

<b>Committee:</b>	<b>Date:</b>	<b>Item</b>
Residents' Consultation Committee	28 January 2013	
Barbican Residential Committee	11 February 2013	
<b>Subject:</b>	<b>Public</b>	
Car Parking Charging		
<b>Report of:</b>	<b>For Decision by Barbican Residential Committee</b>	
Director of Community and Children's Services		

### Summary

1. This report, which is for decision seeks to extend the current charging policy for car parking on the Estate for another year from 24 June 2013, leading to an increase in fees of 2.6%.
2. Fees for car parking have been reviewed between 2009 and 2012 by reference to changes in the Retail Price Index (RPI), published by the Office for National Statistics in September.
3. It is proposed to extend this charging policy for a further year and to review the policy again for the year commencing 24 June 2014.
4. This report also includes an analysis of local demand, utilisation, comparisons and income generation.
5. As a result of Value for Money/efficiency savings £200,000 has been "targeted" in 2012/13 from the Barbican Estate Car Parks and for each subsequent year thereafter.
6. The latest forecast based on the most likely level of car park occupancy, cost reductions and taking into account developments since the original budget was prepared indicates that the required savings are achievable for 2012/13 and 2013/14.

## **Recommendation**

7. That all car parking licence fees be subject to review from 24 June 2013 for the following year. The increase is to be calculated by reference to any changes in the RPI published by the Office for National Statistics in September of the preceding year to allow appropriate notice to be given to Barbican residents of any increase in the fee. The RPI published in September 2012 shows an increase of 2.6%.
8. The effect of this will be that from 24 June 2013
  - annual residential car parking licences will increase from £1,126 to £1,155;
  - daily car parking charges will increase from £9.20 to £9.44; customers using the automated system will receive an increase from £8.20 to £8.44
  - annual commercial car parking licences will increase from £4,121 to £4,228 (excluding VAT);
  - annual residential motorcycle licences will increase from £210 to £216;
  - administration fees for new car bay licences will increase from £56 to £57;
  - annual fees for electrical mobility scooters will increase from £375 to £385;
  - annual fees for bicycle stores will increase from £79 to £81;
  - purchase price for a car bay on the estate will increase from £8,000 to £8,208;
9. These measures would increase Car Parking revenue for 2013/14 by an estimated £25K at current levels of occupancy.

## **Main Report**

### **Background**

10. The Barbican Residential Committee at its meeting on 26 January 2009 resolved that the fees for car parking would be determined by reference to any changes in RPI over the preceding year for the following three years.
11. The Barbican Residential Committee at its meeting on 12 December 2011 resolved that the fees for car parking would be subject to an RPI increase for the following year only and that the next annual review should include a detailed report and analysis of research into local demand, utilisation, comparisons and income generation.

12. The method of utilising the RPI as a basis for reviewing the car parking charging policy has been accepted by residents and it proposed to extend this method of calculation for a further year. This method of calculation resulted in increases of 4.9% in June 2010, nil in 2011 and 5.2 % in June 2012. The increase in RPI published in September 2012 was 2.6%.

### **Car Park Charges**

13. 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 RPI increase proposed the following car parking charges will apply.

Licence Type	Number of Rentals	Current Rate	New Rate
Residential Car Bay	741	£1,126	£1,155
Commercial Car Bay (excludes other contracts, net of VAT)	35	£4,121	£4,228
Residential Motorcycle Bay	26	£210	£216
Bicycle Lockers	100	£79	£81

### **Car Park Occupancy**

14. The current car park occupancy is included in Appendix 1. Car park occupancy has remained within forecast over the last year based on those forecasts carried out in August 2011 for the Car Park Efficiency Strategy Working Party. An evaluation of car park surrenders has taken place over the last year with more than 75% stating that they were selling or relinquishing their vehicle and only 12% confirming that permanent car parking charges were too expensive.

### **Car Park Account Financial Forecasts**

15. In 2010 Chief Officers were asked to submit proposals outlining how further savings could be achieved across their services to an officer led Value for Money/Efficiency Programme Board which reported to the Estimate Working Party of the Finance Committee. As part of this process

the Barbican Estate submitted proposals outlining how further savings could be achieved in the delivery of the car parking service. As a result Value for Money/efficiency savings of £200,000 in 2012/13 and for each subsequent year have been “targeted” from the Barbican Estate Car Parks.

16. The 2013/14 budgets agreed at your last committee meeting included these increases and achieved the £200,000 savings required. The budgets also provided for the re-introduction of permanent staff to replace agency staff currently being employed. Officers will therefore review the current Estate Concierge staffing and introduce a programme of recruitment of permanent staff members.

17. The City of London Corporation’s policy for the car parks is to balance the objectives of providing well managed and secure parking facilities on the one hand whilst seeking to fulfil its continuing obligation to obtain value for money in the use of City Fund resources.

### **Income generation**

18. The improvement in the financial position for 2013/14 reflects increased revenue from, for example, Heron paying service charges for residential car bays and from continued commercial car parking.

19. However, given the current economic climate, Officers will continue to explore and develop commercial opportunities for unused car park areas. Any proposals will be subject to consultation and be presented to future Residents’ Consultation Committee and Barbican Residential Committee meetings.

### **Car Parking Charges Comparisons**

20. Charges for other car parks both public and private in the City of London are included in Appendix 2, together with the level of service provided. In this context it should be noted that although the Barbican Estate’s current charges for residential parking of £1,126 p.a. are higher than those of the other City of London Corporation car parks listed (£709-£994 p.a.) in terms of the service offered some are unmanned or only manned at specific times. Charges for car parks which offer similar services to the Barbican Estate are considerably higher (£2,000 - £6,730 p.a.) than those on the Barbican Estate.

## **Financial Implications**

21. An increase of 2.6% in car bay licence fees would result in an increase of income for 2013/14 by an estimated £25,000 at current levels of occupancy.

## **Consultees**

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

## **Conclusion**

23. The 2005 Car Park Strategy Working Party residents' survey concluded that price was not the main driver in determining the level of demand of car park spaces. However, 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 2013/14.

## **Background Papers:**

Car Park Strategy Stage One report 2009

Barbican Estate Car Park Efficiency Strategy Working Party report 2011

Car Park Charging Policy report 2011

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