

# Cabinet

30 October 2019

Report of: **Portfolio Holder for  
Growth and Prosperity**

## CAR PARKING CHARGES REVIEW

1.0	<b>Corporate Priority:</b>	<b>Decision Type:</b>
1.1	OG3: Becoming a more agile and commercial council; securing our financial future.	Key Decision
1.2	PL2: Developing a thriving town centre and rural offer; recognised as a great place to invest, live and visit	

2.0	<b>Summary:</b>
2.1	The Council is developing an ambitious strategy to support investment and improvement in housing quality, regeneration, environmental enforcement and customer services. In light of the ongoing financial challenge facing local government, to make these investments affordable the Council must also act more commercially and ensure it recovers reasonable costs in relation to the services it provides. Following a four year price freeze, this report sets out options to address the deficit in the car parking account by increasing charges. It proposes that two options should be considered for public consultation with a view to establishing the local preference. The report also seeks approval for the introduction of a cashless payment service in Council owned car parks.

3.0	<b>Recommendations</b>
3.1	<b>That Cabinet approve that a period of public consultation on the two car parking charge options set out in at Appendix 1 be incorporated within the wider Corporate Strategy 2020-2024 consultation.</b>
3.2	<b>That Cabinet approve the implementation of a free trial for cashless payments in Council owned Car Parks within Melton.</b>

4.0	<b>Reason for Recommendation:</b>
4.1	As a result of the car parking charge freeze over the past 4 years the Council is under recovering in relation to the costs associated with car parking and supporting services. Unless resolved this will undermine the council's ability to invest in key priorities which Councillors and the public have identified – including the potential to build more houses, improve customer services and tackle community and environmental issues through greater use of enforcement.

- 4.2 The proposed new car parking charges have:
- taken account of inflation over the last four years whilst also seeking to future proof the service for future years;
  - enable the council to maintain, repair and appropriately sign car parks and associated infrastructure;
- 4.3 The Council is aware that the current Tuesday premium represents a source of frustration for some users and therefore one of the options being consulted upon will see prices equalised across the week to see which is preferred.
- 4.4 Consultation is key to understanding the views of both residents and visitors to Melton and will help to shape any decisions Cabinet make in the coming months.
- 4.5 The adoption of cashless payments will provide multiple means of payment in our car parks and ensure easier and more convenient approach to being able to pay for parking to enhance user experience.

## 5.0 **Alternate Options Considered**

- 5.1 To leave car parking fees unchanged: Given the under recovery of costs associated with car parking currently and the fact that prices have been frozen for 4 years this is not recommended. If the under recovery is not addressed it will undermine the Council's ability to afford investments into other important areas which the Council wishes to deliver against on behalf of the community.
- 5.2 To not add car parking fee changes into consultation on the Corporate Strategy. This not considered a good option as it is important the public's views are taken into consideration when making a decision..
- 5.3 To not introduce a cashless payment system, this is not considered a good option as it will not meet the increasing expectation of cashless payment options to be available in car parks.

## 6.0 **Report Detail**

- 6.1 Off-street car parking is an important service provided to residents and visitors. Like most council services it represents a cost to the Council which has to be funded. These costs include maintenance, repairs, signage and enforcement. One mechanism through which these cost can be met is through the provision of car parking charges and control measures which recognise:
- The value of car parking spaces;
  - The needs of users of local facilities
  - Implications associated with the environment and climate change and the potential to invest income into environmental projects.
  - Desire to ensure car parking is self-sustaining and the need to maintain and improve car parks by re-investing income;
  - Consistency and fairness across the Borough through appropriate charging and proportionate enforcement
- 6.2 Two options proposed for consultation are:
- **Option A** maintains the current profile of charging across the week with Tuesday continuing to include a premium

- **Option B** proposes a set of charges which would equalise across the week

6.3 Both options being proposed within Appendix 1 give due consideration to the factors set out in para 6.1. It is anticipated they would generate additional income which would increase the sustainability of the car parking service and create the potential for investment in environmental projects, as well as the car parking service more generally.

6.4 In developing the two options the following assumptions have been used:

- That there is no more than a 4% reduction in usage throughout the year due to the changes.
- Overends (the amount over paid by some users as machines do not give change) remain the same throughout
- That the amount of car parking spaces stays the same
- Changes as a result of cashless parking options are not taken into account
- Waterfield car park income is taken out from analysis as refunds provided through use of the site
- No identifiable trend on annual passes therefore the 17/18 figures have been used
- Figures provided are net income and not gross.
- That 20 min free parking remains in place
- The long stay charges will apply to the Cattle Market site which is operated by the market to ensure consistency across all sites on market days.
- On street car parking which is currently free or 30 minutes is not affected.

6.5 **Equalisation of pricing across the week:**

Option A in appendix 1 maintains the current profile of charging across the week with Tuesday continuing to include a premium. Option B proposes a set of charges which would equalise across the week. Whilst Tuesday's currently account for 17.26% of ticket purchases across the week (averaged out over the course of a year), due predominantly to the premium charged, it accounts for 30.7% of the long and short stay parking income received. The argument at the time of its introduction was in relation to the increased demand and number of visitors due to market day. Anecdotally it has been suggested that the Tuesday premium is unpopular, however the income generated on that day is something which the Council and the car parking service is reliant upon. Any proposal which is taken forward has to both protect and increase the level of income generated, so as to address the current deficit. The Council is however prepared to consider an option which would equalise the charge across the week and therefore remove the Tuesday premium. Naturally prices on other days would have to rise more sharply to accommodate the reduction on Tuesdays. The details for options A and B are set out in appendix 1.

6.6 **Free 20 minute parking:**

The Council currently provides free parking for up to 20 mins in a small number of designated areas within car parks within the town. By introducing a 20p charge for these designated 20 minute bays, it would be possible to generate an additional £7k per year (based upon current usage). This would be included

within the consultation recommended for approval as a supplementary option as part of the overall car parking package. On street car parking would remain outside of this proposal and therefore would remain free for 30 minutes.

#### **6.7 Sunday and evening parking:**

Evening and Sunday parking is currently provided at no cost. There is an option to charge a nominal fee to further support the aspiration to ensure the car parks are self-sustaining including maintenance, environmental initiatives and enforcement. Consultation on introducing an evening and Sunday charge on the St Marys car park only would be included within the consultation recommended for approval. This proposal would bring the costs in line with those car parks currently located next to it (CO-OP and Kings heads) which currently charge 24hrs, albeit it at different rates to one another. The charging hours would be between 6pm and 7:30am and a one off cost of 20p would be levied for this time period.

It is proposed that any income generated from this specific charge would be ring fenced to support environmental and climate change projects in support of the Council's recent declaration of a Climate Emergency.

#### **6.8 Season Tickets**

It is proposed that as part of the new charging schedule season ticket prices will be reviewed and increased once every 2 years from 2021 onwards in accordance with inflation.

#### **6.9 Disabled parking bays**

The potential for charging for disabled parking bays usages was put forward as part of the initial stages of analysis into charging options for our car parks. This option has been removed from the proposals being put forward as part of this consultation as members considered it important to continue to provide this free of charge.

#### **6.10 Introduction of cashless payment system:**

As part of the desire to invest in and improve council services, options have been considered in relation to introducing a cashless payment system in Council owned car parks.

One of the key considerations is ensuring any new system can be integrated with the Council's car parking enforcement provider; currently undertaken through Harborough District Council (HDC). HDC has recently secured a cashless provider on a 1 year trial. This system is compatible with the enforcement officers PDA's and ensures mistakes when handing out tickets are reduced. Melton Borough Council is able to undertake a similar free trial option for a cashless payment system inline with that used by HDC. Subject to the effectiveness of the trial an appropriate procurement route would be established for rolling out the system permanently which would be a competitive process.

Any charge for use of the new system are passed onto the user (10p per transaction).

In-depth monitoring and statistics of usage would become available to the Council through the new system in order to assess usage, effectiveness and uptake. This information would be helpful in informing any future decisions made as part of a wider car parking strategy and would help evaluate the impact of any increase in car park charges.

#### 6.11 Cashless car park considerations:

- It is unlikely the introduction of a cashless payment option will change income figures drastically in the first year.
- Visitors and residents are increasingly expecting cashless payment options to be available in car parks. The service provides call, text and app payment solutions and sits along side traditional machine based payment option. It is suggested the driver behind the implementation of this service is enhancing resident and visitor experience when in the town.
- There is a risk that income currently generated from enforcement activity could reduce (currently £42,000 pa) due to ability to increase car parking time via the app and the apps functionality which enables users to receive warnings as to when parking is running out; but again this should contribute towards improving the customer experience.
- Advertising, marketing and signage costs to be pick up by supplier
- Maintenance of the system is picked up by the supplier
- Cost of use of the app and system picked up by the end user.
- There is some potential to generate income as 3p of every 10p charge comes back to the Council. This is difficult to predict how much this could generate but if 10% of transactions went through the app this could generate approximately £450 per year
- All car parking income charges paid through the app come to the Council. And the contractor would take a transaction charge from what the consumer pays.
- Melton Town Estates currently use Ringo to provide their cashless payment options; the introduction of a new supplier may cause some confusion during its initial rollout. This can be managed through an effective communications campaign and whilst unfortunate is difficult to fully mitigate given the requirement to integrate with the HDC enforcement team's systems.

#### 7.0 Consultation and Feedback (including Scrutiny Committee)

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| 7.1 | The options have been developed by the Cabinet in consultation with the Senior Leadership Team.  |
| 7.2 | The two options set out in appendix 1 will be incorporated into the wider corporate strategy consultation due to commence in mid-November. Subject to the views expressed a further decision will be taken which will confirm the Council's proposal and this will be subject to statutory consultation in the new year. |
| 7.3 | Options in relation to free 20 minute parking and Sunday and evening parking will be included within the consultation.   |

<b>8.0 Next Steps</b>	
8.1	To incorporate the proposed car parking charging options within the wider Corporate Strategy 2020-2024 consultation to gain feedback and to inform a further decision
8.2	In January the Cabinet to make a decision on the preferred option and to undertake statutory consultation on that option.
8.3	Subject to that decision to vary the car parking order to reflect new parking charge structure
8.4	To instruct cashless payment provider to begin work on introducing cashless payment system to the Council's car parks by 1 <sup>st</sup> April 2020
8.5	To get new signage indicating new charging structure and implement changes (31 <sup>st</sup> March 2020)

<b>9.0 Financial Implications</b>	
9.1	Depending on the charges finally introduced and the impact this has on usage it is expected that an additional £150k could be secured based on the assumptions and caveats outlined in section 6.2
9.2	Any additional income received from the cattle market as a result of these increases has not been factored into the predicted income identified within Appendix 2
9.3	The introduction of Sunday and evening charging at St Mary's car park is anticipated to generate income of circa £1k
9.4	Introduction of cashless payment may lead to a decrease in the level of income received from enforcement activity due to the ability for users extend car parking stays easier via mobile technology.
9.5	Further detail of projected income can be seen in Appendix 2.

<b>10.0 Legal and Governance Implications:</b>	
10.1	As part of the legal process to vary the Off Street Parking Places Order, the Council are required to conduct a formal consultation process which includes the placement of public notices in the car parks giving details of the proposal and the publication of notices (s.35C Road Traffic Regulation Act 1984).
10.2	The Parking Places (Variation of Charges) Act 2017 also makes provision in relation to the procedure to be followed by local authorities when varying the parking places.

<b>11.0 Equality and Safeguarding Implications:</b>	
11.1	An EIA will be completed at the point a preferred option has been identified.

**12.0 Community Safety Implications:**

12.1 N/A

**13.0 Other Implications**

13.1 The Cattle market currently charges a flat rate on Tuesdays, if MBC is to change car parking it will need to ensure the cattle market charges change to reflect these.

**14.0 Risk & Mitigation:**

14.1 Socio-economic impact: increasing charges could have a negative impact on the community but any uncertainty can be mitigated through clearly explaining the need for these charge increase and giving users the chance to inform them through consultation

Financial impact: increases could lead to a reduction in car parking usage above and beyond what is expected and thus the income levels the Council expects are not achieved. There is little evidence that previous increases have significantly affected usage, particularly in the medium and long term. The introduction of a cashless payment method will make it significantly easier for users to park and pay this could mitigate against a reduction in use.

On street parking - parking in residential areas causing issues for residents around the town centre. To avoid car parking charges some people may choose to park in neighbouring residential areas and walk into town. This is something that would need to be closely monitored with a view to the Council increasing enforcement/restrictions and /or considering alternate options such as a permit schemes.

14.2

<b>L I K E L I H O O D</b>	<b>A</b>	<b>Very High</b>				
	<b>B</b>	<b>High</b>				
	<b>C</b>	<b>Significant</b>			<b>1</b>	
	<b>D</b>	<b>Low</b>		<b>3</b>	<b>2</b>	
	<b>E</b>	<b>Very Low</b>				
	<b>F</b>	<b>Almost Impossible</b>				
			<b>Negligible 1</b>	<b>Marginal 2</b>	<b>Critical 3</b>	<b>Catastrophic 4</b>
<b>IMPACT</b>						

Risk No	Risk Description
1	Reputational hit to Melton Borough Council for increasing prices from residents, commuters and tourists
2	Occupancy use declines and expected income doesn't materialise
3	Increase use of residential areas and illegal parking on the highway (e.g. double yellow lines)

### Background Papers:

None

### Appendices

Appendix 1 – charging options and current prices  
Appendix 2 – expected income generated from options

	Report Timeline:	Date of sign-off: (to be completed by)
	Equalities Check & Challenge	N/A
	SLT Sign off	N/A
	Previously Considered by Cabinet	N/A
	Director Approval	22.10.10
	Legal Approval	14.10.19
	Finance Approval	14.10.19
	Chief Finance Officer Sign Off	22.10.19
	Monitoring Officer Sign Off	21.10.19

### Report Author

Lee Byrne, Regeneration Manager

☎: 01664 502589