

CABINET

07 APRIL 2014

DISPOSAL OF COUNCIL ASSETS AT HANOVER STREET CAR PARK AND GEORGE HOUSE

ADDITIONAL INFORMATION

1. SUMMARY

- 1.1 Members will be aware that the report on this matter was deferred at Cabinet on 27th March 2014 to allow officers to carry out further validation of the data on which the projected car parking income had been based.
- 1.2 Officers have now had the opportunity to validate the car parking income data. To allow time for the work to be carried out, it was not possible for that information to be ready to be published until 4th April. Accordingly attached to this update members will find the following documents:-
- **Letter from Helen Tiffney of the Worcestershire Internal Shared Audit service**
 - **Amended report from the District Valuer John Page and updated Appendix D**

Members are asked to note that the sole change in the updated version of the District Valuers report is that value of the retained car park area is placed at £1,450 000 (one million four hundred and fifty thousand pounds). Officers have only reproduced Appendix D as there has been no change to the other appendices.

- 1.3 Members are asked to note the additional comments of the section 151 officer in relation to car parking income.

Car Parking income

Following the Cabinet meeting on 27th March 2014, officers have liaised with the Worcestershire Internal Audit team to request a full validation of the projected income for the new development. This work has been undertaken and their formal statement is attached.

During the Internal Audit review the assumptions made by the developers in assessing the income levels have been discussed and a number of revisions made which have resulted in a slight increase to the total income.

Assumptions have been made to include:

CABINET

07 APRIL 2014

- An actual hourly rate of 80p per hour rather than an average of £1 per hour
- All income based on a 24 hour charging policy
- Sunday parking to be assessed at a similar level as Monday – Thursday
- Income generated from occupancy between 17.00 – 09.00 to be at standard trip rates
- Income generated from occupancy between 9.00 – 17.00 to be at 50% capacity
- Income to be reduced to reflect the fee charged for managing the car park

Based on this information and with a full review by Internal Audit the gross income generated from the car park including the new site is estimated at £262k. For valuation purposes this reduces to £196k when VAT and management fee is deducted.

The revised valuation (as shown in Appendix D of the District Valuers report) is £1.450m. This is slightly higher than the previous valuation as the income projections have increased. This reflects an £670k increase to the current valuation of £780k.

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