

<b>Committee(s)</b>	<b>Dated:</b>
Residents Consultation Committee – For comment Barbican Residential Committee – For decision	
<b>Subject:</b> Charging Policy for Car Parking and Stores – Annual Review	<b>Public</b>
<b>Report of:</b> Director of Community and Children's Services	<b>For Decision by Barbican Residential Committee</b>
<b>Report author:</b> Michael Bennett Head of Barbican Estates	

### Summary

The context for the review of 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 increasingly being put to much better use (such as the provision of storage units for residents);
- The City Corporation has begun the process of a 'Fundamental Review' of its operations, as part of which Efficiency Savings and further Income Generation from its property assets will need to be looked at.

At its meeting on 17 June 2019, the BRC received a report on the Charging Policy for Car Parking on the Barbican Estate. The Committee agreed a number of reviews and that the Member/Officer Working Party consider further, before bringing a report back for an annual review to the BRC. The Working Party has reviewed and made recommendations for the 2020-2021 year and, this report comprises an overview of its considerations and its recommendations.

### Recommendations

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

#### Car Parking

1. Increase the Barbican car park charge per parking space for the ensuing year to £1,420 per annum and subject to review again in 2021.

## **Stores**

2. Pause the rents for Stores within Barbican buildings (that is, Stores not constructed in the car parks) for the ensuing year at £25.00 per square foot per annum (which are all classed as small/standard Stores) and subject to review again in 2021.
3. To pause rents for the resident new Stores in the car parks for the ensuing year at £20.00 per square foot per annum and subject to review again in 2021.
4. To pause rents for the non-resident new Stores in the car parks for the ensuing at £40.00 including vat per square foot per annum and subject to review again in 2021.
5. To pause the miscellaneous charges for motorcycles, bicycle lockers and pods and subject to review again in 2021.

## **Main Report**

### **Background**

1. 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.
2. In 2017 Members also agreed that a Member/Officer Working Party be established to carry out further work on the Charging Policy, bringing reports back to the BRC.
3. The Planning and Transportation Committee at its meeting in 2018 approved the planning application for new Stores in the car parks for residents and non-residents, subject to conditions and a management plan which has subsequently been approved.
4. At its meeting in June 2019 the BRC approved the following:

### **Car Parking**

- The Barbican car park charge per parking space for the ensuing year be paused at £1,340 per annum, subject to review in 2020.

### **Stores**

- Rents for Stores within Barbican buildings be paused (that is, stores not constructed in the car parks) at £25.00 per square foot per annum, subject to review in 2020 (a variation to the Working Party recommendation).
- Rents for the resident occupiers of new stores in the car parks be paused at £20.00 per square foot per annum, subject to review in 2020.

- Rents for the non-resident occupiers of new stores in the car parks be paused at £40.00, including vat, per square foot per annum, subject to review in 2020.
  - The Stores Management Plan be amended to increase the percentage of stores lettings to close by non-residents up to a maximum of 50%, so as to avoid the need to continually seek planning permission, but the percentage of stores lettings to close by non-residents should not exceed 25% unless further authorised by the BRC.
5. In 2020 Planning Officers confirmed that the Management Plan allows for the percentage of units required by Barbican residents to be kept under review and therefore allows for flexibility. The use of up to 50% of the stores by nearby residents is therefore allowed for within the Management Plan and no further approval from the Local Planning Authority is required.
  6. The new additional Stores project that was completed in 2019 is currently 69% occupied by Barbican residents.

### **Other Reviews**

7. The miscellaneous charges for motorcycles, bicycle lockers and pods are also subject to an annual review.
8. The members of the Working Party are:
  - Michael Hudson (Chairman) – Chairman of the BRC
  - Mark Wheatley – Deputy Chairman of the BRC
  - Randall Anderson – Resident Member of the BRC
  - John Tomlinson – Resident Member of the BRC
  - David Bradshaw - Resident Member of the BRC
  - Paul Murtagh – Assistant Director Barbican & Property Services
  - Michael Bennett – Head of Barbican Estates

### **Current Position**

9. This report comprises an overview of the considerations and recommendations of the Working Party.

### **Options**

#### **Car Parking**

10. The Working Party took into consideration a number of factors with regards to Car Park charges:
  - Occupancy history (see Appendix 1);
  - Elasticity of demand (see Appendix 2);

- The reason for the establishment of the Working Party; i.e. the deficit on the car park account and the objective of raising revenue so as to reduce the deficit.

11. There are three options for car park charges:

- Pause the Barbican car park charge per parking space for the ensuing year at £1,340 per annum and review charges again in 2021;
- Increase the current charge in line with CPI (based on 22 April CPI of 1.5%) to £1,360 per annum and review charges again in 2021;
- Increase Barbican car park charge per parking space for the ensuing year to £1,420 per annum (as originally agreed at BRC in 2018 as the direction of travel to £1,500 over 3 years) and review charges again in 2021.

## **Stores**

12. The Working Party also took into consideration a number of factors with regards to Store rents:

- Occupancy schedules for current and new stores (see appendices 3 and 4);

13. The **options for Store rents for Stores within Barbican buildings** (that is, Stores not constructed in the car parks which are all classed as small/standard Stores) are:

- Pause at £25 per square foot per annum (£326) and subject to review again in 2021;
- Increase the current charge in line with CPI (based on 22 April CPI of 1.5%) to £331 per annum and review charges again in 2021;
- Increase for the ensuing year to either £26 per square foot per annum (£338) or £27.50 per square foot (£358) as originally agreed at BRC in 2018 as the direction of travel over 3 years and review charges again in 2021.

14. The **options for rents for the resident occupiers of new stores in the car parks** are:

- Pause at £20 per square foot per annum (see appendix 3 for current sizes and charges) and subject to review again in 2021;
- Increase the current charge in line with CPI (based on 22 April CPI of 1.5%) to £873 per annum for large stores, £1,238 for extra large and £1,746 for extra extra large stores and review charges again in 2021.

15. The **options for rents for the non-resident occupiers of new stores in the car parks** are:

- Pause at £40 per square foot per annum including VAT (see appendix 3 for current sizes and charges) and subject to review again in 2021;
- Increase the current charge in line with CPI (based on 22 April CPI of 1.5%) to £1,746 per annum for large stores, £2,476 for extra large and £3,492 for extra extra large stores and review charges again in 2021.

## **Miscellaneous Charges**

16. The **options for miscellaneous charges in the car parks** are:

- Pause the miscellaneous charges for motorcycles, bicycle lockers and pods (see appendix 5) and subject to review again in 2021;
- Increase the current charge in line with CPI (based on 22 April CPI of 1.5%) to £243 per annum for motorcycles, £91 per annum for bicycle lockers and £32 per annum for bicycle pods and review charges again in 2021.

## **Proposals from the Working Party**

### **Car Parking**

17. Increase the Barbican car park charge per parking space for the ensuing year to £1,420 per annum and subject to review again in 2021.

### **Stores**

18. Pause the rents for Stores within Barbican buildings (that is, Stores not constructed in the car parks) for the ensuing year at £25.00 per square foot per annum (which are all classed as small/standard Stores) and subject to review again in 2021.

19. To pause rents for the resident new Stores in the car parks for the ensuing year at £20.00 per square foot per annum and subject to review again in 2021.

20. To pause rents for the non-resident new Stores in the car parks for the ensuing at £40.00 including vat per square foot per annum and subject to review again in 2021.

## **Miscellaneous Charges**

21. To pause the miscellaneous charges for motorcycles, bicycle lockers and pods and subject to review again in 2021.

## **Corporate & Strategic Implications**

22. 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.

## **Financial Implications**

23. The Car Parking account (which includes the new stores) had a budgeted deficit for 2020-21 of £346k based on a charge of £1,340. The effect of this and of increasing the car park charge to £1,420 from September will be an increase in income and therefore reduction in deficit, of some £36k, including £3k in respect of the price increase, in 2020/21, with the full year effect being £72k, assuming a 5% reduction in occupancy as a result of the increase (which is a greater reduction than experienced in 2019-2020).

24. The Stores outside the Car Park had an expected surplus of £5k in the Original Budget for 2020-21. However, this was based on an expectation of an increase in charges during the year. By not increasing charges the expected surplus will reduce by £9k.

## **Conclusions**

25. The Member/Officer Working Party, set up at the instruction of the Barbican Residential Committee, has carried an annual review of its work and their recommendations are laid out in paragraphs 1-5 of this report.

## **Appendices**

- Appendix 1 – Car Park Occupancy
- Appendix 2 – Car Park Elasticity of demand
- Appendix 3 – New Stores rents and occupancy
- Appendix 4 – Current Stores rents and occupancy
- Appendix 5 – Miscellaneous charges
- Appendix 6 – Financial Forecasts

## **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  
Policy for Miscellaneous Car Park Charges March 2019  
Charging Policy for Car Parking and Stores June 2019

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