

<b>Committee(s):</b> Residents' Consultation Committee Barbican Residential Committee	<b>Date(s):</b> 12 September 2011 26 September 2011	<b>Item no.</b>
<b>Subject:</b> Barbican Estate Car Park Efficiency Strategy Working Party	<b>Public</b>	
<b>Report of:</b> Director of Community & Children's Services	<b>For Information</b>	
<p style="text-align: center;"><b><u>Summary</u></b></p> <p>1. The City Corporation has been seeking savings in its operations for a number of years due to the financial pressures faced, in particular, by the City Fund. Details of the programme of change and efficiency being undertaken were presented to the Court of Common Council in January 2011.</p> <p>2. Chief Officers were asked to submit proposals outlining how further savings could be achieved across their services to an officer led Value for Money/Efficiency Programme Board which reported to the Estimate Working Party of the Finance Committee. As part of this process the Barbican Estate submitted proposals outlining how further savings could be achieved in the delivery of the car parking service. As a result Value for Money/efficiency savings of £100,000 in 2011/12 and a further £100,000 in 2012/13 have been “targeted” from the Barbican Estate Car Parks.</p> <p>3. A Car Park Efficiency Strategy Working Party, comprising Members and Officers, was set up in March 2011 to prepare and review updated forecasts for the financial years 2011/12 and 2012/13. The baseline for achieving the target savings is the 2011/12 original local risk budget prepared in October 2010. The latest forecast based on the most likely level of car park occupancy, cost reductions and taking into account developments since the original budget was prepared indicates that the required savings are achievable without requiring the closure of any boxes or reducing the current 24 hour coverage at each box.</p> <p>4. Nevertheless, given the current economic climate, Officers need to continue to explore and develop commercial opportunities for unused car park areas. It is anticipated that the adoption of this approach will help ensure the sustainability of the current car park concierge service. Any</p>		

proposals will be subject to consultation and be presented to future Residents' Consultation Committee and Barbican residential Committee meetings.

### **Recommendation**

5. That Officers continue to review the level of car park occupancy and financial forecasts and explore and develop commercial opportunities for the Car Parks and present any proposals to future committee meetings.

## **Main Report**

### **Background**

6. The City Corporation has been seeking savings in its operations for a number of years due to the financial pressures faced, in particular, by the City Fund. As part of this process, Chief Officers were asked to identify measures which could potentially reduce costs or increase income. Proposals put forward were reviewed by the City's officer led Value for Money/Efficiency Programme Board and considered by the Estimates Working Party of the Finance Committee.
7. The Barbican Estate submitted proposals outlining how further savings could be achieved in the delivery of the car parking service. As a result Value for Money/efficiency savings of £100,000 in 2011/12 and a further £100,000 in 2012/13 have been "targeted" from the Barbican Estate Car Parks.
8. The City of London Corporation's policy for the car parks is to balance the objectives of providing well managed and secure parking facilities on the one hand whilst seeking to fulfil its continuing obligation to obtain value for money in the use of City Fund resources.
9. In March 2011 a Car Park Efficiency Strategy Working Party was set up to review the updated forecasts for the financial years 2011-12 and 2012-13. The Working Party consisted of Joy Hollister and Eddie Stevens (Department of Community & Children's Services), Pam Raphael (Chamberlains Department), Michael Bennett (Barbican Estate Office), Alderman David Graves, Common Councilman John Tomlinson and Residents' Consultation Committee Chairman Randall Anderson. The Working Party met twice in April and June 2011.

## **Current Position**

### **Savings Targets**

10. The baseline for measuring the savings was the 2011/12 original local risk budget which was prepared in October 2010 and presented to Committee in December 2010. There have been changes since these budgets were prepared and these have been reflected in the work by Officers that was presented to the Working Party.
11. Officers had been working on updated forecasts covering financial years 2011-12 and 2012-13 based on the best, worst and most likely scenarios for the levels of car park occupancy.
12. The updated forecasts also included a close analysis of the various income streams, areas where cost reductions could be made and taking into account developments over the current year.
13. Based upon the most likely scenarios for 2011/12 and 2012/13, the £100,000 targets could be achieved in each year. A summary of the financial position is included in appendix 1.
14. The improvement in the financial position reflects reductions in some of the 'overhead' costs, increased revenue (for example, from space Heron are paying service charges for and from commercial car parking) and a reduction in staff costs through increased use of agency staff.
15. Whilst experienced staff are vital to the effective provision of the service residents are entitled to expect, it is believed that the careful use of agency staff with significant prior experience of the role will enable high standards to be maintained while saving costs. Officers are working in line with and in accordance with the Agency Workers Regulation 2011 which entitles temporary workers to the same pay and conditions of permanent staff after a qualifying period which come into effect on 1 October 2011.
16. The savings targets can also be achieved without reducing the current level of coverage by Estate concierges at any of the car park boxes, that is, without requiring the closure of any boxes or reducing the current 24 hour coverage at each box.

### **Service Delivery**

17. The Working Party considered that the value for money/efficiency review of the Car Parks should prioritise increasing efficiency in the use of existing resources and in the development of additional sources of revenue over savings from cutting the level of service delivery provided by the Estate Concierge/Car Park Attendants.

## **Car Parking Value for Money/Efficiency Ideas**

18. Whilst the Working Party has been reviewing the financial position a number of ideas regarding value for money and efficiency for the car parks have been received from Members, residents and staff and these are included in appendix 2.

## **Temporary Car Parking**

19. The Barbican Estate Office Business Plan for 2011/12 includes developing a pre-paid system for temporary car parking. The Barbican Estate Office is looking at an online booking system and plans to implement a trial in the Autumn leading to staff, resident and Member consultation regarding implementation across Estate car parks.

## **Financial and Risk Implications**

20. The latest forecast indicates that the savings targets for 2011/12 and 2012/13 will now be achieved based upon a sensitivity analysis using the most likely level of car park occupancy. However, given the current economic climate, Officers will continue to explore and develop commercial opportunities for unused car park areas. Any proposals will be subject to consultation and be presented to future Residents' Consultation Committee and Barbican Residential Committee meetings.

## **Consultees**

21. The Chamberlain and Comptroller & City Solicitor have been consulted in the preparation of this report.

## **Conclusion**

22. It is hoped that, subject to external events beyond our control, the car park concierge service will become sustainable in the current and following financial years. Anticipated further progress from Financial Year commencing 2013 will hopefully ensure the sustainability of the current concierge service over the longer term.

**Joy Hollister**

**Director of Community and Children's Services**

Contact: **Michael Bennett, 020 7029 3923**  
*Barbican.estate@cityoflondon.gov.uk*

	Original (A)  £'000	2011/12  Forecast (B)  £'000		2012/13  Forecast (C)  £'000	
			<b>Saving compared to original (B) – (A)  £'000</b>		<b>Saving compared to original (C) – (A)  £'000</b>
<p>Employees:</p> <p>The original budget assumed a ratio of 24 permanent to 4 agency staff. The revised forecast assumes a ratio of 20 permanent to 8 agency staff.</p>	860	807	<b>(53)</b>	804	<b>(56)</b>
<p>Premises:</p> <p>Budgets for repairs and maintenance, cleaning and energy have been reviewed and reduced to reflect actual requirements over recent years. An allowance is also included for additional expenditure on business rates in respect of commercial lettings. This additional cost is offset by additional income below.</p>	375	327	<b>(48)</b>	311	<b>(64)</b>
<p>Supplies &amp; Services:</p> <p>A reduction in the annual budget for communications and computing</p>	23	19	<b>(4)</b>	19	<b>(4)</b>
<p>Income (including income from conversions):</p> <p>The most significant changes relate to additional commercial rent income and increased service charge income following the sale of 40 bays sold as part of the Milton Court development. Income</p>	(1,284)	(1,365)	<b>(81)</b>	(1,391)	<b>(107)</b>

from conversions includes former car park spaces converted to other users eg baggage stores					
Total	(26)	(212)	<b>(186)</b>	(257)	<b>(231)</b>

**Appendix 2**  
**Barbican Estate Car Parking Value for Money/Efficiency Ideas July 2011**

Other revenue opportunities in the Square Mile
Utilising Estate Agents to help increase car parking revenue
Requirements from other local residents
Review requirements of Streetcar and Zipcar car hire schemes
Public parking
Conversion of more baggage store units
Review commercial charges
Review services provided by the BEO
Increased contribution in service charges
Review 5 hours free temporary car parking
Daytime Car Parking Attendants/Estate Concierge and unmanning at night or restricted hours of service with CCTV and barriers
Extend responsibilities of Car Park Attendants/Estate Concierge especially during the night shift and at weekends to possibly incorporate some of the duties of other BEO staff
Reduce cleaning costs to litter-picking and an annual/bi-annual 'deep clean'