

<b>Committee(s)</b>	<b>Dated:</b>
Residents Consultation Committee Barbican Residential Committee	03/12/2018 10/12/2018
<b>Subject:</b> Charging Policy for Car Parking and Stores	<b>Public</b>
<b>Report of:</b> Director of Community and Children's Services	<b>For Information and consultation with the Residents Consultation Committee</b>  <b>For decision by the Barbican Residential Committee</b>
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### Summary

The context for the update on the Charging Policy for Car Parking and Stores on the Barbican Estate includes the following:

- Expenditure on car parking on the Barbican Estate has for some years significantly exceeded income;
- The Barbican car parks are underused with a large number of vacant car parking spaces that are being put to much better use (including the current provision of the new storage units for residents);
- Following ongoing extensive marketing there is currently a small number of Barbican residents who are waiting for additional storage as and when residents transfer to the new stores;
- The current 1-year Charging Policy for Car Parking and Stores (including a lettings policy for new stores in the car parks) was approved by the Barbican Residential Committee (BRC) in June 2018 and is due for review next summer;
- The Car Park Charging Working Party updates on its further work on Car Parking and the Estate Concierge service
- The City Corporation has implemented an 'Efficiency Plan', which seeks to maximise income from its property assets;
- The City Corporation is carrying out a general review of all its car parks within the City.

At its meeting on 21 June 2018, the BRC received a report on the Charging Policy for Car Parking on the Barbican Estate. The Committee agreed that the Member/Officer Working Party consider matters related to Car Parking and the Estate Concierge service. The Working Party has met and this report comprises an update on its considerations and its recommendations.

## Recommendations

**The Barbican Residential Committee** is asked to endorse the work and recommendations of the Member/Officer Working Group and specifically, to:

1. Approve one or more of the following options for disabled users of the car parks:
  - a. a 25% reduction or
  - b. the old rate plus a Consumer Price Index (CPI) increase
  - c. and a concession of 2 hours free parking for disabled residents (blue or red badge holders) visiting ward motes (in Cripplegate and Aldersgate), and by prior arrangement with the Estate Office.
2. Approve that for other Barbican charges for licences (motorcycle and bicycles) and temporary car parking a CPI increase take affect from September 2019 for 2 years.
3. Approve that the long-term car bay agreements are updated so that the service charge is calculated as the estimated cost of services divided by the number of available car parking spaces less those that are occupied by resident stores or remains the same as specified in paragraph 17.

**The Residents Consultation Committee** is asked to comment on the report and specifically to consider the options as listed in paragraphs 21-29.

## Main Report

### Background

4. Expenditure on car parking on the Barbican Estate has for some years significantly exceeded income. In 2016, the BRC instructed officers to review the underused Barbican car parking spaces and subsequently agreed that they could and should be put to other uses including the provision of additional storage space in order to generate additional income to meet the Service Based Review targets of £154k and annual efficiency savings from 2017/18 for the Barbican Estate.
5. Members agreed that a Member/Officer Working Party be established and after a number of meetings and reports the BRC approved a one-year Car Parking and Stores Policy at its meeting on 21 June 2018.
6. At that meeting the Committee asked that the following be progressed:
  - the Management Plan for the new stores be submitted to Planning for approval
  - an Equalities Impact Assessment on the new Car Parking Charging Policy
  - the provision of temporary car parking
  - the way the Estate Concierge and related services are provided and charged
7. Other issues that had been brought to the attention of the BRC during the discussions have also been reviewed by the Working Party:
  - Car Parking elasticity of demand
  - Public Car Parks Charging Policy

- Other Barbican Estate Charges
- Audit of car parks and parcel holding facilities
- Long-term car bay agreement

8. The members of the Working Party are:

- Michael Hudson (Chair) – Chairman of the BRC
- Sue Pearson – Deputy Chairman of the BRC
- Randall Anderson – Member of the BRC
- John Tomlinson – Member of the BRC
- Paul Murtagh – Assistant Director Barbican & Housing
- Michael Bennett – Head of Barbican Estates

### **Current Position**

9. The Member/Officer Working Party convened on 23 October and reviewed the areas highlighted in paragraphs 6 and 7 which are detailed below.

### **Stores Management Plan**

10. The Barbican Estate Storage Management Plan has been submitted, with is being progressed by the City Planning Department.

11. The new storage units have been marketed: over 100 agreements have been signed so far, with deposits taken and 313 units are due to be installed by the end of the year.

### **Elasticity of demand**

12. So far, there had been the usual surrenders and new licences related to residents moving in and out, with a low number of comments, none of which had been in respect of the price increase. There would be a further update at the March BRC meeting, with no CPI increases recommended at present.

### **Public Car Parks Charging Policy**

13. This would be the subject of a report (of the Director of the Built Environment) for decision by Planning and Transportation, Resource Allocation Sub and Markets Committees in January 2019. The report would be presented to the Working Party for information only.

### **Audit of car parks and parcel holding facilities**

14. Following an audit of the car parks and demand for parcel storage additional facilities including the making use of the new stores over the next few months will facilitate the increased demand for parcel storage at the Car park offices (see appendix 1).

## **Options**

### **Equalities Analysis for Car Parking**

15. An Equalities Analysis was carried out of the new Car Parking Charging Policy approved by the BRC in June (see appendix 2). The Working Party supported this document and asked that the BRC consider the following options for disabled rental users:

- as the Barbican is not a Housing Revenue Estate, a 25% reduction
- or the old rate plus a CPI increase
- a concession of 2 hours free parking for disabled residents (blue or red badge holders) visiting ward motes (in Cripplegate and Aldersgate), and by prior arrangement with the Estate office.

### **Other Barbican Estate Charges**

16. A number of other charges for licences (motorcycle and bicycles) and temporary car parking had not been reviewed as part of the Policy decisions during June 2018 and there is the option of the BRC reviewing these with a CPI increase to take effect from September 2019 for two years. This would also maintain the policy of all car parking and stores charges taking effect at the same time, rather than mid-year, that is September 2019.

### **Long-term bay agreements**

17. Leaseholders requests for long-term car bay agreements have been on hold during the stores project but there is still interest. The agreement states that the service charge is calculated as the estimated cost of services (car parking staff, repairs and maintenance, electricity, water, insurance, equipment, cleaning, supervision and management) divided by the number of available car parking spaces.

18. The new stores project would reduce the number of available car parking bays and it is estimated that there would be a relatively large increase in the service charges for long-term car bay users in 2019/20. The Working Party queried the history of the differentials between the annual service charge for long-term car bay users and the rental charges and whether there could be resistance to a large increase in service charge (history of charges has therefore been shown in appendix 3).

19. Furthermore, income from the car park stores are now attributed to the Car Park Account. Therefore, the agreement could be amended to state that the service charge is calculated as the estimated cost of services divided by the number of available car parking spaces less those that are occupied by resident stores.

20. The City Solicitor has advised that any variation to the 94 resident agreements would have to be by agreement with all current users.

### **Temporary Car Parking**

21. The Working Party noted that all payments were made in advance: very few residents used the car park on a temporary basis and all were likely to have

visitors/contractors in varying quantities. Appendix 4 illustrates the volume of free and paid temporary car parking as well as a worked example of the income and costs.

22. The City Solicitor has advised that it would be difficult to bring the car parking duties incurred in respect of the temporary car parking services within the service charge, unless there were certain employees specifically employed to deal with this. The City Solicitor has also advised that to pursue this may not be an exercise of reasonable discretion.
23. Therefore, the Working Party suggested that possibly one or two hours free parking could be an option (rather than the current five hours) and that residents be balloted and/or the Resident Consultation Committee (RCC) be asked as to whether this should be subject to full consultation.

### **Estate Concierge Services and allocation to service charge**

24. The advice from the City Solicitor is that the standard lease is quite proscriptive in what employment costs can be put through the service charge account. The Fifth schedule of the lease (Services) Part IV states the salary emoluments and wages together with any expenses connected therewith of:
  - (a) the key porters
  - (b) the storekeepers
  - (c) the resident housekeepers
  - (d) the resident engineers
  - (e) any other staff which the City shall in its reasonable discretion employ from time to time
25. Key porters, storekeepers and resident housekeepers are not defined in the leases. The City Solicitors advice is that there is no reason why time spent on what can be classed as the duties of key porters, storekeepers and resident housekeepers should be excluded from the service charge. The Concierge, parcel and key service duties should be appropriate to (a) above. This would be subject to leaseholder consultation.
26. The Working Party noted the time recording for the key service was high and should be audited (see appendix 5). It was also agreed that the car parking and stores element of security should be separated; that is, security for the car parks only and not walkways and blocks. It was also suggested that the use of stores for non-residents would change time recording for Estate Concierges, as the time spent on security duties would likely increase.
27. The Working Party agreed that it was unfair on car users to take the bulk of concierge charges, as they provide a service to all residents.
28. The Working Party suggested the option of consulting the House groups and RCC on the feasibility of a full external report of the Estate Concierge service to include:
  - Defining the service and reviewing the breakdown of time recording and their current definitions

- Historical analysis of time recording from April 2016 to September 2018
- Interviews of a number of the Estate Concierge staff

29. The estimated costs of this analysis and report would in the region of up to £10k which could lead to recommendations to a future RCC/BRC. This should also be subject to 3 yearly reviews and, should the pattern change, it will require a policy to reflect the changes.

### **Proposals from the Working Party**

30. That the BRC consider the following options:

- that disabled users of the car parks be subject to a 25% reduction in rental charges or the old rate plus CPI increase, and a concession of 2 hours free parking for disabled residents (blue or red badge holders) visiting ward motes (in Cripplegate and Aldersgate), and by prior arrangement with the Estate Office
- other Barbican charges such as licences (motorcycle and bicycles) and temporary car parking be subject to a CPI increase to take effect from September 2019 for two years
- that long-term car bay agreements are updated so that the service charge is calculated as the estimated cost of services divided by the number of available car parking spaces less those that are occupied by resident stores or remains the same and specified in paragraph 17.

### **Corporate & Strategic Implications**

31. In terms of the relevant policies incorporated in the City Corporation's Corporate Asset Management Strategy, the proposals contained in this report will ensure that:

- Operational assets remain in a good, safe and statutory compliant condition;
- Operational assets are fit for purpose and meet service delivery needs;
- Annual revenue expenditure is efficiently managed to ensure value for money and operational asset running costs are reduced wherever possible;
- Opportunities to create added value and maximise income generation be pursued.

### **Conclusions**

32. The Member/Officer Working Party, set up at the instruction of the BRC, has reviewed comments from Members and residents presented at its last meeting on 21 June and their recommendations are laid out in paragraphs 1-3 of this report.

33. A number of other options are listed in paragraphs 21-29 for consideration by the RCC.

## **Appendices**

- Appendix 1 – Audit of car parks and parcel holding facilities
- Appendix 2 – Equalities Analysis
- Appendix 3 - Differentials between the annual service charge for a long-term car bay agreement and the rental charge
- Appendix 4 – Volume of free and paid temporary car parking as well as a worked example of the income and costs
- Appendix 5 – Estate Concierge Time Recording

## **Background Papers**

Car Park Strategy Stage One 2009

Car Park Strategy Update 2009

Barbican Estate Car Park Efficiency Strategy Working Party 2011

Baggage Stores Charging Policy 2011

Car Park Charging Policy February 2013

Car Park Charging Policy December 2013

Car Park and Baggage Stores Charging Policy January 2014

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

Service Based Review Proposals – Department of Community & Children's Services 2014

Car Park Charging Policy 2015

Car Park Charging Policy March 2016

Service Based Review March 2016

Review of Public Car Park Provision in the City November 2016

Charging Policy for Car Parking and Stores November 2016

Charging Policy for Car Parking June 2017

Charging Policy for Car Parking and Stores June 2018

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