REPORT TO COUNCIL

Date of Meeting: 21st July 2026

Report of: Strategic Director of Corporate Resources

Title: Cathedral & Quay MSCP – Refurbishment and Management Arrangements

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To seek a budget to deliver significant enhancement to the Cathedral & Quay Multi Storey Car Park to enable it to return to full use

2. Recommendations:

2.1 It is recommended that:
Council approves a £2,500,000 capital budget for undertaking the refurbishment and upgrade works at Cathedral and Quay MSCP funded through additional borrowing.

3. Reasons for the recommendations:

3.1 The refurbishment of this key commercial and economic asset will enable the entire car park to be returned into beneficial use thereby supporting the Council's economic objectives for the city centre.

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

4.1 The business case for refurbishment is predicated on increased utilisation and income recovery.

4.2 Borrowing £2.5m over 25 years will cost £195,000 a year.

4.3 Additional income is anticipated to be £157,000 initially rising to over £475,000 after three years. This will require the Council to ensure that the car park investment is protected through maintaining high standards and addressing issues promptly. It is anticipated that the Council will cover the costs of borrowing and the management agreement by year 3 at the latest.

5. Section 151 Officer comments:

5.1 The additional capacity will provide sufficient additional income to cover both the costs of borrowing the funds and the additional arrangements, therefore there is no long-term financial impact for Councillors to address.

For enquiries please contact: democratic.services@exeter.gov.uk

6. What are the legal aspects?

6.1 The provision of car parks by a local authority is a discretionary power pursuant to section 32(1) of the Road Traffic Regulation Act 1984 ('the RTA').

6.2 Local authorities in England and Wales have statutory powers to borrow money, primarily governed by the Local Government Act 2003 (LGA 2003). Section 1 of the LGA 2003 provides that a local authority may borrow money for any purpose relevant to its functions under any enactment or for the prudent management of its financial affairs.

6.3 Local authorities must ensure that their borrowing is affordable and prudent, as outlined in the Prudential Code published by the Chartered Institute of Public Finance and Accountancy.

6.4 Works to refurbish Councill assets must be procured in accordance with the Procurement Act 2023 and Council's Procurement and Contract Procedures.

7. Monitoring Officer's comments:

7.1 Members will note the proposals concerning the refurbishment costs together with proposals for funding in relegation to the management of the car park. Members will particularly note the procurement requirements in relation to the construction works.

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:

9.1.1 The proposed upgrade works for Cathedral & Quay MSCP will enhance the asset's environmental and sustainability credentials primarily through the replacement of existing mechanical and electrical systems and associated ventilation infrastructure.

10. Report details:

10.1 Capital Enhancements to the Car Park

Cathedral and Quay MSCP is a strategically important city-centre asset supporting Exeter's historic core, the Quayside economy, retail activity and the evening economy.

The car park has experienced a prolonged period of decline, characterised by:

- Limited on-site management presence
- Entrenched anti-social behaviour, vandalism and misuse
- Closure of upper decks, reducing capacity and passive surveillance
- Poor public perceptions of safety and attractiveness
- Reduced utilisation levels

The above circumstances have initiated a self-reinforcing cycle of decline, where poor supervision and management practice enables anti-social behaviour which in turn suppresses demand, encouraging further anti-social behaviour and revenue loss.

Approval is sought from Council for a £2.5m refurbishment programme to improve the physical condition, safety/compliance and appearance of the car park. While this investment is necessary, evidence indicates that capital refurbishment alone is unlikely to reverse the decline without addressing the underlying management and operational challenges which have contributed to its current condition. The scheme will also address landscaping and public realm with improved lighting to improve the surrounding area as well as the car park itself.

The upgrade proposals to Cathedral & Quay also incorporate 3 amendments to the existing Parking Place Order as follows:

Introduction of a barrier pay on foot system - providing the customer with greater flexibility to dwell within the city centre and significantly reducing revenue loss from the car park (arising from customers evading parking charges)

Extending charging periods from 6pm to 10pm thereby better aligning its operation with the other MSCP's located in the city centre

Redesignating from a Zone 2 to a Zone 1 Tariff Band thereby more appropriately reflecting its central location.

A further driver for releasing this capital investment also relates to maintaining an adequate provision of city centre parking spaces. This is particularly in light of the recent closure of Harlequins surface car park and proposals to close Mary Arches MSCP in late 2026, thereby depleting the city centre car park estate by c 500 spaces.

10.2 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:

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

For enquiries please contact: democratic.services@exeter.gov.uk

The forecast year 3 revenue/space is compared to that generated in 2024/25 from other car parks operated by the Council. Given the location of the Cathedral and Quay car park the forecast is deemed to be a prudent and reasonable estimate at this stage.

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

11.1 The decision would contribute as follows:

- **Well Run Council:** The proposed refurbishment 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 Cathedral and Quay 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 We set out a risk assessment summary below:

Risk Item	Mitigation Measure
Slower than forecast demand recovery	Active demand management and monitoring
Contractor underperformance	Strong contractual KPIs and governance

13. Are there any other options?

13.1 None

Director Strategic Director of Corporate Resources

Author: Head of Service Commercial Assets

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

Background papers used in compiling this report: None

For enquiries please contact: democratic.services@exeter.gov.uk