

APPENDIX A – COMPLEX CHARGING OPTIONS.

This option bridges the gap between flat rate charging, and the more complex block by block charging, by charging in area based bands, with adjustments for condition. There are some variations around the application of bands, which will need careful explanation and communication. However, the proposal means that incentives and discounts can be clearly applied in the low demand areas in the centre of the borough, while additional income generated in the north of the borough can be committed to bringing the whole portfolio up to a higher standard. The projection for the current financial year is £1.25 million additional income net of costs.

The charging structure recommends a range of bands, with the highest bands applying in the high demand, and high cost north of the borough, with lowest bands applying to the lower demand centre and south of the borough. The recommended bands are set out in Table C below. You will note that the bands range from below the current charging rate to significantly above. More than one band can apply to each area, as we will also take into account the condition and location of garages in deciding charging.

Band	£pw
A	12.10
B	13.30
C	14.60
D	16.10
E	17.70
F	19.50
G	21.40
H	23.60
I	25.90
J	28.50
K	31.40
L	34.50

A Band will be specified for each estate within the range stated. Those locations that have extra security (eg fob controlled access gate before reaching the lock up garage) and are in good condition will be charged at one Band higher, whilst those with poor security and in poor repair would be charged at one Band lower.

These charges are significantly higher than current charges and so an option could be considered that tenants and leaseholders on nearby council estates (within 1 km) would receive a discount equivalent to a reduction to the next lowest Band. This reflects our desire that council residents make the most use of garages on their estates. This discount will not apply to freeholders on the estate or to others that live or work in the borough or choose to rent a garage as a base for their vehicle while they work in the city. We estimate that garage usage will balance out at about 70% by council estate residents and 30% by others.

The financial impact of this discount option has been included in estimates in this paper. If this option was not chosen and all users paid the same low market rate then the increased income would be £220,000 allowing for a slightly lower take up rate.

Whilst Option C has many attractions and would be sensitive to local circumstances it might seem unnecessarily complicated, and hence hard to explain to users. The main driver for price differentials is location and Option D below focuses on this with just four pricing zones.