

<b>Committee:</b>	<b>Date:</b> 29 February 2016 14 March 2016
Residents' Consultation Committee (information) Barbican Residential Committee (decision)	
<b>Subject:</b> Service Based Review Proposals – Department of Community & Children's Services	<b>Public</b>
<b>Report of:</b> Director of Community and Children's Services <b>Report Author:</b> Barry Ashton – Car Park and Security Manager	<b>For Decision</b>

### Summary

1. The Service Based Review aims to deliver sustainable savings and/or increased income in order to balance City Fund and City's Cash over the medium term. The proposals put forward by Chief Officers were approved by the Policy & Resources Committee included a total of £844K for the Department of Community & Children's Services towards this overall target.
2. The Barbican Residential Committee (BRC) approved the 3 year budget reduction plan of generating income for 2017/18 of £124,000 for car parking and £30,000 for baggage stores as part of the City's Service Based Review in 2014.

### **Recommendation**

3. It is recommended that options 1, 2, 3 and 4 as set out in paragraph 10 are progressed. The completion of the Blake Tower residential development in late 2016 is likely to generate additional car parking income for 2017/18. Procurement of either 100 or 200 additional stores or possibly other storage options should satisfy current and future demand and lead to additional income for 2017/18. Market testing of the car parks for alternative uses such as a consolidation centre and storage (and the relevant planning process) could begin in the Spring of 2016.
4. The December BRC did not approve a 5% increase for car parking and a revised report is being presented at the same time as this Service Based Review options report. The recommendation of the car parking charging report is for an increase based on RPI (income for 2016/17) and the next report will be presented to BRC in December 2016 in the normal manner for the 2017/18 charges.
5. It is recommended that an updated Service Based Review report be presented to September/December 2016 BRC to review progress with the options and if there is anticipated to be a shortfall in achieving the 2017/18 budget plan then option 5 (change in car parking charging policy) and option 6 (reduction in staff costs) would need to be considered. Furthermore, a Strategic Audit of the car parks by Chamberlains Internal Audit may inform future car park strategy.

## **Main Report**

### **Background**

6. The Service Based Review was initiated in 2013 in response to forecast City Fund deficits over the medium term which were due primarily to large reductions in government funding, and the expectation of future grant reductions for the foreseeable future. City's Cash was subsequently included as deficits are also being forecast for this fund over the medium term.
7. The aim of the review is to deliver significant and sustainable savings and/or increased income in order to balance the two funds over the medium term. The overall target has been set at £20m by the Policy and Resources Committee.

### **Current Position**

8. Officers have been reviewing a number of options to achieve the budget plan for 2017/18 and following a meeting with the Planning Officers in December 2015, there are now three options to take forward:
  - utilising car park space for alternative uses
  - reviewing the car parking charges
  - reducing costs

### **Options**

9. This report provides a number of options for officers to progress in 2016 to achieve the budget plan (please also refer to the Appendix):
  - The completion of the Blake Tower residential development in late 2016 is likely to generate additional car parking income of circa £20k per annum(pa) (option 1)
  - Additional stores/storage space to meet demand and generate income of between £40k pa and £80k pa with the possibility of further income depending on demand and funding (option 2)
  - Potential for alternative uses of the car parks by market testing for a consolidation centre (parcel delivery centre) and/or storage (options 3 and 4)
  - A change in the charging policy to reflect obtaining best value from the car parks and not just the current Retail Price Index (RPI) which has been the basis for charges over the last 5 years (option 5)
  - Reduction in costs by reducing staff costs (option 6)

## **Proposals**

10.A summary of the recommendations are detailed in the table below:-

<b>Option Number</b>	<b>Option</b>	<b>Recommendation</b>	<b>Potential Income</b>
1	Residential Car Parking - Blake Tower development of 76 flats	Progress with new leaseholders	£20k
2	Additional residential stores/storage space	Procure 100/200 or more new stores 16/17	£40k-£80k
3	Consolidation Centre (parcel delivery centre)	Progress with previous interested parties and marketing letting agents	£50k-£60k
4	Storage Company Facilities	Progress with previous interested parties and marketing letting agents	£70k-£110k
5	Change in Car Park Charging Policy	Review charging policy, for example, charges based on 5% increase rather than RPI in December 2016 in conjunction with Strategic Audit of the Car Park Account	£48,796
6	Reduction in costs by reducing staff costs	Review in December 2016 in conjunction with City audit of the Car Park Account	£70k-£140k
<b>Required Additional Income</b>			<b>£154k</b>

## **Corporate & Strategic Implications**

- 11.The options in this report have been put forward following the City's Service Based Review and forms part of the Departmental Business Plan. These options have been developed in conjunction with the Planning and Parking Policies within the local Plan and the London Planning Policy
- 12.Officers have considered other options including marketing to potential external users and neighbouring developments for commercial parking but the City's Planning Officers have advised that this would be contrary to Condition 7 of the Planning and Parking Policies within the Local Plan.
- 13.City Transportation have also confirmed that commercial car parking would be contrary to policies to restrain commuting to the City by car and the Policy DM16.6 in the Local Plan does not permit new public car parks or the temporary

use of vacant spaces. Therefore, the City's Planning function would oppose planning permission being granted for commercial car parking so these options are not being explored further by officers.

14. Members will be aware that the City of London Operational Property Review completed last year has confirmed that there is currently an overall underutilisation of Car Park spaces provided by the City of London across various car parks it provides in the Central London area. A new strand of work is now commencing covering Municipal car parks operated by the Director of Built Environment, Markets (Smithfield), Barbican Estate Residential Car Parking and Barbican Centre car park. This cross-cutting workstream will consider the improved management of short term car spaces, matching demand to supply across all car parks by maximising lettings to third parties (possibly through additional services & tariff arrangements). The detailed evaluation of the options developed for the Barbican Residential Car Parking will be considered for synergies within this overall car parks workstream.

## **Conclusion**

15. The Service Based Review requires that we achieve £154,000 additional income in 2017/18 for the Car Parking and Baggage Store Account. If members approve officers progressing options one to four in this report we will be in a position to provide an update report in December 2016. If it is anticipated that there will be a shortfall in achieving the 2017/18 budget plan then options 5 and 6 would need to be considered.
16. 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.

## **Implications/Consultees**

17. The Chamberlain, City Surveyors, Chief Planning Officer and Comptroller & City Solicitor have been consulted in the preparation of this report.

## **Background Papers:**

- Car Park Strategy Stage One report 2009
- Barbican Estate Car Park Efficiency Strategy Working Party report 2011
- Car Park Charging Policy report 2016
- Baggage Store 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 2014

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