

Committee:	Date:
Residents' Consultation Committee (for Information)	30 November 2015
Barbican Residential Committee BRC(for Decision)	14 December 2015
Subject: Car Parking Charging	Public
Report of: Director of Community and Children's Services	For Decision by the BRC

Summary

1. This report, which is for decision seeks approval for the charging policy for car parking on the Estate for another year.
2. Fees for car parking were reviewed between 2009 and 2014 with reference to the Retail Price Index (RPI) published by the Office for National Statistics in September.
3. However it is now proposed to increase the car parking fees by 5% and to then review the policy in 2016.
4. This report also includes an analysis of local demand, utilisation, comparisons, income generation and a review of temporary car parking.

Recommendation

5. That the Barbican Residential Committee approves the 5% increase as set out in paragraph 21 of the main report and Appendix 1 in order that the best use is made of the City of London's asset and that the charging policy be reviewed again in 2016.
6. The effect of the selected increase to all car parking licence fees will take effect from 25 March 2016 for the following financial year.
7. That Temporary Car Parking becomes a cashless system, with payments to be made by Direct Debit, Credit/Debit Cards and Online payments.

Main Report

Background

8. Car parking charges were increased only once during the period 1997 to 2008. In 2008 the Car Park Charging report outlined a number of measures which could potentially reduce costs or increase income to the City Fund. The Barbican Residential Committee approved a 2 year Car Parking Charging Policy from 2008/2009 and the Barbican Estate Office were instructed to achieve additional income from the Barbican Estate Car Parks.
9. In 2011 the Barbican Residential Committee approved an annual review of the car park charges due to the highlighted financial pressures on the Barbican Estate Car Parks and on the City Fund.
10. The Barbican Residential Committee in 2014 resolved that the fees for car parking would be subject to an increase for that year; with the increase to be calculated by reference to the RPI published in September of the preceding year.
11. The method of utilising the RPI as a basis for reviewing the car parking charging policy has been accepted by residents and this method of calculation has resulted in the following increases:

June 2010	June 2011	June 2012	June 2013	March 2014	March 2015
4.9%	nil	5.2 %	2.6%	2.4%	2.3%

12. The City's Service Based Review in 2014 detailed a 3 year budget reduction plan of generating income for 2017/18 of £124,000 for car parking and £30,000 for baggage stores which was approved by the Barbican Residential Committee.

Car Park Charging Options

13. The RPI in September 2015 was 0.8% and in conjunction with the Service Based Review income targets officers have explored a number of potential percentage increase options. Appendix 1 details the potential increase options and its total income benefit for the City Fund.

Car Park Occupancy

- 14.The current car park occupancy rate is included in Appendix 2, with the overall occupancy rate at 67%.
- 15.The letting of residential car bays has continued to decrease, since 2006, regardless of price change. The history for the Barbican Estate Car Parking Bay usage is shown in Appendix 3.

Car Parking Charges Comparisons

- 16.Charges for other car parks both public and private in the City of London are included in Appendix 4, 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 £1,210 p.a. are higher than those of the other City of London Corporation car parks listed (£740- £1,050 p.a.) these alternative car parks are offered on a first come first served basis and 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 -£4,000 p.a.) than those on the Barbican Estate.

Income Generation

- 17.The financial position for 2015/16 has been helped from the continued commercial car parking and Heron paying service charges for residential car bays. However, although we have retained 24 commercial bays with Deutsche Bank which are based on market value rates, they have surrendered 34 bays over the last two years.
- 18.Following the Barbican Residential Committee's approval of the Service Based Review of additional income targets of £124,000 for the financial year 2017/18 for the car parks; officers have been exploring opportunities for unused car park areas. A number of potential options are currently being reviewed by officers and these will be presented to committee in February/March 2016.

Car Park Proposals

- 19.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.

20. Over the last 10 years the number of residential let bays has reduced by between 1% and 5% per annum demonstrating that price has not necessarily been a factor in the gradual decrease in occupancy. A comparison of local car parking charges also shows that the rates for the Barbican Estate are lower than elsewhere.

21. If RPI was the basis for reviewing car park charges for 2016/17 the increased income would only be £7,636. There were a number of comments from members at the last Barbican Residential Committee concerning current occupancy, comparative charges and income. Officers highlighted the requirement to achieve additional income for 2017/18 as part of the City's Service Based Review. It is therefore recommended to increase the car park charges for 2016/17 by 5% which on current usage would increase revenue by £48,796 for this forthcoming financial year. The charging policy will be reviewed again in 12 months time.

22. Temporary Car Parking

23. The Chamberlains Internal Audit Section recommended that Temporary Car Parking becomes a cashless system, with payments made by Direct Debit, Credit/Debit Cards and Online payments only. Payment for both temporary and permanent parking with cash is resource intensive (in terms of officer's time to issue, record, reconcile and bank the cash) and for that reason it is not at all cost effective when compared with cashless payment systems. The audit recommended that cash payments should be discouraged for Permanent Car Parking and not accepted at all for Temporary Car Parking.

- Over a 12 month period the Barbican Estate Reception received 101 payments for Temporary Car Parking – less than 9 a month.
- The total amount of cash/cheque payments received for Temporary Car Parking over this same 12 month period was £1,771 – less than £150 a month.

24. The overall car park income for the Barbican Estate is £1.4 million; however Temporary Car Parking contributes only £70k (5%). Many companies (TfL Buses & Dartford Crossing) have adopted a cashless approach for short term/low level payments and it is recommended that the Barbican Estate does the same.

25. It is also recommended that the Barbican Estate Office investigates further the phasing out of the old carbon paper ticket system in favour of the automated PayByPhone system.

26.The Barbican Estate Office provides the following to assist residents with PayByPhone:-

- Leaflets
- Posters/Flyers
- Website
- Stickers
- Letters
- Newsletters
- Email Broadcast
- Concierge Training (including how to assist a resident)

27.PayByPhone have confirmed that the marketing detailed above has increased payments to over 50% via this method, with the need to speak to a person now extremely low. The following table provides an analysis of transactions:

Transaction Method	Usage between Apr15 and Sep15
Mobile Web/App	71.43%
IVR (Interactive Voice Response)	25.78%
SMS	1.88%
Customer Services	0.91%

28.The Barbican Estate Office will continue to monitor and review the marketing of the automated PayByPhone system as it looks to phase out the carbon paper ticket system.

Financial Implications

29.An increase of 5% in car bay licence fees from 25 March 2015 would result in an increase of income for 2015/16 by an estimated £48,796 at current levels of occupancy. This increase will be in line with the City of London's full April to March Financial Year. It is anticipated that a review of the effect of this charging policy is carried out in 2016 as part of the next annual review. A review as part of the car park charging policy in 2016 will determine how this proposal will help to achieve the City's Service Based Review targets of achieving £124,000 additional income for the financial year 2017/18.

30.Due to an increase in City of London salary, National Insurance and a return to a full complement of concierge staff (including Pensions), financial year 2016/17 will see an increase in staff costs by £29,000.

Consultees

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

Conclusion

32.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. 5% increase in the charges is a sensible way to proceed with a further review in 2016.

Background Papers:

Car Park Strategy Stage One report 2009

Barbican Estate Car Park Efficiency Strategy Working Party report 2011

Car Park Charging Policy report 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

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Appendix 1.

Car Parking Fee	Number of Users	Increase Options					
		(RPI) 0.8%	3%	5%	7%	10%	20%
Annual Residential £1,210	682	£1,220	£1,247	£1,271	£1,295	£1,331	£1,452
Daily Car Parking £9.89	7,800	£9.92	£10.19	£10.38	£10.58	£10.88	£11.87
Commercial Car Bay (inc. VAT) £5,314	10 (exc. other contracts)	£5,357	£5,474	£5,580	£5,686	£5,846	£6,377
Residential Motorcycle Bay £226	26	£228	£233	£238	£242	£249	£272
Bicycle Lockers £85	100	£86	£88	£90	£91	£94	£102
Additional Income using current No. Users	-	£7,636	£29,656	£48,796	£68,088	£96,984	£194,014

Appendix 2.

CAR PARK OCCUPANCY AS AT NOVEMBER 2015

CAR PARK	ANDREWES	BRETON	BUNYAN	CROMWELL	DEFOE	SPEED	LAUDERDALE	THOMAS MORE	01 WILLOUGHBY	03 WILLOUGHBY	TOTALS	PREVIOUS TOTALS (JULY 2015)
SOLD	16	2	1	10	34	114	20	13	5	79	294	296
RESIDENTIAL	95	75	69	57	102	33	72	90	84	5	682	682
COMMERCIAL	0	24	4	0	0	0	0	0	6	0	34	57
VACANT	24	138	135	25	24	8	13	47	59	25	498	473
TOTALS	135	239	209	92	160	155	105	150	154	109	1508	1508

FORMER CAR BAYS	2	30	45	9	5	21	29	26	18	21	206
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Former Car Bays - Reasons why no longer used as car bays:

BAGGAGE STORES / TRANSPORTABLE BAGGAGE STORES

BAYS TOO SMALL / AWKWARD TO PARK

BICYCLE LOCKERS / RACKS / CAGES / MOBILITY SCOOTERS

CAR PARKING OFFICES

ENTRANCES / EXITS TO BLOCKS

FIRE EXITS/FIRE HOSE REEL STORAGE

LOW CEILING HEIGHTS/OPEN TO ELEMENTS/PILLARS

164 Former Bays removed from the system in 2008

In addition to the original 100 transportable baggage stores located in Breton, Bunyan, 03 Willoughby and Lauderdale car parks, utilising 41 former car parking bays

Visitors Bays

With the exception of Thomas More Car Park which has twelve designated visitor's bays (not included in figures) all the other car parks utilise the vacant bays.

Heron Tower Development

July/August 2013 - 184 sold bays Heron - 03 Willoughby (76 bays) and Speed (108 bays) car parks

24 temporary commercial bays at Breton House car park is for 1 contract

Appendix 3.

HISTORY OF BARBICAN ESTATE CAR PARKING BAY USAGE NOVEMBER 2015

Date	Residential Let Bays	Residential Let Bays +/-	Commercial Let Bays	Sold Bays	Total Usage	Total	Occupancy %	Comments
Mar-04	843	-	19	123	985	1,769	55.7	
Apr-05	869	3%	11	125	1,005	1,769	56.8	
Jun-06	863	-1%	20	134	1,017	1,702	59.8	67 Car Parking Bays reduced due to Milton Court
Dec-07	848	-2%	35	117	1,000	1,702	58.8	
Oct-08	820	-3%	46	169	1,035	1,538	67.3	Deutsche Bank started taking commercial bays. 164 Former Bays removed from system.
Oct-09	777	-5%	65	121	963	1,497	64.3	
Oct-10	752	-3%	77	118	947	1,497	63.3	20 Additional Residential for Frobisher Crescent
Oct-11	744	-1%	69	155	968	1,497	64.7	
Oct-12	737	-1%	89	153	979	1,508	64.9	
Nov-13	718	-3%	54	297	1,069	1,508	70.8	December 2012 - 38 Deutsche Bank commercial bays transferred from Speed - Breton car park (20 Surrendered) December 2012 - 19 City of London Police bays surrendered - Breton car park July/August 2013 - 184 sold bays Heron - 03 Willoughby (78 bays) and Speed (106 bays) car parks
Nov-14	691	-4%	51	295	1,037	1,508	68.8	
Nov-15	682	-1%	34	294	1,010	1,508	67	

History of Barbican Estate charges from 2004 to Date							Price change implemented					
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Residential Car Parking Per Annum	£990	£990	£990	£990	£990	£1,038	£1,038	£1,070	£1,126	£1,155	£1,183	£1,210
Commercial Car Parking Per Annum including VAT	£4,250	£4,250	£4,250	£4,250	£4,250	£4,460	£4,460	£4,700	£4,945	£5,073	£5,195	£5,314
Temporary Car Parking - (Over 5 hours in any 24 hour period)	£8.00	£8.00	£8.00	£8.00	£8.00	£8.50	£8.50	£8.75	£9.20	£9.44	£9.67	£9.89

Appendix 4. ANNUAL CAR PARKING CHARGES COMPARISONS NOVEMBER 2015

City of London, Corporation Car Parks	Annual Charges	Spaces	Manned	CCTV	Comments
Golden Lane Estate	£768.50	24	x	✓	Patrols not dedicated staff
Middlesex Street	£1,050.92	98	x	✓	Patrols not dedicated staff
London Wall Car Park	£740.00	218	✓	✓	Bays allocated on a first come first served basis
Barbican Estate	£1,210.00	1508	✓	✓	Manned 24/7

Car Parks in or adjacent to the city	Annual Charges	Spaces	Manned	CCTV	Comments
Charterhouse Square, EC1M	£3,400.00	-	x	✓	Gated Car Park beneath block of Luxury Apartments.
Christina Street, EC2A	£1,524.00	-	x	✓	Gated Car Park beneath block of Luxury Apartments.
Lever Street, EC1V	£2,544.00	-	x	✓	Gated Car Park beneath block of Luxury Apartments.
Cobalt Building, EC2Y	£3,000 to £4,000	-	x	✓	Gated Car Park beneath block of Luxury Apartments.
Goswell Road, EC1	£2,100.00	-	x	✓	Gated Car Park beneath block of Luxury Apartments.
Bartholomew Close, EC1A	£3,720.00	-	x	✓	Gated Car Park beneath block of Luxury Apartments.
NCP, Beech Street & Silk Street	£2,300.00	400	✓	✓	
NCP, Aldersgate Street, Saffron Hill, Finsbury Square & Thames Exchange	£3,000.00	670	x	✓	

Temporary Car Parking	5 Hours	24 Hours	Comments
Street Parking	£24	£115	£1.20 every 15 minutes
NCP, Aldersgate Street	£25.00	£35.00	
NCP, Beech Street & Silk Street	£15	£34	
NCP, Saffron Hill, EC1N 8XA	£22.50	£22.50	
NCP, Finsbury Square, EC2A 1AD	£42.00	£45.00	
NCP, Thames Exchange, EC4R 3TB	£36.00	£36.00	
Islington	£13.40	£13.40	
Barbican Estate	Free	£9.89	£9.44 After 5 hrs then covers for 24 hrs

