

Committee(s)	Dated:
Residents Consultation Committee – For comment Barbican Residential Committee – For decision	05 June 2023 19 June 2023
Subject: Charging Policy for Car Parking and Stores	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 4 and 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain’s Department?	
Report of: Judith Finlay, Executive Director of Community and Children's Services	For Decision
Report author: Barry Ashton, Estates Services Manager	

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 exceeded income;
- The Barbican Residential Committee (BRC) originally agreed in 2018 a direction of travel for Car Parking fees to £1,500 over 3 years with staggered increases, however increases were held in 2019 and the fees for car parking were last increased in September 2020;
- The City Corporation had agreed budget envelopes that each of the service committees would use to deliver their services in 2021/22. These budget envelopes would help the City of London Corporation (the Corporation) achieve an average saving in Corporation funding of 12% across the City Fund and City Cash budgets for 2021/22 and on-going, effectively £391,000 from the Car Park Account (City Fund);
- The Barbican car parks are underused with a large number of vacant car parking spaces that have been put to much better use (such as the provision of storage units for residents);
- Storage units remain a popular facility for residents, with potential for further expansion within the car parks.

At its meeting in June 2021, the BRC received a report on the Charging Policy for Car Parking and Stores on the Barbican Estate. The Committee agreed to pause the car park space charge and to increase charges against the stores. Officers have reviewed the current levels and made the following recommendations for the 2023-2024 year.

Recommendation(s)

The **Barbican Residential Committee** is asked to endorse the following recommendations:

1. That all car parking and store licence fees are to be subject to increase calculated with reference to the increase in CPI published in March 2023 by the Office for National Statistics. The CPI published in March 2023 showed a year-on-year increase of 10.1%.
2. Increase to be applied to fees from September 2023, to allow appropriate notice to be given to car park and store users.
3. The BRC to review all Barbican car parking and storage fees in 2024.

Car Parking

4. To increase the Barbican annual residential car park licence charge by (CPI) 10.1% to £1,564 per parking space.
5. To increase the miscellaneous charges by (CPI) 10.1% for motorcycles (to £281), bicycle lockers (to £106), bicycle pods (to £37) and Temporary Daily Car Parking (to £12).
6. The Barbican annual residential car park charge per premium parking space to be £2,346 per annum (based on 1.5 times the charge for a standard car bay).

Stores

7. Increase the rents for **stores within Barbican buildings** (that is, stores not constructed in the car parks which are all classed as small/standard stores) by (CPI) 10.1% to £30 per square foot per annum.
8. To increase rents for the **resident stores in the car parks** by (CPI) 10.1% to £23 per square foot per annum.
9. To increase rents for the **non-resident stores in the car parks** by (CPI) 10.1% to £47 (including VAT) per square foot per annum.

Main Report

Background

10. Expenditure on car parking on the Barbican Estate has for some years significantly exceeded income.
11. In 2017 Members agreed that a Member/Officer Working Party be established to carry out further work on the Charging Policy, bringing reports back to the

BRC. Four of the five members of the Member/Officer Working Party are no longer Members of the BRC.

12. At its meeting in June 2021 the BRC approved the following:

Car Parking

- The Barbican car park charge per parking space for the ensuing year be paused at £1,420 per annum, subject to review in 2022.
- An increase in the Miscellaneous Charges of 5% for motorcycles (to £255), bicycle lockers (to £96), bicycle pods (to £34) and temporary daily car parking (to £11) and all subject to review again in 2022.

Stores

- Rents for stores within Barbican buildings (that is, stores not constructed in the car parks which are all classed as small/standard stores) be increased to £27.50 per square foot per annum and subject to review again in 2022.
- An increase in rents for the residential new stores in the car parks for the ensuing year of 5% to £21.30 per square foot per annum, subject to review in 2022.
- An increase in rents for the non-resident new stores in the car parks for the ensuing year of 5% to £42.60 (including vat) per square ft and per annum, subject to review in 2022.

Current Position

13. There are currently 1272 usable car bays within the Barbican Estate's car parks. The occupancy of each car park is provided in Appendix 1.
14. The history of occupancy and charges for residential car parking at the Barbican Estate is provided in Appendix 2. The car parks on average have lost 18 residential users year on year over the last 10 years, with current residential lets at 534.
15. Appendices 3 and 4 provide a history of occupancy and charges for storage facilities at the Barbican Estate. Storage occupancy has constantly been high and is currently at 88%.
16. Temporary Daily Car Parking income was £51,311 last financial year, through charges applied to vehicles visiting the Barbican Estate, without a long-term residential car park licence. All miscellaneous charges are listed in Appendix 5, alongside the historical fees and those proposed in recommendation 5.

Options

Car Parking

17. The recommendation took into consideration a number of factors with regards to Car Park charges:
- Occupancy and its history with regard to elasticity of demand (see appendices 1 & 2);
 - The deficit on the car park account and the objective of raising revenue so as to reduce the deficit (see appendix 6);
 - The independent review of the Barbican Estate Office.
18. There were two options for car park charges, including the miscellaneous charges:
- Pausing the Barbican car park charges (particularly the annual parking fee of £1,420) for the ensuing year and subject to review again in 2024;
 - Increase the Barbican's miscellaneous charges and the car parking space charge to £1,564 per annum (as originally agreed at BRC in 2018 as the direction of travel) and subject to review again in 2024.

Stores

19. The recommendation took into consideration a number of factors with regards to Store rents:
- Occupancy schedules for car park stores and block stores (see appendices 3 and 4);
 - The deficit on the car park account and the objective of raising revenue so as to reduce the deficit (see appendix 6);
 - Income exceeds expenditure within the (block) storage account (see appendix 7);
 - The independent review of the Barbican Estate Office.
20. There were two options for store rents:
- Pausing the Barbican store rents for the ensuing year and subject to review again in 2024;
 - Increase the Barbican store rents and subject to review again in 2024;

Proposals

Car Parking

21. To increase the Barbican annual residential car park licence charge by (CPI) 10.1% to £1,564 per parking space. Potential providing £76,896 in additional income based on current occupancy.
22. To increase the miscellaneous charges by (CPI) 10.1% for motorcycles (to £281), bicycle lockers (to £106), bicycle pods (to £37) and Temporary Daily Car Parking (to £12). Potential providing £10,500 in additional income based on current usage.
23. The Barbican annual residential car park charge per premium parking space to be £2,346 per annum (based on 1.5 of the charge for a standard car bay).

Stores

24. Increase the rents for **stores within Barbican buildings** (that is, stores not constructed in the car parks which are all classed as small/standard stores) by (CPI) 10.1% to £30 per square foot per annum. This potentially provides £31,072 in additional income based on current occupancy.
25. To increase rents for the **resident stores in the car parks** by (CPI) 10.1% to £23 per square foot per annum. Potentially providing £30,965 in additional income based on current occupancy.
26. To increase rents for the **non-resident stores in the car parks** by (CPI) 10.1% to £47 (including VAT) per square foot per annum.

Financial implications

27. The Corporation had agreed a budget envelope to achieve an average saving in funding of 12% across the City Fund and City Cash budgets commencing 2021/22, effectively £391,000 from the Car Park Account (City Fund).
28. Expenditure and income summaries for the relevant accounts for the last two financial years are provided in appendices 6 and 7.

Conclusions (FOR CONSIDERATION BY THE BRC)

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. These measures would increase revenue by an estimated £149,433 at current levels of occupancy.

30. Approval of the recommendations will support efforts to address the Barbican Estate's car park account continued issue of expenditure exceeding income, with the additional revenue into the Corporation's City Fund.

31. Members of the BRC are asked to endorse the annual review and the recommendations laid out in paragraphs 1-9 of this report.

Appendices

- Appendix 1 – Car Park Occupancy
- Appendix 2 – Occupancy & Charge History of Car Parking
- Appendix 3 – Occupancy & Charge History of Stores
- Appendix 4 – Current and Proposed Store charges & occupancy
- Appendix 5 - Miscellaneous Charges – History and Proposed Charges
- Appendix 6 - Financial Budgetary Control Report - Car Parking Account
- Appendix 7 - Financial Budgetary Control Report – Block Stores

Background Papers

- Charging Policy for Car Parking and Stores – June 2021
- Proposals for the Implementation of the 12% Efficiency Savings for 2021-22 – June 2021
- Service Based Review - March 2016

Report Author:

Barry Ashton, Estate Services Manager
Department of Community and Children's Services
barry.ashton@cityoflondon.gov.uk