

REPORT TO COUNCIL

Date of Meeting: 3rd March 2026

Report of: Strategic Director of Corporate Resources

Title: Cathedral & Quay MSCP Refurbishment

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report seeks the allocation of critical funding to undertake the refurbishment and upgrade of Cathedral and Quay Multi-Storey Car Park (MSCP) and to implement the outsourcing of the management function in order to address the identified health and safety issues and protect and enhance the Council's income from this key asset.

2. Recommendations:

2.1 That Council agree:

- (1) An estimated budget of £2,500,000 for undertaking the refurbishment and upgrade works at Cathedral and Quay MSCP; and
- (2) The outsourcing of the management function of Cathedral and Quay MSCP on terms to be agreed, to enable it to re-establish itself as a premier MSCP for the City.

3. Reasons for the recommendation:

3.1 Notwithstanding the visual appearance of the car park, it has been recently confirmed as being structurally sound.

3.2 The full reopening of the car park will necessitate undertaking a series of localised concrete repairs together with an associated refurbishment which will enhance both the user experience and future utilisation of this key asset.

3.3 The costly and persistent anti-social behaviour which has established itself at the car park will be addressed through the introduction of CCTV (and other security measures) together with significantly enhanced levels of passive surveillance (arising from the opening and utilisation of all car park decks). The proposed outsourcing to a private operator, is however considered to be the primary deterrent to future anti-social behaviour occurring. The operator will have a greater on-site presence, and the performance and appearance of the car park will be measured in relation to a range of contractually binding key performance indicators.

4. What are the resource implications including non-financial resources:

4.1 Borrowing £2.5m will cost around £160,000 a year at current interest rates. Given the potential to generate around half a million pounds additional income, the proposal should have a positive impact on the General Fund.

4.2 Concerning any impact on existing internal resourcing and configuration arrangements, it is anticipated that the Council's Car Park Service will be unaffected by these proposals.

5. Section 151 Officer comments:

5.1 The project, if approved, will enable the car park to become fully operational with the additional income funding the costs of borrowing. Using an external managing operator should assist with reducing the antisocial behaviour seen at the car park in recent years.

6. What are the legal aspects?

6.1 All contracts for supplies, works and services must be let in compliance with the Council's Procurement and Contract Procedures and the Procurement Act 2023.

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Equality Act 2010 (The Act)

8.1 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act.

9. Carbon Footprint (Environmental) Implications:

9.1 The proposed upgrade works for Cathedral & Quay MSCP will enhance the asset's environmental and sustainability credentials primarily through:

- Undertaking an extensive replacement of existing mechanical and electrical systems and associated ventilation infrastructure.

10. Report details:

10.1 Cathedral & Quay (C&Q) multi storey car park is one of 5 MSCP's situated within the city centre which are owned and directly operated by the Council. The car park is a key commercial asset for the Council and its location situated between the historic Quayside and Exeter Cathedral (and the prime retail district) means it also has an important strategic function in supporting the vitality and viability of the city centre.

10.2 The C&Q car park was constructed in the late 1980's and is located within a conservation area, bordering the historic Roman city wall to the east of the site. At the time of opening it was considered the premier city centre car park for Exeter. However, the reducing level of investment (particularly Post COVID) both in terms of repair/maintenance and on-site management over the last 5 + years has led to a decline in the asset's performance.

10.3 In terms of layout, the car park extends to 355 spaces (incl. 2 EV charging points) over 5 split deck levels and is operated on a Pay & Display basis within a Tariff Zone band 2. Albeit all the spaces are available for public use, 43 ground level spaces are designated solely for local business permit holders. This designated arrangement is unusual within the Council's car park portfolio and relates only to C&Q.

10.4 In terms of C&Qs operation, the car park no longer benefits from the presence of on-site management staff and is subject to an 8am-6pm charging period from Monday to Sunday (albeit the car park is closed and secured through the activation of lower-level roller shutter doors at 8pm).

10.5 An issue which appears to have accelerated C&Qs decline relates to a Council decision to close the upper 2.5 decks (amounting to c 145 car spaces) in 2020. This decision was taken following concerns regarding the structural rigidity of the upper decks which were displaying signs of concrete deterioration and structural defects. A non-intrusive survey was undertaken at the time which apparently supported this decision.

10.6 The closure of these decks together with the lack of suitable management/security measures and lower levels of passive surveillance has led to a sustained campaign of opportunistic anti-social behaviour against C&Q. This has generated a constant and costly stream of vandalism including graffiti, damage to mechanical and electrical equipment and a range of compliance related installations. This consistent and destructive activity has further compounded the detrimental impact on the car park's image and subsequent levels of utilisation.

10.7 The anti-social behaviour is also a significant safety concern with activity such as rough sleeping, drug use, setting alight bonfires which cause health and safety risks to the perpetrators and wider members of the public. These behaviours impact on the reputation of the car park and deter genuine customers (and thereby further reduce income generation) and impact directly on the quality of life for those residents living nearby.

Pre Market Engagement

To establish market appetite and to generate increased profile for this initiative, the Commercial Assets service undertook a period of formal pre-market engagement through placing a Preliminary Market Engagement Notice on 6th June 2025. We attach a copy of the Notice at Appendix 1.

This led to a period of meaningful market engagement with a range of contractor, operator and consultancy organisations. As part of this process an information briefing pack was issued to interested parties and on-site meetings were convened enabling a tour of C&Q and the wider city centre car park estate.

Arising from the above, a range of submissions were received from interested parties which set out further details on expertise, approach and potential solutions for the C&Q refurbishment/outsourcing project. This market feedback has been valuable in further refining the project scope and generally positioning this initiative.

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Structural Assessment

Following engagement of a leading car park structural consultant, C&Q was subject to a rigorous intrusive structural assessment which included:

- Undertaking chemical analysis of concrete samples
- Revealing areas of reinforcement to measure steel bar diameter
- Imaging

Arising from this analysis we have been categorically advised that the car park structure is capable of withstanding loads required of it (as a multi storey car park) and that this has been tested on the basis of the 'current' recommended load as stipulated in the latest IStructE Design Recommendations for Multistorey Car Park Design published in May 2023 (this is relevant as it considers modern cars and also has an element of future proofing).

This positive outcome enables C&Q to be refurbished with a relatively standard scheme (avoiding any structural strengthening works), as opposed to having to be decommissioned/closed or operated subject to utilisation restrictions.

In summary therefore the car park is structurally acceptable, subject to being refurbished, maintained and having a life-care plan in place.

Outline Refurbishment Specification and Cost

The refurbishment scope and specification have been developed to directly address health and safety, compliance and security issues at C&Q. In addition, the layout/design and associated decoration works will also ensure the car park becomes a more welcoming and user-friendly environment for customers.

We set out below a high-level itemised summary of the proposed refurbishment specification

i) Structural

- Localised concrete repairs

ii) Mechanical & Electrical

- Replacement of lighting
- Installation of CCTV
- Replacement of 3 x no lift cars
- Replacement of ventilation system

iii) Compliance

- Replacement of access/fire doors

iv) Layout/Design

- Resurfacing of all decks (using resin finish).
- Demarcation and re-lining (involving removal of dedicated permit holder bays)
- Removal of planters
- Improvements to car park entrance
- Installation of security fencing (top deck)

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v) Decoration

- Refurbishment of stair cores
- Walls, columns and soffit painting (using anti-graffiti paint)
- Deep cleaning of all car park areas
- Removal of vegetation around the car park

vi) External Works

- Improvements to paths / access routes around the perimeter
- Improvements to external lighting
- Landscaping works to external areas.

The total cost of the refurbishment project has been assessed at £2.49million and a copy of the cost plan is attached at Appendix 2. The key cost and programme assumptions include:

- Risk allowance is assumed at 10%
- An implementation programme of c 6 months which will necessitate the closure of the car park
- Costs do not include any legal / arrangement fees
- Works will be procured via a Design & Build contract

Car Park Management

Following a period of internal consultation, and with agreement from the Council's Car Park Management team, it has been resolved that the management of C&Q once refurbished and reopened should be outsourced to a leading private sector car park operator. Albeit there will be an additional annual cost (fee) attached to this arrangement, it is considered that this option will enable C&Q to re-establish itself as a premier city centre multi storey car park.

It is important to highlight that this externalisation arrangement will involve the Council entering into a Management Agreement (not a traditional Lease), enabling the Council to retain ownership and a high degree of strategic control over the asset.

Subject to the agreement of satisfactory commercial terms, the entering into of a Management Agreement will enable the Council to transfer a range of functions inter alia including security, cleaning, promotion maintenance/repair and staffing. The extent of transference by the Council will need to be agreed internally and will be informed by the annual management fee levied and any associated incentivisation provisions agreed with the private operator.

The appointed operators' performance will be monitored in accordance with a range of pre-agreed KPIs contained within the contract which can be kept under annual review.

In terms of duration, Management Agreements are typically a minimum of 3 yrs with the ability to extend for a further 2 years by agreement between parties.

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Procurement and Project Implementation

The Commercial Assets team have selected the procurement route via the NHS SBS Framework. This well established and utilised Framework comprises a range of Procurement Lots including Lot 7 Design, Build, Finance & Operation of Sustainable Car Parks.

Lot 7 DBFO comprises a variety of leading car park contractor and management organisations whose appointment to the Framework has followed a period of rigorous assessment by NHS SBS to verify the organisation's credentials, suitability and ability to offer value for money for the works and services it provides.

It is the Council's intention to utilise Lot 7 and conduct a mini competition. Acting in accordance with Framework Guidelines, this will involve undertaking an Expression of Interest stage to establish a long list of interested organisations who have confirmed their intention to bid. The second stage will require the issue of a Project Brief (invitation to Tender) where bidders will prepare detailed commercial and technical submissions in relation to the linked refurbishment and onward management of C&Q.

Submissions received from bidding organisations will need to be interrogated and clarified and thereafter assessed against a pre-agreed evaluation and selection criteria enabling either a final shortlisting (and best and final offer stage) or a direct appointment recommendation to be made. Key bid evaluation factors will include price, experience, delivery track record, risk mitigation and demonstrable added value. The tender period is expected to take c. 8 - 12 weeks.

Following Council ratification of the appointment, detailed heads of terms and associated contractual agreements will be negotiated, finalised and entered enabling the project to mobilise and the refurbishment to commence.

Forecast Financial Performance and Funding

In the last full financial year 2024/25 C&Q generated £309,555 of gross revenue (net of VAT) and a similar figure is forecast for the current year. This equates to £1,474 per car space from the currently reduced capacity of 210 spaces and £872 per space overall.

Given the number of closed spaces and the existing car park condition (it is estimated that the total car park is on average only 20% occupied during charging hours), there is significant potential to improve the trading performance at the car park, particularly as it is currently a Zone 2 car park (with potential to be grouped with Central car parks once the quality of the facility is enhanced post refurbishment). At current tariffs, the forecast impact on revenue of incremental increases in occupancy of 10% is shown below.

Increase in % of capacity utilised	10%	20%	30%	40%	50%
Forecast increase in gross income (net of VAT)	£156,910	£313,820	£470,730	£627,640	£784,550

An increase of 30% to achieve an average of 50% utilisation is forecast to be reasonably achievable post refurbishment. However, as C&Q will be closed to carry out the works it is anticipated that it may take up to 3 years for the potential revenue levels to be fully met. On this basis the following revenues are forecast post works completion:

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Year following re-opening	1	2	3
Forecast Gross Revenue (net of VAT)	£546,200	£683,140	£786,414
Per car space (355 spaces)	£1,152.32	£1,441.22	£1,659.10
Increase from 2024/25 Revenue	£236,645	£373,585	£476,859

The forecast year 3 revenue/space is compared to that generated in 2024/25 from other Zone 2 car parks operated by the Council. Given the location of the C&Q car park the forecast is deemed to be a prudent and reasonable estimate at this stage, however operator procurement submissions will be required to include revenue forecasts which will assist in verifying the assumptions.

11. How does the decision contribute to the Council’s Corporate Plan?

11.1 Achieving vacant possession of the Civic site together with relocating to Senate Court supports the delivery of the following overarching strategic priorities:

- **Well Run Council:** The refurbishment and outsource proposals for C&Q will enable this key asset to re-establish itself as a premier MSCP for the City. Contributing towards an improved image for the city centre, releasing additional economic investment and realising reduced capital repair expenditure (arising from the suppression of any potential anti-social behaviour).
- **Local Economy:** The refurbishment and reopening of C&Q is expected to further support the economic vibrancy and vitality of The Quayside and the core retail district adjacent to The Cathedral
- **Sustainable Environment:** The introduction of modern and efficient mechanical and electrical plant is expected to contribute to the Council’s sustainability and energy efficiency agenda

12. What risks are there and how can they be reduced?

12.1 The top 5 project risks and associated mitigation strategies are as follows;

Risk	Mitigation Strategy
Risk of Project Budget / Construction Inflation	Ensure competitive procurement through NHS SBS Framework. Cost Benchmark all rates.
Risk of increased structural repair scope.	Intrusive surveys already undertaken. Ensure sufficient project risk provision held during the construction stage.
Risk of Project Programme Over-run	Robust project programme established.
Viable Financial Management Proposal	Market testing already undertaken. Further engagement through two-stage framework process.
Timescale for Car Park Handover / Occupation	Early contractor engagement to programme the works and consider

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	logistics. Potential to keep part of the car park open
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13. Are there any other options?

13.1 None

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

List of Appendices:

- Appendix 1 – Cathedral & Quay - Preliminary Market Engagement Notice
- Appendix 2 – Cathedral & Quay Refurbishment – Itemised Cost Plan