



Barbican Centre Board

Date: WEDNESDAY, 22 JANUARY 2014
Time: 10.30am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members: Deputy Catherine McGuinness (Chairman)
Deputy John Tomlinson (Deputy Chairman)
Stuart Fraser
Tom Hoffman
Roly Keating (External Member)
Vivienne Littlechild
Jeremy Mayhew
Brian McMaster (External Member)
Wendy Mead
Cllr Guy Nicholson (External Member)
Trevor Phillips (External Member)
Deputy Richard Regan
Keith Salway (External Member)
Deputy Dr Giles Shilson
Jeremy Simons
Alderman David Graves (Ex-Officio Member)
Christopher Purvis (Ex-Officio Member)
John Scott (Ex-Officio Member)

Enquiries: **Matthew Pitt**
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Lunch will be served in the Guildhall Club at 1pm

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

To approve the minutes of the Barbican Centre Board meeting held on 27 November 2013.

For Decision
(Pages 1 - 6)

4. **TERMS OF REFERENCE**

The Committee are invited to consider their Terms of Reference and any changes they may wish to make ahead of 1 May 2014 meeting of the Court of Common Council.

For Decision
(Pages 7 - 8)

5. **MANAGEMENT REPORT BY THE CENTRE'S DIRECTORS**

Report of the Managing Director.

For Information
(Pages 9 - 22)

6. **OFF STREET CAR PARK MANAGEMENT TENDER**

Report of the Director of the Built Environment.

For Information
(Pages 23 - 36)

7. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

8. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

9. **EXCLUSION OF THE PUBLIC**

MOTION – That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items, on the grounds that they involve the likely disclosure of Exempt Information, as defined in Part 1, of Schedule 12A of the Local Government Act

For Decision

10. **NON-PUBLIC MINUTES**

To agree the non-public Minutes of the Barbican Centre Board meeting held on 27 November 2013.

For Decision
(Pages 37 - 40)

11. **OUTSTANDING ACTIONS OF THE BOARD**
Report of the Town Clerk.
For Decision
(Pages 41 - 42)
12. **RISK UPDATE**
Verbal update by the Operations and Buildings Director.
For Information
13. **CINEMA PRESENTATION**
Presentation by the Head of Cinema.
For Information
(Pages 43 - 60)
14. **BUSINESS REVIEW 2013/14: PERIOD 8 ACCOUNTS AS AT 1ST DECEMBER 2013**
Report of the Chief Operating and Financial Officer.
For Information
(Pages 61 - 64)
15. **DIGITAL STRATEGY UPDATE**
Presentation by the Director of Audiences and Development.
For Information
(Pages 65 - 76)
16. **BARBICAN TICKETING/CRM, WEBSITE/CMS PROCUREMENT**
Report of the Director of Audiences and Development
For Decision
(Pages 77 - 84)
17. **DEVELOPMENT REPORT**
Report of the Head of Development.
For Information
(Pages 85 - 100)
18. **EXHIBITION HALL 2 UPDATE**
Verbal update by the Operations and Buildings Director.
For Information
19. **CAPITAL CAP UPDATE**
Report of the Operations and Buildings Director (to follow).
For Information
20. **BARBICAN CENTRE FIRE ALARM REPLACEMENT - DETAILED OPTIONS**
Report of the Managing Director.
For Decision
(Pages 101 - 108)

21. **GATEWAY 3/4 OPTIONS APPRAISAL - ENABLING WORKS RE THE LONDON FILM SCHOOL TENANCY AT THE BARBICAN EXHIBITION HALL 1**
Joint report of the Managing Director and the City Surveyor.

For Information
(Pages 109 - 126)
22. **CIVIL PARKING AND CASH COLLECTION CONTRACT**
Joint report of the Director of the Built Environment and the Chamberlain.

For Information
(Pages 127 - 140)
23. **BARBICAN CENTRE CONCERT HALL FLYING SYSTEM - PROJECT PROPOSAL**
Report of the Managing Director.

For Information
(Pages 141 - 146)
24. **QUESTIONS RELATING TO THE WORK OF THE BOARD**
25. **ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT**

Agenda Item 3

BARBICAN CENTRE BOARD

Wednesday, 27 November 2013

Minutes of the meeting of the Barbican Centre Board held at the Guildhall EC2 at 10.30am

Present

Members:

Deputy Catherine McGuinness (Chairman)	Trevor Phillips (External Member)
Deputy John Tomlinson (Deputy Chairman)	Deputy Richard Regan
Tom Hoffman	Keith Salway (External Member)
Roly Keating (External Member)	Deputy Dr Giles Shilson
Jeremy Mayhew	Jeremy Simons
Cllr Guy Nicholson (External Member)	John Scott (Ex-Officio Member)

Officers:

Matthew Pitt	- Town Clerk's Department
Andrew Wild	- City Surveyors
Sir Nicholas Kenyon	- Managing Director, The Barbican Centre
Rob Baker	- Barbican Centre
Michael Dick	- Barbican Centre Board
Lorna Gemmell	- Barbican Centre
Sean Gregory	- Barbican Centre
Louise Jeffreys	- Barbican Centre
Leonora Thomson	- Barbican Centre
Niki Cornwell	- Barbican Centre
Steve Eddy	- Barbican Centre

1. APOLOGIES

Apologies were received from Alderman David Graves, Vivienne Littlechild, Brian McMaster, Wendy Mead and Christopher Purvis.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. MINUTES

The public minutes and summary of the meeting held on 25 September 2013.

3.a) Minutes of the Finance Committee

The public minutes and summary of the Finance Committee of the Barbican Centre Board meeting held on 12 November 2013 were received.

3.b) Minutes of the Risk Committee

The public minutes and summary of the Risk Committee of the Barbican Centre Board meeting held on 14 October 2013 were received.

3.c) Minutes of the Nominations Committee

The public minutes and summary of the Nominations Committee meeting held on 6 November 2013 were received.

Matters Arising

The Chairman updated Board Members on the results of the Skills and Effectiveness Survey and thanks Members for their participation.

4. MANAGEMENT REPORT BY THE BARBICAN'S DIRECTORS

The Board received a report of the Managing Director providing an update from the Barbican Centre's Directors.

The Director of Arts noted that the Centre was receiving excellent critical reception for its recent activities, particularly Illuminating Britten and the Pop Art Exhibition. These events were not quite reaching the ambitious box office targets set.

The Operations and Buildings Director informed Members that there had been three demonstrations at the Centre relating to Gergiev but that the Security Team at the Centre had managed these well to avoid disruption to any performances. He added that the LFS letting scheme was progressing, practical completion had been awarded on the Flying System project and a resolution to the fumes in Cinema 3 would be completed by early December 2013.

5. BARBICAN CENTRE SAFEGUARDING POLICY

The Board received a verbal update from the Head of Human Resources (HR) at the Centre regarding the Barbican's Safeguarding Policy.

The Head of HR informed the Board that the Centre did have its own policy and the Centre would continue to ensure relevant training was provided to staff and the policy was regularly updated in line with industry standard guidelines.

In response to a Member's question, it was agreed that the Guildhall School of Music and Drama Safeguarding Policy would be circulated to Board Members as this policy covered the Centre's collaborative work with that organisation.

6. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

Appointment of a Member to serve on the Risk Committee

RESOLVED – That Stuart Fraser be appointed to serve on the Risk Committee of the Barbican Centre Board as the City Corporation Finance Committee representative.

Appointment of External Members

RESOLVED – That the recommendation from the Nominations Committee be endorsed and Brian McMaster and Keith Salway be re-appointed to serve on the Board for a term of 3 years to expire in March 2017.

Cultural Hub Working Party

The Board received a resolution of the Policy and Resources Committee and proceeded to elect a representative to serve on the Cultural Hub Working Party.

RESOLVED – That Deputy Catherine McGuinness, as Chairman for the time being, be elected to serve on the Cultural Hub Working Party as the Barbican Centre Board’ s representative.

8. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

<u>Item No.</u>	<u>Paragraph No.</u>
9 - 18	3
19 – 20	-

9. **NON-PUBLIC MINUTES**

The non-public minutes of the meeting held on 25 September were approved.

9.a) Non Public Minutes of the Finance Committee

The Board received the non-public minutes of the Finance Committee of the Barbican Centre Board meeting held on 12 November 2013.

9.b) Non Public Minutes of the Risk Committee

The Board received the non-public minutes of the Risk Committee of the Barbican Centre Board meeting held on 14 October 2013.

9.c) Non Public Minutes of the Nominations Committee

The non-public minutes of the Nominations Committee of the Barbican Centre Board meeting held on 6 November 2013.

10. **OUTSTANDING ACTIONS OF THE BOARD**

The Board received a report of the Town Clerk detailing Outstanding Actions.

11. **MARKETING AND COMMUNICATIONS PRESENTATION**

The Board received a presentation by the Head of Marketing at the Barbican Centre.

EXTENSION OF THE MEETING

At this point, the time limit for Committee meetings as set out in Standing Order 40 had been reached, but there being a two-thirds majority of the Committee present who voted in favour of an extension, the Committee agreed to continue the meeting.

12. **BARBICAN CENTRE EXHIBITION HALL 1: LONDON FILM SCHOOL PROPOSAL**

The Board approved a joint decision of the Managing Director, Barbican Centre and the City Surveyor.

13. **BUSINESS REVIEW 2013/14 PERIOD 6 ACCOUNTS AS AT 29TH SEPTEMBER 2013**

The Board received a report of the Chief Operating and Financial Officer.

14. **BARBICAN BUDGET REPORT - 2014/15**

The Board received a report of the Chief Operating and Financial Officer.

15. **DEVELOPMENT REPORT**

The Board received a report of the Director of Audiences and Development.

16. **BARBICAN TICKETING AND WEBSITE PROCUREMENT**

The Committee received a report of the Director of Audiences and Development.

17. **UPDATE ON CAPITAL WORKS**

The Committee received a report of the Operations and Buildings Director.

18. **RISK UPDATE**

The Board received a verbal update of the Operations and Buildings Director.

19. **QUESTIONS RELATING TO THE WORK OF THE BOARD**

There were no questions.

20. **ANY OTHER BUSINESS THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

The meeting closed at 12.58pm

Chairman

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Agenda Item 4

BARBICAN CENTRE BOARD

1. **Constitution**

A Non-Ward Committee consisting of,

- eight Members elected by the Court of Common Council for three year terms, at least one of whom shall have fewer than five years' service on the Court at the time of their appointment.
- five non-Common Council representatives appointed by the Committee, of which at least two should be drawn from the arts world
- a representative of the Policy & Resources Committee
- a representative of the Finance Committee
- the Chairman of the Board of Governors of the Guildhall School of Music & Drama (ex-officio)
- the Chairman of the Barbican Centre Trust (ex-officio)
- the Chairman of the Culture, Heritage & Libraries Committee (ex-officio)

The Chairman of the Board shall be elected from the City Corporation Members.

From April 2009, a maximum continuous service limit of three terms of three years will be applied.

2. **Quorum**

The quorum consists of any five Members elected by the Court of Common Council.

3. **Membership 2013/14**

- 3 (3) Tom Hoffman
- 3 (3) Dr Giles Robert Evelyn Shilson, Deputy
- 2 (2) Vivienne Littlechild J.P., *for two years*
- 6 (2) Catherine McGuinness, M.A., Deputy
- 2 (2) Richard David Regan, Deputy
- 2 (2) Jeremy Lewis Simons M.Sc.

together with:-

Roly Keating)	Up to five non-Common Council Members appointed by the Committee
Sir Brian McMaster)	
Guy Nicholson)	
Keith Salway)	

together with the ex-officio Members referred to in paragraph 1 above and two Members to be appointed this day.

4. **Terms of Reference**

To be responsible for:-

- (a) the operation and maintenance of the Barbican Centre and Art Gallery, having determined the general principles and financial targets within which the Centre will operate;
- (b) the appointment of the Managing Director of the Barbican Centre;
- (c) fulfilment of the purpose given to the Committee by the City of London Corporation, viz. the provision of an excellent Centre for the education, enlightenment and entertainment of all who visit it, and to stimulate enterprise in all its activities.

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Agenda Item 5

Committee(s): Barbican Board	Date(s): 22 January 2014
Subject: Management Report by the Barbican's Directors	Public
Report of: The Managing Director	For Information
<u>Summary</u>	
<ul style="list-style-type: none"> • The Management Report comprises current updates under six sections authored by Barbican directors. Updates are under the headlines of Cultural Hub, Arts, Creative Learning, Audiences & Development, Operations & Buildings and Business & Commercial. • Each of the six sections highlights 'progress & issues' for recent/ current activity, then draws attention to upcoming events and developments in 'preview & planning'. • Reported activity is marked, where relevant, against our Barbican Centre strategic objectives. For reference, the full list of objectives is attached at Appendix A. • The Business Review which underpins this update report is presented at item 13 in 'non-public business'. 	
<u>Recommendation</u>	
It is recommended that Members receive this report for information.	

Main Report

1. Report: Cultural Hub	
	Strategic Objectives
1.1 Progress & Issues	
<ul style="list-style-type: none"> • The Centre completed its most successful year to date with the publication of the Season Review for 2012-13 and its launch at the Christmas celebration in Milton Court. We were able to point to attendances across arts and commercial events exceeding 1.1 million for the first time, significantly higher than ever box office income and higher than ever commercial income for the financial year. This was however against a picture of increased investment in the programme in 2012 thanks to Arts Council England, and LOCOG which will not be maintained in the future. 	Objective 1,2,3,5,6
<ul style="list-style-type: none"> • The City Corporation has now established the Cultural Hub Working Party (see last Board report) which will meet for the first time on 5 February, chaired by the Chairman of Policy and Resources, and including key City stakeholders in the work going forward. 	Objective 5,6

<ul style="list-style-type: none"> • At the same time, the external advisory group to be chaired by Michael Cassidy has had positive responses to its list of invitations, and looks set to be able to contribute a wide range of outside expertise to the formulation of the project. • At the end of 2013 the Centre was able to point to wide range of programming achievements and initiatives (see below), especially the integration of a highly successful visit by the Royal Shakespeare Company into the international theatre season of the Centre, and the remarkably rapid development of sold-out audiences for promotions at the Guildhall School's Milton Court. 	<p>Objective 5,6</p> <p>Objective 1,2,3,5,6</p>
<p>1.1. Preview and Planning</p> <ul style="list-style-type: none"> • The financial picture for the future, in completing the 2013-14 year, achieving a balanced budget for 2014-15, and looking further ahead, present radical challenges to the Centre, as will be discussed later in non-public business. The aim is to present a balanced budget for 2014-15 dependent on the outcome of 2013-14, and then to present a broader paper for consideration on the future, to be discussed after the Finance Sub-Committee on 19 February. All Board members are encouraged to attend this session. • Discussions with the LSO about its aspirations continue. Arup has been commissioned to produce a report into feasible alterations to our concert hall, while at the same time alternative possibilities are explored by the LSO and the City Surveyors. (Coincidentally, the Yale Architecture Studio under the guidance of renowned architect Frank Gehry is going to pay a visit to the Barbican on 2-3 February in order to set an architectural exercise for the students on the re-purposing of an iconic building. This will not have a practical outcome but is a signal of the international recognition of the Barbican as a cultural venue.) There is a strong commitment to ensuring the most competitive and appropriate facilities for the LSO within the present financial climate. • The Board has its annual dinner on 4 February. Early notice of future dates includes the Spring Press Launch on Wednesday 26 March, which Members are invited to attend (though on this occasion priority for tickets that evening is given to the press attending). • The Secretary of State, Maria Miller, is the guest of the City Corporation at a dinner organised by Reform in the Barbican Centre this evening, 22 January, together with leading representatives of the arts and culture world. 	<p>Objective 5</p> <p>Objective 2,4,5</p> <p>Objective 1</p> <p>Objective 1</p>

2. Report: Arts	
	Strategic Objectives
<p>2.1. Progress & Issues</p> <p>Several of our 2013 events and shows have been listed in “best of” for 2013 – see Audiences section.</p> <p>We have appointed Jane Alison as Head of Visual Arts. She has been Senior Curator at the Barbican since 2007 and was recently responsible for realising The Bride and the Bachelors: Duchamp with Cage, Cunningham, Rauschenberg and Johns while also having a key role in shaping Barbican’s wider complementary Dancing Around Duchamp season.</p> <p>Whereas our programme receives positive critical reviews, our box office results are still mixed:</p> <ul style="list-style-type: none"> • Pop Art and Design continues to be critics’ choice in Time Out and receiving good reviews but is only achieving 71% of budget to date. • Sales results in our cinemas while good in November (123% of budget) were less satisfactory in December (51.5% of budget). Our marketing team is working to support the promotion of New Releases in particular. • In our classical music programme some performances exceeded target including Barbican Britten: Curlew River who also received many very positive reviews, but we have only achieved 85% of income targets in the last 2 months. With two more shows to go in January, the Gubbay rentals have achieved 93% of sales target to date. Our contemporary music programme is going well and meeting its sales targets. • In the Theatre, Get Happy exceeded its target and received a 5* review in The Sunday Times while Richard II is sold out and bringing substantial secondary income to the centre via our retail units. Bookings for the new season are on track and Toni Racklin features in The Stage 100 in which they note that our “varied programme of work continues to impress”. <p>Box office results are raising concerns and while identifying causes is not simple, they may include:</p> <ul style="list-style-type: none"> • Cautious public spending due to the current economic climate • The impact of ticket price increase • Reduced marketing spent • Pressures on setting realistic budget targets in this climate <p>We are considering all of these factors as we forecast future budgets.</p>	<p>Objective 1,2,3</p> <p>Objective 2, S/E</p> <p>Objective 1,2,5</p> <p>Objective 1,2,3,5</p>
<p>2.2. Preview and Planning</p> <p>Arts and Learning teams are working together towards the next Arts Council NPO funding application for 2015 /2018 due on 17 March.</p> <p>Some of our upcoming programme highlights include United Visual Artists: Momentum in the Curve (from 13th February), The Fashion</p>	<p>Objective 1,2,3,5</p> <p>Objective 1,2,5</p>

<p>World of Jean Paul Gaultier: From the Sidewalk to the Catwalk (from 9th April) in the gallery that will be accompanied by a corresponding curated film season, Inner Voices (from 26th March) and the Testament of Mary (from 1st May) in the Theatre, the echo rising star series in Milton Court (from 24th January) and Handel's Jephtha (on 14th January), Maxim Vengerov (from 10th January), Max Richter (on 24th January) and Jazz at Lincoln Center Orchestra with Wynton Marsalis (from 30th June) in the Hall.</p> <p>We are in discussion with The Space to include some elements of Digital Revolution in the re-launch of the online platform in Spring/Summer 2014.</p> <p>We are moving ahead with our summer 2014 Beyond Barbican programme while considering resources and ensuring that we don't over commit. The main projects will comprise:</p> <ul style="list-style-type: none"> • Marché Gaultier, the offsite community project linked to The Fashion World of Jean Paul Gaultier: From the Sidewalk to the Catwalk • A weekend of performances and activities we are planning to deliver in Waltham Forest in collaboration with Create London. This could be part of a two-year deal with considerable match funding attached to it from the Council. • Our last contribution to the Gillett Square event with Dance Nations Dalston • Events connected to our 2 Creative Learning projects, Open School East and Barking & Dagenham: A 100 Year Retrospective. 	<p>Objective 1,2,5</p> <p>Objective 1,2,3,5</p>
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3. Report: Creative Learning	
	Strategic Objective
<p>3.1. Progress & Issues</p> <p>Framed Festival: This film festival for young people brought an International film programme to London Audiences and included workshops and free events in the Barbican Foyers making animation, sound effects and filmmaking accessible to all ages. The Barbican Young Programmers (aged 15-25) were central to the festival and curated a short film programme for young people as well as running a Film Quiz night in the Camera Café. There was a very successful partnership with BAFTA for a second year running who presented 3 events during the festival including a careers insight and advice session for young people interested in film, television and gaming; and one to one Speed Surgeries with industry professionals for young people to quiz the experts on how they got where they are today. 67% of evaluation respondents rated their experience of Framed Film festival excellent, 33% rated it as good.</p> <p>Whilst this overall response is encouraging, we have also learnt from the feedback of a growing need for Framed to fit into a larger, city wide and national context. We will therefore re-valuate the programme taking into account and working with Film Nation, the national organization who have recently won a large scale tender to deliver film education in the UK and with whom we are already developing a working relationship.</p> <p>Barbican Art Book <i>Learning from London</i>: The Barbican Art Book is an annual school project linked to a Barbican exhibition. The project is about paying close attention the world around us through young people's perspectives and their insights. Following a programme of work from Autumn 2013, the newly published book will launch in an event with all the students, teachers and families in early April 2014 at the Barbican.</p> <p>This year's book is co-produced with five secondary schools in Hackney and Islington. Seventy students aged 14 to 19 will have their work published in the forthcoming book, these students range from 'gifted and talented' to Special Educational Needs. The process has included a CPD day for the teachers, seminars and visits to the Barbican by students and discussion sessions at the schools with CL curator, photographer Sarah Ainslie and architect Gill Lambert. The project is a creative approach to visual literacy.</p> <p><i>“Most of that GCSE group were looking at B’s and C’s in their GCSEs, from this work they’re now looking at As and A*s... It also leads to great retention to 6th Form”</i> [Teacher from Stoke Newington School 20 Nov]</p> <p><i>“[This book project] has opened my eyes to over looked things. Buildings take a lot of time to build, but once they’re built they’re overlooked.”</i> [Student from Holloway School]</p>	<p>Objective 1,2,3</p> <p>Objective 3</p>

<p>Hyper pop workshop: Taking inspiration from Pop artists, 94 people made their own comic book pictures in one day, with families AM and adults PM. Professional comic book artists Gary Northfield (Beano, Horrible Histories) and Rian Hughes (2000AD, Devise) lead the workshops and worked alongside participants. The event was part of the annual Comica Festival 2013 and The Image Duplicator Project.</p> <p>This event was heavily oversubscribed with 23% of participants visiting the Barbican for the first time and over half of all 94 participants classified as low-cultural attendees</p>	<p>Objective 1,2,3</p>
<p>3.2. Preview & Planning</p> <p>Barbican cross arts workshops: A new offer of bookable one day participatory workshops for primary and secondary school students was piloted in the autumn and will launch this Spring. These workshops will provide an insight into the Barbican's programme and the creative processes behind all our art forms. This project has been developed as a direct response to many requests from groups to visit the Centre and has involved extensive consultation with school Heads and teachers.</p> <p>Entrepreneurship / Drum Works: Creative Learning Officer Jenny Beer is one of 10 people undertaking the Guildhall Creative Entrepreneurs course run by Cause4, with a view to developing new models of income generation for the Creative Learning project Drum Works and with the long-term aim of developing the project into a spin-out enterprise in its own right. This year-long course (October 2013-September 2014) covers all the elements of setting up a sustainable creative business including business planning, funding models and marketing. A clear vision, mission and five-year plan are in place for Drum Works, and the next stages will be to finalise the business plan and work towards a pitch to angel investors and potential funders in June 2013.</p> <p>Visibility: In close collaboration with the arts and audience divisions, we are developing ways of profiling Creative Learning Work across the Centre. This includes an informal exhibition in the Camera Café of 21 photographs from the first Barbican Book project <i>Everything is Moving</i>. This will be renewed every six months to profile recent work by young people in East London. A large Plasma Screen now on the Mezzanine level will also showcase recent projects and outcomes. These initiatives will continue to inform the larger strategic decisions regarding use of space, as well as the profiling of arts and learning activity in the centre.</p>	<p>Objective 3,4</p> <p>Objective 2,5,6</p> <p>Objective 3,4,6</p>

4. Audiences	
	Strategic Objective
<p>4.1. Progress & Issues</p> <p>It was a busy run-up to Christmas for all the teams, supporting the arts and learning activities laid out in the earlier pages of this report eg Pop Art Design, Richard II. While most of the Audiences Division teams made the most of the opportunity to take a break over the Christmas/New Year period, various members of the Customer Experience teams were in every day except for Christmas Day and Boxing Day.</p> <p>Communications: The Communications team undertook a campaign to get the Centre’s activity picked up in the media’s review of arts events in 2013 and their chosen highlights of 2014. The following events featured in the media’s review of 2013.</p> <ul style="list-style-type: none"> • The Daily Telegraph's 'Review of the year' picked Curlew River as one of the 'Best of 2013'. • The Guardian’s ‘Best Theatre of 2013’ series includes Scenes from a Marriage at number 6, voted for by Matt Trueman and Andrew Dickson who made it his personal number one. • Gewandhausorchester Leipzig/Riccardo Chailly’s Brahms Cycle concerts were highlights of the year for the Evening Standard, the Observer and the Telegraph • The Observer also chose the LA Phil/Dudamel residency as a highlight of the year. • The Bride and the Bachelors: Duchamp with Cage, Cunningham, Rauschenberg and Johns was named one of six art-world triumphs in the Evening Standard’s review of the year and one of the ten top exhibitions by Artsdesk. • It’s Nice That ‘s 2013 Annual book included both Rain Room and Dalston House as best art and events of the year • Dalston House was deemed 2013 hottest exhibition in Design Week. • Rain Room was also highlighted in the Italian edition of The Huffington Post’s ‘10 Most Beautiful Art Installations of 2013’. • Nicolas Jaar’s Transcender concert is number 1 in Resident Advisors ‘Top 20 live acts of 2013’ • Other highlighted events from 2013 included Richard II, The Paper Architect, Scenes from a Marriage and Ubu Roi. <p>Whilst we picked up many plaudits for our work over 2013 all across the art forms, we were particularly strong on theatre for “highlights of 2014” as the media looked ahead to the year. Lest We Forget/English National Ballet featured in five papers; The Testament of Mary with Fiona Shaw featured in three as did Opus by Circa and A Midsummer Night’s Dream. The Royal Concertgebouw Orchestra’s residency, Haitink at 85, Birtwistle at 80 and Atomic Bomb: Who is William Onyeabor were chosen music highlights and the Jean-Paul Gaultier exhibition and the UVA exhibition in the Curve also featured, as did Pop Art Design which runs until the beginning of February.</p> <p>Marketing: Ongoing campaigns include final activity for Pop Art Design, the new cinemas and considerable work for the classical music launch. The new theatre brochure (Jan – July 14) was issued in December with steady booking for the season. The Berliner Philharmoniker/Simon Rattle concerts were launched in early December and sold out during the priority</p>	<p>Objective 1,2,3</p> <p>Objective 1, 2</p> <p>Objective 1, 2</p>

<p>booking period, with 54 people joining as members and one new patron joining to make the most of the priority booking for those events. For further reporting on Digital and Development please see reports later in the agenda</p>	<p>Objective 1, 2</p>
<p>4.2. Preview & Planning</p> <p>Ticketing/CRM system - Website procurement: We are currently evaluating the six bidders for the website who we saw in late November and December. The launch date for the new website stands at early 2015 at the moment. A report on both projects went to the October Risk Committee and the November Finance Committee. Further detailed reports covering this issue can be found later in the Board agenda.</p> <p>Creative Learning strategy: Further work with Audiences division teams will take place on the refreshing of the Creative Learning strategy. We are still keen to have a “launch moment” for the charitable element of our work during Spring 2014.</p> <p>Membership: The final modelling for adjustments to current scheme in response to extensive research carried out in 2012 is taking a little longer than expected and we will no longer be able to implement the changes by April 2014. We are still in a recruitment process for the vacant Membership Manager post. We are continuing to promote the current scheme with tactical promotions around Gift membership for Christmas and the new Classical music season.</p> <p>Classical Music launch: plans are underway for the next Classical Music Season launch in January. Launch emails/summary sheets will go to Members and Patrons on 15 January, which is also the evening of our Members launch. Tickets are on sale to Red Members on 27 Jan, and to general public on 10 Feb. The Customer Experience team are currently in the considerable on sale setup process and are well ahead of schedule.</p> <p>Development: The department will be welcoming two new members of staff for the Corporate team early this year following a successful recruitment process.</p> <p>Customer Experience: The teams are helping ensure secondary income streams are maximised during an exceptionally busy period with sold out audiences in the Theatre and a busy Christmas period in the Hall. Early indications are of record sales.</p> <p>Final bank accreditation for contactless card payment is now complete and will now be launching across all ticketing desks on a phased programme. The e-tickets trial and rollout is nearing completion. Take-up is encouraging.</p>	<p>Objective 1, 3, 5</p> <p>Objective 1, 3</p> <p>Objective 1</p> <p>Objective 1, 2</p> <p>Objective 1, 5</p> <p>Objective 1, 5</p>

5. Report: Operations & Buildings	
	Strategic Objective
5.1. Progress & Issues	
<p>Another Challenging Period for our Security Team More challenging demands were made on the security team with protests by IWGB in foyers over a Mitie personnel issue. Security also successfully managed another Royal visit in connection with a visit by HRH Duke of York to the London Metropolitan University Graduation Ceremony.</p> <p>Milton Court Post practical completion works continue and we are now down to just over 300 snags from the original 6,000. The building is very heavily used and in addition to normal School activity and Barbican Centre concerts we have also housed two high profile business events, one of which was Sir Alex Ferguson's FT interview. Works may well extend into next year due to there being no time available to carry out works in normal working hours. There remain some significant unresolved design defects, the most important being the over-heating in the Theatre Flying tower and there being no heating provision designed in the scheme for foyer levels 0, -1, and -2.</p> <p>Ex Hall 1 LFS Proposed Tenancy Progress this period as follows:</p> <ul style="list-style-type: none"> • The agreement to lease with the LFS is in its final stage of development, expected to conclude by the end of January. Final details relate to conditional clauses over access and planning. • Following Project Sub Committee approval on December 5th work has commenced with the Scape Framework contractor on surveys and feasibility work required to take the project to Gateway 5. The enabling works will be managed by the City Surveyors Dept. and he intends to appoint an agency/external PM to oversee the project. <p>Building Repairs and Maintenance Contract Over a rolling twelve month period the engineering in-house team has undertaken and delivered over 14,000 work tasks; this will increase year on year with the enlargement of the estate to now include the Milton Court site.</p>	<p>Objective 1, S/E</p> <p>Objective 4, S/E</p> <p>Objective 2, 6</p> <p>Objective 3, 6</p>
5.2. Preview & Planning	
<p>The winter programme of capital projects is progressing well. Headline issues are as follows:</p> <ul style="list-style-type: none"> • Theatre Carpet Project to renew theatre foyer carpets has been completed to budget and time. Any serviceable areas of old carpet have been retained for future use in theatre office re-carpeting. • Gallery Roofing Following a small but potentially high impact new leak in the Gallery a stop-gap roof recovering measure has been installed. It is planned to 	<p>Objective 4</p> <p>Objective 4</p>

<p>take core roof section samples during a gallery closure period in February 2014, the results of which will inform a more permanent roof renewal or repair solution. It is most likely that the next opportunity to implement such works will be in a gallery closure period in 2015.</p> <ul style="list-style-type: none"> Theatre Technical Project (Cap 3) Work on this project is now complete with the exception of the final commissioning of the new communication system. This remaining action has no impact on the performance programme. Cinema 3 Odours from Côte Restaurant. These works have now been complete and appear to be doing the job. There have been no reports of any odours since the work was done. Powered Flying System Technical commissioning has caused delays in the completion of this project. The contractor is working closely with the Theatre's production team to ensure that the shows are not affected by the late completion of the project. An access bridge remains out of alignment and is planned to be re-positioned during a theatre closure period in February. Practical completion is still to be awarded pending a complete solution to technical commissioning. 	<p>Objective 4</p> <p>Objective 4</p> <p>Objective 4, S/E</p>
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6. Report: Business & Commercial	
	Strategic Objective
6.1. Progress & Issues	
<p>Business Events</p> <ul style="list-style-type: none"> Business events have successfully hosted the first events in Milton Court for various clients, including Moorfields Eye Hospital, UK Irish Arts, Financial Times and Truphone UK. There are some staff changes in Business Events. In total 44 events have been hosted in this period including two presentation ceremonies for London Metropolitan University. Short lead times continue to be a challenge on resources. Searcy's have had a successful December in line with 2012. Forward bookings have passed £1m for 14/15. <p>Exhibition Halls</p> <ul style="list-style-type: none"> Exhibition Halls are on track to deliver the budgeted income for 2013/14, and hopefully exceed it by at least 15%. This increase was helped by an unexpected tenancy taken up by the University of London for their examinations which were held in Exhibition Hall 1 at the end of November/beginning of December. In addition to this booking, three other events took place in Hall 2: Chartered Institute of Taxation exams, International Wine Challenge and Herriot Watts University exams. 	<p>Objective 5</p> <p>Objective 1,5</p>

<p>Commercial Development:</p> <p>Retail</p> <ul style="list-style-type: none"> • The design market animated the foyers over December, was well received and our shops traded well over the Christmas period. • The modest refit of the foyer shop has been completed and has resulted in a much improved retail environment. • The mobile Richard II shop has been busy. <p>Catering</p> <ul style="list-style-type: none"> • The Gin Joint is trading well at 17% above last year, with an increase in covers of over 30%. • The Lounge has benefited from the long Richard II run and evening services have averaged 85 covers. <p>BIE</p> <ul style="list-style-type: none"> • Designing 007 is currently being hosted at one of Australia's finest museums, Melbourne Museum. Media coverage has been extensive and very positive. Its successful run continues attracting circa 950 visitors per day. <p>Game On 2.0 has broken all previous attendance records at Tekniska Museet, Stockholm. The show is so successful that the museum has requested a five month extension until the end of September 2014.</p>	<p>Objective 1,5</p> <p>Objective 1,5</p> <p>Objective 1, 5</p>
<p>6.2. Preview & Planning</p> <p>Business Events</p> <ul style="list-style-type: none"> • A busy January is in progress, including major graduation events with three presentation ceremonies for Kings College and another ceremony for University of London in early March, highlighting that this is still a very important revenue stream for the Barbican and continues to challenge for diary space. • Amazon will host a Development event in the Milton Court Concert Hall. • The Association of British Orchestras return for their annual conference at the end of January. <p>Exhibition Halls</p> <ul style="list-style-type: none"> • There are four more events to take place before the end of the current financial year; the regular CIANA Remainder Book Fair which takes place in January, and Music Education Expo, Garden Press Event and the Landlord and Letting Show which all take place in February. <p>Commercial Development:</p> <ul style="list-style-type: none"> • Retail: Our focus is on range planning for the exhibitions this year – Gaultier and Architectural Photography in the Gallery, and the BIE summer show, Digital Revolution. We hope to develop bespoke products for all three. • We are exploring the addition of some new fixtures and fittings for the Gallery shop to improve our ability to display and promote product. • Catering: We are reviewing the performance bars operation aiming to develop product ranges that can fit with the programme, particularly in the Hall. <p>BIE</p> <ul style="list-style-type: none"> • Designing 007 will feature as a major component within the UK-Russia Year of Culture, 2014. The initiative is organized by the British Council and Russian Ministry of Affairs. 	<p>Objective 4, 5</p> <p>Objective 5</p> <p>Objective 1, 5</p> <p>Objective 1, 5</p>

- **Watch Me Move** will end its tour in the Detroit Institute of Art in January 2014 and will open at the Frist Centre, Nashville in June 2014.

International exhibition partners are being explored for the **Digital Revolution** exhibition.

Appendix A:

Our Vision:

World-class Arts and Learning

Our Objectives

Collaborate with colleagues to:

- 1. Serve all our audiences**
- 2. Produce an outstanding arts programme**
- 3. Place creative learning at the heart of our work**
- 4. Develop our iconic buildings**
- 5. Diversify funding**
- 6. Create a cultural hub**

Staff & Efficiency (S/E)

Underpinning these we also have a commitment to operate efficiently, and to employ and develop skilled staff within the appropriate management structure

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Agenda Item 6

Committee(s):	Date(s):
Finance Committee Court of Common Council Barbican Centre Board – For information only	10 December 2013 16 January 2013 22 January 2013
Subject: Off-Street Car Park Management Tender	Public
Report of: Director of the Built Environment	For Information
Summary	
<p>Earlier this year, the Director of the Built Environment (DBE) began a cross-departmental review of the City's public car parks, the purpose of which was to consider the questions of viability, profitability, policy provision and long-term redevelopment of the car parks.</p> <p>In parallel, Members agreed for the contracts with APCOA and OCS (DBE's and the Barbican Centre's respective car park management contractors) to be extended to 30 November 2014 to allow time for this review to be completed, and for a subsequent EU tender process to be undertaken.</p> <p>The following report details a number of actions identified as a consequence of this review, which include:</p> <ul style="list-style-type: none"> • Awarding a flexible car park management contract with suitable break clauses for a new contractor to work with the City to place the car parks on a more cost efficient footing. • Combining the management of DBE's, Smithfield and the Barbican Centre's car parks into one contract to gain economies of scale. • To include in the tender an allowance for a mid-tender briefing to cover the replacement of the currently failing car park barrier equipment or alternative security/management measures • Consideration of the business case with Members for moving to the London Living Wage. • Closing Whites Row car park from April 2014. • Establishing a detailed asset management plan for all the City's car parks (which will be the subject of a further report to Members early next year). 	
Recommendation(s)	
<p>On behalf of the Planning & Transportation, Markets and Barbican Centre Committees, it is recommended that:</p> <ul style="list-style-type: none"> • The Finance Committee and the Court of Common Council approves the re-tendering of the City's car park management function with a start date of 1 December 2014, and agrees the evaluation criteria to be applied in the selection process of 60% Quality and 40% Price. 	

- The proposed new contract seeks to combine the management of the DBE, Smithfield and the Barbican Centre's car parks into one contract.
- Whites Row car park is deemed surplus to requirements, it transfers to the Property Investment Board and is closed to the public from April 2014.

Main Report

Background

1. The Department of the Built Environment (DBE) manages five public car parks, namely:
 - Baynard House, Queen Victoria Street
 - London Wall
 - Minorities
 - Tower Hill coach and car park
 - Whites Row (in LB Tower Hamlets)
2. In addition, Smithfield car park is managed by DBE on behalf of the Markets' Department, and further City Corporation car parks are operated in the Square Mile by the Barbican Centre and Barbican Estate.
3. In respect of DBE's car parks, the City Surveyor is responsible for a number of other functions including:
 - Structural inspection & maintenance
 - Mechanical & electrical maintenance and general repairs (at Smithfield, in conjunction with the Superintendent).
 - Corporate property asset and facilities management, including strategic asset management planning, exploring redevelopment potential and other commercial use
4. The parking tariffs for DBE's car parks are set in accordance with the Planning and Transportation policy of discouraging private commuting by car, rather than maximising income or covering costs. The car parks also provide spaces for commercial, over-height vehicle and coach parking, and help deliver a number of City transport objectives, such as facilities for residents, motorcycles, pedal cycles and electric vehicles. These in turn reduce or eliminate the need for the provision of similar facilities on-street, and reflect the wider context of GLA and Government initiatives, including sustainability.
5. DBE and Barbican Centre have separate contractors managing their car parks, whose functions include the provision of car park attendants, customer care services and cash collection, counting and banking operations. Separate vehicle barrier control systems and payment machines are also operated by DBE and Barbican Centre. The Barbican Estate car parks are managed in-house by the Community & Children's Services Department.

6. The following table indicates the approximate annual value of these contracts, together with their current service provider.

Contract	Provider	Contract Value
Public car park management	APCOA	£1.578m
Public car park barriers	Zeag	£131k
Barbican Centre car park management	OCS	£206k
Barbican Centre car park barriers	APT Skidata	£15k

7. In April and May, Members of the Planning & Transportation, Markets, Barbican Centre and Finance Committees, as well as the Court of Common Council, approved the extension of both the APCOA and OCS contracts to 30 November 2014. At the time, it was noted that the additional time would be needed to enable the car park barrier equipment to be assessed, to facilitate a DBE review of its car park provision, and for the City Surveyor to consider closing Whites Row car park as part of the redevelopment of the London Fruit & Wool Exchange. Thereafter, a full EU tender process would also have to be conducted.
8. In addition, the PP2P Soft Facilities Management Category Board recommended that at the time of the next tender, officers should seek to bring together these car park management contracts in order to deliver savings through economies of scale.

Current Position

9. Earlier this year, the Director of the Built Environment began his review of the City's public car parking functions. The purpose of this was to consider the questions of viability, profitability, policy provision and long-term redevelopment of the car parks, in the context of delivering the City's transport objectives in a changing financial and service environment.
10. This review sought to establish the City's long-term vision for its car parks, to gain the agreement of Members for that vision, and to set out the necessary steps to deliver that vision. At the same time, it was to inform the terms of the procurement of the new off-street parking contract for DBE and the Barbican Centre.
11. That review is coming to a conclusion, and a further report will be brought to Members early in the New Year to summarise its findings. However, in the context of the re-tender of the City's car park management contracts, a number of the review's findings need to be brought to Members now in order to allow that re-tender to proceed. These include:

- The original purpose of the City operating car parks was primarily for long-term daytime business car drivers. This has changed over time to reflect planning, congestion charging and government policy, with motorcycles, pedal cycles, residents, coaches and night-time visitors all now prevalent.
- The limited occupancy in the City's car parks would suggest that the City's well established policy of discouraging commuting by car has been successful. Commercial considerations have been seen as a secondary priority to fulfilling this policy, to the point where DBE's car parks now operate at an overall loss, and in order to break-even, they are funded by the Parking Meter Reserve.
- The car park equipment for both DBE and Barbican Centre are life expired, with excessive reactive maintenance costs, few spare parts available and on the verge of failing. They therefore either need to be urgently replaced, or alternative access and security arrangements introduced such as Automatic Number Plate Recognition (ANPR).
- With most staff currently paid at the minimum wage, moving to the London Living Wage could add up to £350k pa to the cost of the current contract.
- Whites Row car park forms part of the City's redevelopment plans for the London Fruit and Wool Exchange, and as such it is likely to close in the near future. It was also built 40+ years ago and has shown signs of structural issues that will need to be addressed soon if it were to remain open.

Options

12. From the review, two key sets of options remain in relation to framing the new combined car park management contract. These are:
- which tender strategy to adopt;
 - whether any car parks should be closed at this time.

Options: Tender strategy

13. Given the length of time necessary to undertake a full EU tender in time for November 2014, a decision needs to be made now as to the procurement strategy to be followed. A number of options are possible.

Option 1: Traditional tender with no change to the basis of the current contracts

14. This is effectively the 'Do Nothing' option and would involve:
- DBE and Barbican Centre both retendering their contracts on the current basis
 - The same number of car parks (with Whites Row being taken out as / when the associated development proceeds)
 - A traditional tender with a heavily defined specification
 - The contractor just managing the facilities with no commercial input.

15. This could be completed in time for the November 2014 deadline, but this effectively ignores the declining financial position of the car parks, it is unlikely to deliver any contractual savings over the current contract and it ignores the potential economies of scale of combining the DBE and Barbican Centre services.
16. As a result, this option is not recommended.

Option 2: Full competitive dialogue to include all possible contractual arrangements

17. At the other extreme, a competitive dialogue approach could be adopted, where the City seeks to identify through the market whether any of the following contractual approaches might deal with the underlying problems:
 - The current approach where the contractor is required to manage the service but has no control or influence over service levels, tariffs, marketing, promotion or building maintenance.
 - Allowing the contractor more influence in deciding levels of service, thereby allowing the car parks to function on a more commercial basis, and even possibly allowing the contractor to keep a percentage of the income as an incentive.
 - Passing full management control of the building and the service to the contractor, including long-term structural building maintenance, over a much longer period in return for an agreed income to the City.
18. A competitive dialogue approach would allow the City to fully test the market and establish what might be the most appropriate style of contract for it to take forward. However, this approach is extremely resource and time intensive, and even though the current contract ends in just under 12 months, the programme of dialogue meetings and committee dates would suggest there is already insufficient time to complete the process, and a contract extension would be needed.
19. Given the variables involved, it is also unlikely that a contractor working within a competitive dialogue approach would be any better placed to say with certainty what initiatives would be effective. Therefore it is questionable what additional benefit this approach would serve other than to establish what style of contract the market might support. This information could equally be found by a soft market testing exercise, so the time and resources involved in a competitive dialogue approach do not seem justified.
20. As a result, this option is not recommended.

Option 3: Medium-term review of car park operations with an incumbent contractor

21. In order to establish whether the City's car parks can be operated cost effectively, it would appear sensible to form a contract where this is the explicit objective, with the management contractor in place and actively participating in determining the services.

22. At an appropriate point, informed decisions could be taken for the longer term as to whether the car parks were economically viable, and if not, whether they should continue to be subsidised by the City, redeveloped, closed or sold off.
23. Such a contract could be established in one of two ways; either through a flexible contract with options and break clauses (Option 3a below) or an extension to the current contract (Option 3b).

Option 3a: Short duration contract with negotiated procedure for barrier equipment

24. Tendering a flexible contract of perhaps seven years would allow for a number of fundamental actions to be completed before the long-term car park strategy is set. It would allow for changes to be made during the life of the contract and if the long term strategy fundamentally changed the service, break clauses could be exercised with the costs of termination established as part of the tender exercise.
25. Here the views and knowledge of an experienced contractor delivering the services would be of significant value and input to the process, and they would be expected to contribute. These actions would include:
 - A period of 'intelligent contractor engagement' where the City would work with the incumbent contractor to fundamentally review and change any and all aspects of the car park operations, with the aim of setting them onto a more cost conscious basis.
 - Consider the business case with Members for moving to the London Living Wage.
 - Undertake a full tariff review, including residents parking rates, with the results being presented to Members for approval and implementation.
26. An open market tender would re-establish the market cost for delivering these services for the first time in 11 years, and it would allow for a combined DBE / Barbican Centre / Markets contract that could deliver economies of scale. Such an approach could be delivered in time for the end of the current contract, and could involve a mid-tender briefing to cover the inclusion, procurement and replacement of the currently failing car park barrier equipment or provision of alternative access and security arrangements such as ANPR. The briefing is intended to allow bidders to clarify the City's output specification and develop the best proposal.
27. This approach, with an intelligent contractor on board, is likely to better shape the City's long-term car park strategy, than would a lengthy up-front competitive dialogue process when neither party has a full understanding of the true service possibilities.
28. As a result, Option 3a is recommended.

Option 3b: Car park review under an extension to the current contracts

29. A similar review process to Option 3a described above could be undertaken with the existing contractors (APCOA for DBE; OCS for Barbican Centre) under a contract extension, but there are a number of factors against this approach, namely;

- The urgent need to replace the car park barrier equipment would not be addressed with an extension.
- The need to demonstrate best value and deliver potential savings by combining the DBE and Barbican Centre contracts would not be met.
- Further extensions to the current contracts would leave the City open to challenge as they would be continuing beyond their original term.

30. As a result, this option is not recommended.

Options: Car Park Closures

31. Other than the tender strategy, the other key option to consider relates to whether any car parks should be closed at this time. Taking such a decision now (rather than deferring it) allows the re-tender to proceed on an accurate basis, rather than building in a distortion created by that uncertainty.
32. If the City Corporation decided not to operate any public car parks in the Square Mile, there would be considerable consequences in terms of the facilitating daily parking for City businesses, visitors, residents, motorcyclists, cyclists and coaches, with insufficient alternative on-street or commercial car parking available to fill the gap. Therefore, it is not currently proposed for the City to stop providing public car parks. However, car park provision must be assessed critically in terms of function and cost, and it is this assessment that will form much of the basis of the report next year. However, in the meantime, there appears to be a pressing case to close Whites Row car park now, prior to the contract re-tender.

Whites Row

33. Whites Row car park is currently losing around £140k pa, its annual repairs have already been scaled back by the City Surveyors due to its likely closure as part of the Fruit and Wool Exchange redevelopment, and its long-term structural repairs have also been postponed.
34. Due to its location in LB Tower Hamlets, its benefits to the City Corporation's local transport policy are limited. Its regular customers are generally limited to around 200 motorcyclists, seven City resident season ticket holders and Petticoat Lane Market visitors.
35. The concept of closing Whites Row has already been approved by Members as part of the London Fruit and Wool Exchange development, and although a closure date of April 2014 is currently expected, this could be extended to 2015 dependent on the developer's plans. Season ticket holders are already on limited notice periods as a result.
36. Therefore, given the above position, it is recommended that Whites Row be deemed surplus to requirements and is transferred to the Property Investment Board. A firm date should be agreed for it to close to the public, which could be from as early as April 2014, regardless of the development position.
37. This would serve to reduce DBE's operating costs (although shared overheads in the region of £39,000 will have to be transferred to other car parks), and there would be a reduction in the current central funds subsidy transfer.

38. A detailed closure action plan would need to be developed between DBE and the City Surveyors, but there would be limited City stakeholder impact due to the car park's location outside the City, with parking likely to relocate to other facilities also outside the City. City residents would be relocated to their next nearest car park, but the City Surveyor has already asked DBE to place season ticket holders on notice that the closure is likely to happen, so this would not be unexpected.
39. The City Surveyor would also have to secure and maintain the building until such time as the proposed London Fruit & Wool Exchange redevelopment proceeds. This may involve a transfer of budgets to the City Surveyor, which will be detailed in the further report early next year.

Soft Market Testing

40. In preparation for the re-tender process, officers from DBE and the CLPS undertook a soft market testing exercise with several suppliers in the car parking field to help understand the market's viewpoint. For Members' information, some of the common themes from these discussions included:
 - Market expectations suggest parking demand will continue to decline in the long-term.
 - If correctly incentivised (eg through revenue share or extension years), suppliers can help drive down costs or increase income through marketing and benchmarking.
 - Long-term contracts are more attractive to suppliers than short-term ones.
 - Tariff changes cannot be made with any certainty as to whether they will result in income going up or down. Flexibility to adapt to circumstances is needed.
 - Managing barriers within the car park management contract can typically generate benefits as the supplier can leverage efficiencies from barrier companies.
 - Barrier asset life plans need to be based on an 8-10 year profile, with a payback typically over the first four years being ideal.
 - Some suppliers considered the management of access and security by ANPR to be more cost effective and a real alternative to barriers.
 - Suppliers can actively market spare capacity in car parks for non-parking uses in order to help raise revenue for the client.
 - Suppliers prefer outcome-based specifications which allow them the flexibility to innovate (eg to include joint control rooms for CCTV monitoring), rather than constrained prescriptive contracts.
 - Adopting London Living Wage is likely to improve the type of person you attract into the market.
 - A competitive dialogue approach has its benefits, but it is resource intensive.

Proposals

41. In summary, the City's car park review and PP2P tender evaluation process has reached a number of conclusions. These are:
- Under Option 3a above, award a flexible car park management contract with suitable break clauses for a new contractor to work with the City to place the car parks on a more cost efficient footing.
 - To combine the management of the DBE, Smithfield and Barbican Centre car parks into one contract to gain economies of scale
 - In line with the recent on-street parking contract tender, to recommend that the evaluation criteria applied in the tender process be 60% Quality and 40% Price.
 - To include in the tender an allowance for a mid-tender briefing to cover the replacement of the currently failing car park barrier equipment.
 - Consider the business case with Members for moving to the London Living Wage.
 - Close Whites Row car park from April 2014.
42. Finally, in order to ensure the effective progress of the actions outlined above, a cross-departmental car park management oversight group of senior officers would also be established. They would be tasked with developing the strategy, to drive and monitor this change in commercial emphasis, and to ensure the final review effectively meets its aims and objectives.

Corporate & Strategic Implications

43. The proposed strategy is anticipated to deliver efficiency savings and provide long term value for the Corporation. It will also deliver a flexible contract that allows the City to adapt its contractual position to respond to its developing long-term parking strategy.

Implications

44. In order for the tender to be completed by the current contract expiry date, approval from the Finance Committee is sought on behalf of the respective spending committees.

Conclusion

45. Given the City's changing needs for car park provision, the approach outlined in this report seeks to deliver a more efficient, responsive and effective service.

Appendices

- Car Park Location map
- Whites Row car park dashboard

Ian Hughes, Assistant Director (Highways)

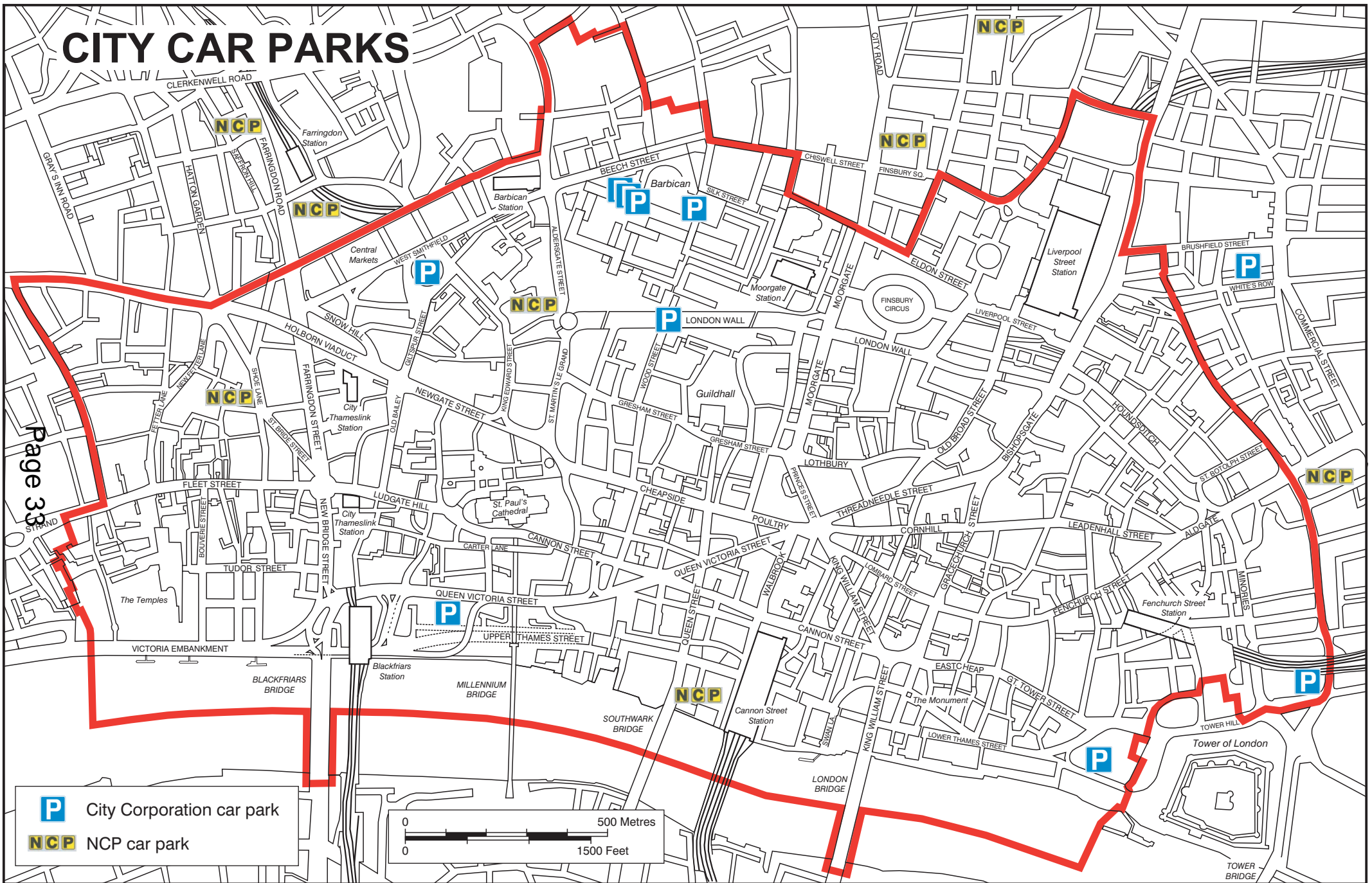
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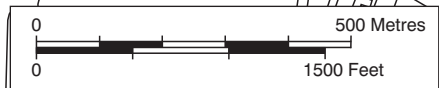
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CITY CAR PARKS



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P City Corporation car park
NCP NCP car park



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Dashboard Data: Whites Row Car Park

Basic Info:

Tariff: £2 per hour
Resident: £740 pa
Commercial: £4264 pa

Spaces

- Cars: 368
- Disabled: 6
- Electric: 10
- Bays for m/c: 45
- Bicycle racks: 0

Avg Weekly Paid Transactions: 900

Season Tickets

Commercial	1
Disabled	0
Free / Pass Card	1
Resident	7
Staff	0
Traders	0
Total	9

BUDGETS

Local Risk Balance Sheet

Premises:	£97k
Supplies:	£7k
3rd Party:	£286k
Total Expenditure:	£390k
Parking Income:	-£328k
Total Local Risk:	£62k

Central Risk Balance Sheet

Fund recharge:	-£129k
Total Direct Cost:	-£67k

Shared General Cost

Local Risk:	£14k
Support Services:	£23k
Capital Charges:	£2k
Shared Total Cost:	£39k

Parking Op. Cost: -£28k

Typical Occupancy

Avg. Weekday	3am	9am	3pm	9pm
Cars:	13	32	40	13
Commercial:	0	4	2	1
Motorbikes:	33	138	174	52
Bicycles:	25	21	27	18
Electric:	0	0	0	0
Saturday	3am	9am	3pm	9pm
Cars:	11	13	43	24
Commercial:	0	2	2	0
Motorbikes:	38	40	61	52
Bicycles:	19	20	19	19
Electric:	0	0	0	0
Sunday	3am	9am	3pm	9pm
Cars:	18	31	72	16
Commercial:	0	0	0	0
Motorbikes:	40	49	34	36
Bicycles:	14	21	21	20
Electric:	0	0	0	0

City Surveyors

<u>Expenditure</u>	
20 Year Plan:	
Annual orders:	£37k
Next Year:	£3k

Structural Works

Monitoring:	TBC
Repairs:	£0

Annual Income

Nil

NET OPERATING POSITION

LOSS: £12k
(Loss £141k without fund recharge)

Insurance Value:
£13.8m

Rateable Value:
£124k



2011 CS Property Review Recommendation:

Retain short term (1-5 yrs)

2013 Car Park Review Recommendation:

⇒ Close

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Agenda Item 10

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