

1.0 Service statistics

- The Council currently operates 38 pay and display car parks providing an overall total of 4,073 spaces. Of these car parks, 21 are long stay car parks, 11 are short stay and 7 are classed as beach car parks.
- The existing tariff system was introduced in April 2009 and prices have remained constant since. In the same period the Retail Price Index has increased by 18%.
- Under the existing system, car park tariffs are uniform across the County for all town centre car parks except for where a local subsidy exists.
- Gross car park income fell from around £1.08 million per annum in 2012/13 to £940k in 2013/14, a drop of £140k, which was mainly attributable to the opening of Parc Prestatyn and the subsequent impact on car park revenue in both Rhyl and Prestatyn town centre car parks. This deficit is cross-subsidised from the Highway Maintenance budget.
- One of the key findings of the Traffic and Parking Review was a lack of short stay parking spaces in many of Denbighshire's town centres, both within car parks and on-street spaces.
- Additional enforcement and standardisation of time limits is now being undertaken to improve the availability of on-street short stay parking spaces.

2.0 Context of proposed changes

- Car park pricing should be considered as a policy tool to increase the availability of short stay spaces in car parks. For example, the current charging regime means there is no trade off to be made between location and price. This means that car parks closest to the shops become full quickly meaning that there are very few spaces available in these car parks for those shoppers who arrive later on in the day. Anecdotal evidence suggests that the existing 4 hour band has reduced sales of the all day tariff, especially for parking by shop and office workers.
- For example, a motorist can purchase one 4 hour ticket upon arrival in the morning and a further 4 hour ticket at lunchtime for a combined cost of £2 (or £1 in Ruthin) to avoid paying the all day tariff of £3.50.
- An increase in revenue will be necessary to fund additional investment in Pay & Display machines in order to reduce the future requirement for capital funding and any uncertainty around that source of funding. For instance, the total cost of replacing all the Pay and Display machines in one go would be approximately £270,000.
- In order to improve convenience for motorists, there will also be an ongoing need to invest in advanced payment technologies for Pay and Display machines. This will offer alternatives to paying with coins, such as contactless payment and payment by smart phone.
- It is proposed that a new tariff system is introduced to create a greater cost differential between short stay and long stay car parks. It is also proposed to reduce the time duration for the third tariff band from 4 hours to 3 hours.
- The changes proposed would enable shoppers to make a "trade-off" between price and convenience, thereby improving the availability of short stay parking at all times of day.

- The increase would also partially fund further investment in the modernisation of the pay and display machines to enable more flexible and convenient payment options to be made available in the future.

3.0 Financial Information

The total income from Pay and Display tickets for financial year 2014-15 was £864,688. The total income from car park permits was £81,803. The targeted budgetary income was is £1,008,018, i.e. a shortfall of approximately £150,000

The present system of car parking tariffs was implemented in April 2009. It consists of identical charges for all town centre car parks across Denbighshire, for all lengths of stay up to and including 4 hours. All day rates are also the same across Denbighshire and are £3.50 for long stay car parks and £7.00 for short stay car parks. Please see table below.

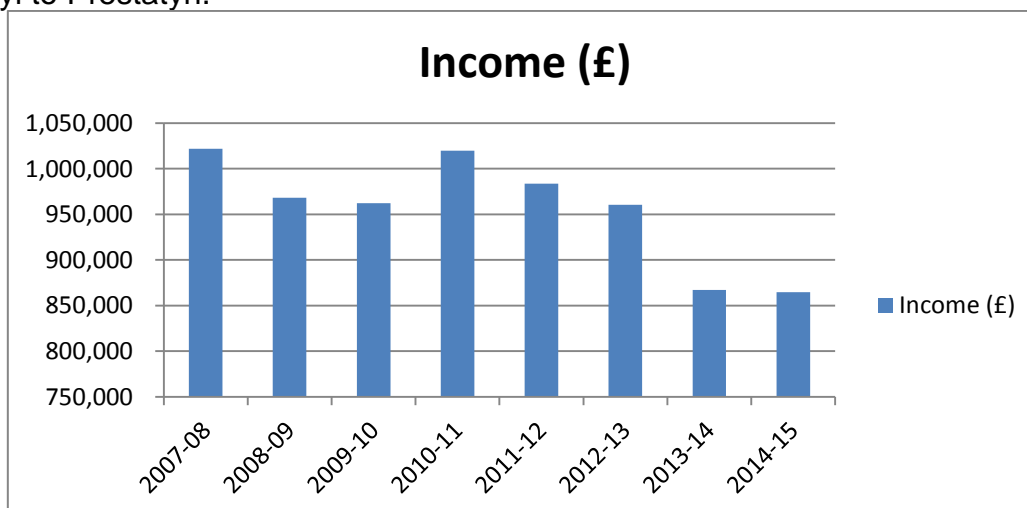
Duration of stay	Cost
30 mins	10 pence
1 hour	50 pence
4 hours	£1.00
All day (Long stay car park)	£3.50
All day (Short stay car park)	£7.00

Please note that different rates apply to beach car parks and certain other locations such as St Peter's Square in Ruthin and Rhyl Promenade. Different tariffs are currently in place in Ruthin because the Ruthin Member Area Group has chosen to subsidise parking charges whilst funding allows.

Short stay car parks are normally those located closest to retail centres, although there are some exceptions to this, plus examples of where permit holders can park all day in short stay car parks.

Loss of revenue

The table below shows car park revenue for the past eight financial years. Parc Prestatyn opened in March 2013 which is the reason for the noticeable drop in income between financial years 2012-13 and 2013-14 onwards. The reason for this was, in effect, a step change in parking habits in Prestatyn owing to the large, free shopping park car park and a similarly dramatic change in shopping habits as a significant number of shoppers migrated from Rhyl to Prestatyn.



4.0 Traffic and Parking Review

One of the key findings of the Traffic and Parking Review was a lack of short stay parking spaces in many of Denbighshire's town centres, both within car parks and on-street spaces.

The parking surveys undertaken for the Traffic and Parking Review demonstrated that one of the problems with the current tariff system is that charging the same in short stay and long stay car parks for all tariffs up to 4 hours in duration results in many central car parks often being close to capacity, therefore, reducing availability for motorists who don't arrive at the beginning or end of the day.

On-street parking bays provide convenient free parking, usually in close proximity to shops. Surveys undertaken for the Traffic and Parking Review found many examples of such bays being occupied by vehicles for periods between 4 and 6 hours, in other words, far beyond the time limit for these bays. This was resulting to vastly reduced availability of short stay spaces for shoppers. To combat this, increased enforcement of these bays is now being undertaken by Denbighshire's Civil Enforcement Officers. In the longer term it is also proposed that some standardisation of times is implemented to make enforcement simpler and to improve consistency between parking bays for the public.

5.0 Neighbouring authorities

A table showing tariffs charged by some of the other local authorities in North Wales, plus the shopping precinct in Rhyl, is included in Appendix C. This table shows that, with the exception of Flintshire, car parking tariffs in Denbighshire are currently significantly cheaper than elsewhere in the region both for short stay and long stay parking.

6.0 Opportunities

Short stay spaces are vital for capturing passing trade and for helping town centres to compete with alternatives such as supermarkets and retail parks.

Building more car parks or creating additional on-street parking spaces may often not be feasible owing to the costs involved or because there simply is not the physical space available.

£45,000 of capital funding from the Highways and Environmental Services Capital Block Allocation has already been secured to upgrade the existing Pay & Display machines so that they are linked to a central computer in order to provide real time information regarding income patterns such as by tariff band, time of day, day of the week and time of year and so on. It is important that we continue to invest in these machines to keep them well maintained and to begin to offer more high-tech methods of payment such as contactless payment, payment by debit/credit card and payment by smartphone. This is in addition to the existing Pay by Phone facility that is available in some of our car parks. Offering such facilities will ensure that we maximise convenience for shoppers, for example by avoiding the need for them to carry loose change.

7.0 Review Methodology

A pricing model has been developed to examine the impact of varying parking charges and potential impact upon the number of pay and display tickets sold. This effect is known as pricing elasticity. The British Parking Association (BPA) has published a research paper that includes a section regarding pricing elasticity for car parking. This paper lists factors of

elasticity, which are found to vary by parking duration and these factors have been used in the pricing model developed.

Data from pay and display machines in all Denbighshire car parks has been obtained in order to provide a breakdown of how many pay and display tickets have been sold for each pricing tariff band. This data has been used in order to quantify the likely impact on revenue of tariff increases.

8.0 Proposed charging pattern

The Traffic and Parking Review has highlighted the need to increase the availability of short stay parking across the County. The availability of the existing short stay on-street parking will be increased through increased enforcement and some standardisation of the time limits that apply to these bays.

As already discussed in this report, the existing short and long stay parking tariffs are identical except for the cost of the all-day tariff which is £3.50 in long stay car parks and £7.00 in short stay car parks. Whilst this pricing structure is intended to discourage all-day parking in short stay car parks, in reality, there is anecdotal evidence that some shop and office workers purchase a 4 hour ticket in the morning and a second 4 hour ticket at lunch time, effectively providing all day parking for a total of £2.00 (2 x 4 hour tickets at £1.00 each) as opposed to the usual all-day rate of £3.50 or even £7.00. It is obviously not possible for everyone to buy two 4 hour tickets in this way, but there are undoubtedly enough people doing it to noticeably reduce the availability of spaces in some short stay car parks.

As the first three tariff bands are identical between short and long stay car parks, this effectively offers no “trade off” to be made between price and convenience. The reason that various car parks were originally designated as short stay parking is because they are usually the closest to the shops and are, therefore, the most convenient for shoppers. The current pricing structure results in short stay car parks filling up first which offers little availability of spaces for those arriving later in the day.

With the above issues in mind, two options have been developed to create a pricing differential between short stay and long stay car parks. Doing this effectively allows shoppers the option of paying a higher rate in exchange for the convenience of a parking space close to their destination, or alternatively, paying a lower rate to park in a car park that is less conveniently located.

The proposed new charges are summarised in Appendix B. As well as increases in the tariff costs, another change proposed is to reduce the time limit for the third tariff band from 4 hours to 3 hours. This proposed change is designed to discourage the practice of buying two 4 hour tickets instead of purchasing an all-day ticket.

The proposed charges would see the average cost per ticket sold increase by 37.3 pence and would be likely to increase income by around £250k. This option would enable prices to be frozen for roughly 3 years and would also at least partially fund a programme to modernise pay and display machines, such as through providing more flexible payment options.

The absolute minimum increase would average out at 20.9 pence per ticket. However, there would be no scope for funding the modernisation of the pay and display machines and any reduction in turnover would put the council back into a deficit position

The proposal is not to change the current all-day parking tariffs, or for residents' permits. There would also be a freeze for the all-day tariff for beach car parks in the summer. The winter tariffs for beach car parks would also be frozen, with the all-day winter beach tariff would actually go down from £3.50 to £2.00.

8.0 Conclusion

The proposed price rises identified above would bring Denbighshire prices to a similar, if not slightly lower level than the prices that are now in place in Conwy CBC car parks. These proposed changes would improve the availability of short stay parking in town centres, whilst freezing the all-day parking charges for all car parks.

Prices should not need to be reviewed until 2020. This would avoid the cost associated with changing tariffs, e.g. changes to signage, and the advertisement costs associated with statutory notices.