

Committee:	Date:
Residents' Consultation Committee Barbican Residential Committee	24 November 2014 08 December 2014
Subject: Car Parking and Baggage Store Charging Policy	Public
Report of: Director of Community and Children's Services	For Decision by Barbican Residential Committee

Summary

1. This report, which is for decision, seeks to extend the current charging policy for both car parking and baggage stores on the Estate for a further three years from March 2015 to March 2017.
2. Fees have been reviewed between 2009 and 2014 in relation to the Retail Price Index (RPI) published by the Office of National statistics in September.
3. It is proposed to extend the charging policy for both car parking and baggage stores for a further three years from March 2015 to March 2017 and to review the policy again in December 2017.
4. This report also includes an analysis of demand, utilisation, and income generation.

Recommendation

5. That all car parking and baggage store licence fees are to be subject to review from 25 March 2015 for the following year. The increase to be calculated by reference to the increase in RPI published by the Office for National Statistics between September 2013 and September 2014 to allow appropriate notice to be given to car park and baggage store users. The RPI published in September 2013 was 251.9 and in September 2014 it was 257.6. The RPI published in September 2014 showed a year on year increase of 2.3%.

6. The effect of this 2.3% increase from 25 March 2015 for Car Parking Licence fees is as follows:-

- annual residential car parking licences will increase from £1,183 to £1,210;
- daily car parking charges will increase from £9.67 to £9.89;
- annual commercial car parking licences will increase from £5,195 to £5,314 (including VAT);
- commercial daily car parking charges will increase from £20 to £20.46 (including VAT);
- annual residential motorcycle licences will increase from £221 to £226;
- administration fees for new car bay licences will increase from £58 to £59;
- annual fees for electrical mobility scooters will increase from £394 to £403;
- annual fees for bicycle stores will increase from £83 to £85;
- purchase price for a car bay on the estate will increase from £8,405 to £8,598;

7. The effect of this 2.3% increase from 25 March 2015 for Baggage Store Licence fees is as follows:-

- Standard stores will increase from £303 to £310;
- Transportable stores will increase from £362 to £370;
- Large stores will increase from £426 to £436;
- Purchase price for standard baggage stores will increase from £6,500 to £6,650;
- Purchase price for the large stores in Thomas More will increase from £10,000 to £10,230;
- Transportable baggage stores are not available for purchase.

8. At current levels of occupancy these measures should increase Car Parking revenue for 2014/15 by an estimated £22,351 and Baggage Store revenue by an estimated £8,574.

9. That this process of reviewing the car parking and baggage store fees in relation to RPI is repeated in 2016 and 2017, with the Policy reviewed again in December 2017.

10. The key deposit for new baggage store lettings will increase from £150 to £160 with effect from 25 March 2015. It will be reviewed annually from December 2015 and will not necessarily be linked to the Retail Price Index.

Main Report

Background

11. In 2008 and 2011 the Barbican Residential Committee approved a 3 year Baggage Store Charging Policy.
12. In 2008 the Barbican Residential Committee approved a 2 year Car Parking Charging Policy, however in 2011 the Barbican Residential Committee approved an annual review of the car park charges due to the highlighted financial pressures on the Barbican Estate Car Parks and the City Fund.
13. The Barbican Residential Committee in 2013 resolved that the fees for car parking would be subject to an increase for that year; with the increase to be calculated by reference to the RPI published in September of the preceding year and that the next review should incorporate the Baggage Store Charging review as well.
14. The method of utilising the RPI as a basis for reviewing the car parking and baggage store charging policy has been accepted by residents and it proposed to extend this method of calculation for a further 3 years.

Car Park Charges

15. There are currently 1508 car bays within the Barbican Estate's car parks. The below table details the current car bay letting figures and by applying the published September 2014 RPI increase of 2.3%, the following car parking charges will apply.

Licence Type	Number of Users	Current Rate	New Rate
Residential Car Bay	691	£1,183	£1,210
Daily Car Parking	7,800	£9.67	£9.89
Commercial Car Bay - excludes other contracts (inc. VAT)	13	£5,195	£5,315
Residential Motorcycle Bay	22	£221	£226
Electrical Mobility Scooters	0	£394	£403
Bicycle Lockers	100	£83	£85

Purchased Car Bay	295	£8,405	£8,598
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Baggage Store Charges

16. There are currently 1208 Baggage Stores within the Barbican Estate. The below table details the current Baggage Store letting figures and by applying the published September 2014 RPI increase of 2.3%, the following Baggage Store charges will apply.

Licence Type	Number of Users	Current Rate	New Rate
Standard Baggage Store (approx. 18sq ft)	1026	£303	£310
Transportable Baggage Store (approx. 35sq ft)	109	£362	£370
Large Baggage Store (approx. 60sq ft)	52	£426	£436

Occupancy

17. The current car park occupancy is included in Appendix 1, with the overall occupancy at 69%.

18. The Residential car bays lettings has continued to decrease, since 2006, regardless of price change; as shown in Appendix 1.

19. The history of car parking charges from 2004 is included in Appendix 2.

20. The History and Forecast of the Barbican Estate Car Parking Bay usage is shown in Appendix 3.

21. The waiting list has been reduced over the years due to an additional 152 stores being provided since 2007.

Car Park and Baggage Store Account Financial Forecasts

22. The City of London Corporation's policy is to balance the objectives of providing well managed and secure facilities on the one hand whilst

seeking to fulfil its continuing obligation to obtain value for money in the use of City Fund resources. These increases have been included in preparing the Car Parking and Baggage Store budgets set out in the Revenue and Capital Budgets report included elsewhere within this agenda.

Income generation

23. The Car Park budget position has improved over the years with contracts maintained with Heron (paying service charges for 184 residential car bays) and Deutsche Bank (38 commercial bays).
24. The Barbican Estate Office has been able to progress with the recruitment of the Estate Concierge team returning to a full complement of permanent staff (28 in total) and having a 3 year policy ensures increases to secure the safety in keeping the concierge staff.
25. Following the successful infill Baggage Stores within Speed House, officers will continue to explore and develop commercial opportunities for the Barbican Estate, particularly for the unused car park areas. Any proposals will be subject to consultation and be presented to future Residents' Consultation Committee and Barbican Residential Committee meetings.

Financial Implications

26. At current levels of occupancy an increase of 2.3% in car bay licence fees from 25 March 2015 would result in an increase of income for 2015/16 by an estimated £22,351.
27. An increase of 2.3% in baggage store licence fees from 25 March 2015 would result in an increase of income for 2015/16 by an estimated £8,574 at current levels of occupancy.

Consultees

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

Conclusion

29. The City has a duty to achieve a reasonable return from its assets having regard to market levels and any net surplus generated benefits the City Fund. I feel that the continuation of the current charging policy is a sensible way to proceed and to review it again in 2017.

Background Papers:

Car Park Strategy Stage One report 2009

Barbican Estate Car Park Efficiency Strategy Working Party report 2011

Car Park Charging Policy report 2013

Baggage Store Charging Policy report 2011

Revenue and Capital Budgets – Latest Approved Budget 2013/14 and Original Budget 2014/15.

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