

<b>Committee:</b>	<b>Date:</b>
Residents' Consultation Committee	25 November 2013
Barbican Residential Committee	09 December 2013
<b>Subject:</b>	<b>Public</b>
Car Parking Charging	
<b>Report of:</b>	<b>For Decision</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.
2. Fees for car parking have been reviewed between 2009 and 2013 in relation to the Retail Price Index (RPI) published by the Office of National statistics in September.
3. It is proposed to extend this charging policy for a further year and to review the policy again in 2014 with the reintroduction of the 3 year charging policy, in line with the Baggage Store charging policy.
4. This report also includes an analysis of local demand, utilisation, comparisons and income generation.

### **Recommendation**

5. That all car parking licence fees are to be subject to review from 25 March 2014 for the following year. The increase to be calculated by reference to 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. The RPI published in September 2013 was 3.2%.
6. To have the increase brought forward to March 2014, bringing the new charges in line with the financial year and ready to merge with the Baggage Store charging report for a joint 3 year policy in 2015. March 2014 will only be 9 months from the last increase, therefore  $\frac{3}{4}$  of the RPI will be used which is 2.4%.

7. The effect of this 2.4% increase from 25 March 2014 will be that the annual licence fees for
- annual residential car parking licences will increase from £1,155 to £1,183;
  - daily car parking charges will increase from £9.44 to £9.67;
  - annual commercial car parking licences will increase from £4,228 to £4,329 (excluding VAT);
  - annual residential motorcycle licences will increase from £216 to £221;
  - administration fees for new car bay licences will increase from £57 to £58;
  - annual fees for electrical mobility scooters will increase from £385 to £394;
  - annual fees for bicycle stores will increase from £81 to £83;
  - purchase price for a car bay on the estate will increase from £8,208 to £8,405;
8. These measures would increase Car Parking revenue for 2014/15 by an estimated £23,600 at current levels of occupancy.

## **Main Report**

### **Background**

9. The Barbican Residential Committee at its meeting on 26 January 2009 resolved that the fees for car parking would be subject to an increase over the next three years with the increase to be calculated by reference to the RPI published in September each year.
10. 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 over 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.
11. Barbican Estate Officers attended a working party, set up by the Director of the Built Environment, to review all of the City of London's public car parks with regard to their financial position and to ensure that they are achieving best use of assets. A committee report was presented to the Environmental Department Chief Officer Group (EDCOG) in September 2013, listed in this report as a background paper.

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 and that next year the 3 year Car Parking Charging Policy be reintroduced for 2015/16 in line with the 3 year Baggage Store Charging Policy. The RPI published in September 2013 was 3.2% and as it has been only 9 months since the last increase; only  $\frac{3}{4}$  of the RPI will be used which is 2.4%. This method of calculation resulted in the following increases:

June 2010	June 2011	June 2012	June 2013	March 2014
4.9%	nil	5.2 %	2.6%	2.4%

### **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 2.4% increase,  $\frac{3}{4}$  of the published September 2013 RPI (3.2%), the following car parking charges will apply.

Licence Type	Number of Users	Current Rate	New Rate
Residential Car Bay	718	£1,155	£1,183
Daily Car Parking	7,800	£9.44	£9.67
Commercial Car Bay (excludes other contracts, net of VAT)	16	£4,228	£4,329
Residential Motorcycle Bay	26	£216	£221
Electrical Mobility Scooters	0	£385	£394
Bicycle Lockers	100	£81	£83
Purchased Car Bay	297	£8,208	£8,405

14. The Chamberlains Internal Audit Section recommended that all car park users display a valid permit in their vehicle to demonstrate an entitlement to park and to assist with car park management and security. Therefore a 'Tax Disc' system will be introduced from January 2014, where car park users on long term licences are issued with a car window decal each calendar year.

## **Car Park Occupancy**

15. The current car park occupancy is included in Appendix 1, with the overall occupancy at 71%. This has increased due to the Heron Tower development purchasing 184 car bays. However, although we have retained 38 commercial bays with Deutsche Bank, they have surrendered 20 bays and we have also lost a further 19 bays from the City of London Police temporary contract.
16. The comparative car parking charges for car parks in or adjacent to the City and history of the charges from 2004 are included in Appendix 3.
17. The History and Forecast of the Barbican Estate Car Parking Bay usage is shown in Appendix 2.

## **Car Park Account Financial Forecasts**

18. 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. These increases have been included in preparing the Car Parking budgets set out in the Revenue and Capital Budgets report included elsewhere within this agenda.

## **Income generation**

19. An improvement in the financial position for 2014/15 reflects increased revenue from, for example, Heron paying service charges for residential car bays and from continued commercial car parking. However, although we have retained 38 commercial bays with Deutsche Bank, they have surrendered 20 bays and we have also lost a further 19 bays from the City of London Police.
20. However, given the current economic climate, Officers will continue to explore and develop commercial opportunities for unused car park areas. Following the new infill Baggage Stores within Speed House all car park areas will be assessed further against the demand for the possible installation of Transportable Baggage Stores. Any proposals will be subject to consultation and be presented to future Residents' Consultation Committee and Barbican Residential Committee meetings.

### **Car Parking Charges Comparisons**

21. Charges for other car parks both public and private in the City of London are included in Appendix 3, 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 £1,155 p.a. are higher than those of the other City of London Corporation car parks listed (£740-£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 (£1,524 -£6,730 p.a.) than those on the Barbican Estate.

### **Financial Implications**

22. An increase of 2.4% in car bay licence fees from 25 March 2014 would result in an increase of income for 2014/15 by an estimated £23,600 at current levels of occupancy. This increase is to be brought in line with the City of London's full April to March Financial Year. It is anticipated that next year the 3 year Car Parking Charging Policy be re-introduced for 2015/16 in line with the 3 year Baggage Store Charging Policy.

### **Consultees**

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

### **Conclusion**

24. 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 2014.

### **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

EDCOG Off-Street Car Parking Review and Long-term Strategy report September 2013

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

**Ade Adetosoye**

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