. There are no legal implications associated with the requests from this report.

8. Equalities implications

8.1. The car park will need to include an adequate number of disabled bays (in close proximity to the station) to meet the needs of blue badge holders in line with legislative requirements (5% of all parking spaces). Should disabled bay usage be low and this has been consistent over a period of time derogation will be sought from the DfT evidencing current and projected usage. Disabled bay usage will be monitored on a regular basis (even more so if the car park does not meet the 5% disabled bay requirements) to ensure supply is higher than demand. It is recommended that blue badge holders are allowed to park for free in the new car park.

9. Other implications

9.1. There are no other direct implications arising from this report.

10. Schedule of background papers

10.1 There are no background papers accompanying this report.

11. Appendices

11.1. No appendices are accompanying this report.