

APPENDIX A – OCTOBER 2016 REPORT

Report To: Communities Scrutiny Committee

Date of Meeting: 27th October 2016

Lead Member / Officer: Cllr David Smith / Graham Boase

Report Author: Mike Jones

Title: **County-wide impact of the increase in parking charges**

1. **What is the report about?**

To examine the impact of the parking charge increase implemented on 1st April 2016 on Denbighshire town centres. The report doesn't consider the potential wider use of staff car parks belonging to Council office buildings as they're managed by Property.

2. **What is the reason for making this report?**

A request was made by the SCVCG for a report to examine the impact that the increase in parking charges has had on town centres in terms of numbers of visitors.

3. **What are the Recommendations?**

That the Committee:

- i) Considers and comments on the content of the report.
- ii) Considers and comments on the proposed actions detailed within Appendix A.
- iii) Considers another report in a year's time to review progress.

4. **Report details**

Background

- 4.1 The County-wide old and new parking tariffs are provided in Appendix B. These reflect the first increase in charges since April 2009 (i.e. 7 years)
- 4.2 The charge for parking permits has remained unaltered, for example, an annual permit for use in our long stay car parks still costs only £104.34.
- 4.3 The long standing initiative of allowing each Town Council to nominate 5 free parking days a year in their town has been retained, as has the initiative of implementing daily free parking after 3pm in town centres for the 4 weeks leading up to Christmas.
- 4.4 The decision to increase the parking charges this year was taken by the Head of Highways and Environment following the production in March 2015 of the Denbighshire Town Centre Parking & Traffic Management Study and subsequent discussions at Communities Scrutiny in July 2015 and at the F&F budget meeting with Members in October 2015.
- 4.5 The reason for the increase was to (i) increase income in order to address a budget deficit (the budget income for car parks had not been met for a number of years, which created a significant year on year budget pressure), (ii) to provide sufficient revenue to allow investment in car park infrastructure such as new payment machines, and (iii) to better manage town centre parking by increasing the turnover of spaces in short stay car parks to increase the availability of spaces for shoppers.

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- 4.6 In coming to the decision that fees should be increased, Members confirmed that a County-wide consistent level of charging across public car parks should be retained.
- 4.7 In practice, however, there are local circumstances that result in different charges applying “on the ground” (e.g. potential for Town Councils or previously MAGs to “subsidise” lower charges in certain car parks which has happened previously in Ruthin, and is currently the case in Prestatyn and Denbigh. In the case of Llangollen, a higher charge was set in Market Street car park to cover the cost of a staff member working as a Coach Parking Attendant within that car park for several hours a week).

Public reaction to price increase

- 4.8 Approximately 35 complaints/concerns from the public have been received since the new charges were introduced. Of these, the vast majority were specific to Denbigh with equal proportions of the remainder specific to Rhyl, Prestatyn and Ruthin.
- 4.9 The complaints/concerns are mostly linked to the perceived detrimental impact the fee increase has had on certain town centres. As the vast majority have come from Denbigh it seems that the fee increase has had a disproportionate impact in Denbigh.
- 4.10 Officers met Denbigh MAG and Denbigh Town Council to discuss the issues around the increased charges. This led to some initiatives being introduced by Officers under delegated powers, such as, introducing a some free spaces for the first hour (2 hours for disabled spaces) in one car park, re-designation of a Short Stay Car Park to Long Stay, and the introduction of a Town Council subsidy to vary charges in Vale Street Car Park for the rest of this financial year and possibly beyond.

Monitoring of impact from a car park/revenue perspective;

- 4.11 Parking income is recorded on a monthly basis for each car park in the County, which has enabled a comparison of income for April to August this year, with the same period last year. The comparison figures are attached as Appendix C.
- 4.12 Across all car parks, April 2016 saw a small reduction in total income compared with April 2015. However, the 4 months since have shown significant increases in income.
- 4.13 Income figures alone do not convey car park usage, so further analysis has been undertaken to compare numbers of tickets sold. Due to the limitations of the old ticket machines, this has been a labour intensive process. Future investment in modern pay and display machines will allow this kind of information to be obtained easily.

Comparison of ticket sales

- 4.14 Appendix D shows a comparison of ticket sales by car park, by town and by tariff.
- 4.15 Ticket sale data for April this year showed a 31% drop in total ticket sales compared with April last year. This can be explained by:
- i) Initial adverse reaction to the price increase
 - ii) Unseasonably cold and wet weather in April this year
 - iii) The Easter Bank Holiday weekend falling in March 2016 but in April in 2015.

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- 4.16 Ticket sales from 1st May to 31st August fell by 9% when compared with last year.
- 4.17 Some fluctuation in ticket sales isn't unusual from year to year, even without a price change, (for example, ticket sales in June 2014 were 7.6% less than June 2015.)
- 4.18 Parking Permit sales have increased by 18% this financial year to date, compared with the same period last year. As permit prices didn't increase, it's evident that more residents have purchased permits this year, which will inevitably reduce ticket sales.
- 4.19 Owing to the significant difference between April and the other months, and the potential skew in the data that this creates, Appendix D contains two tables. Table 1 shows the data with April included, and Table 2 shows the data with April excluded.
- 4.20 Comparing ticket sales for the period from 1st May to 31st August 2016 with the same period in 2015 shows that sales of 30 min tickets are mostly unchanged, sales of 1 hour tickets have increased by 7% and all day ticket sales have increased by 124%.
- 4.21 The sale of 3 hour tickets (formerly 4 hour tickets) has reduced by nearly 32%. This significant reduction is undoubtedly a result of the increased charges and the reduction in the duration of that tariff band from 4 hours to 3 hours. In the context of the other data, it is likely that the following practices are occurring:
- i) Based on previous anecdotal evidence and a number of the complaints that we've received since April 2016, some people who work in our town centres were previously purchasing two 4 hour tickets; one in the morning and one at lunchtime to park all day in either short stay or long stay car parks for a total cost of £2.00 (£1.00 per 4 hour ticket), but this is no longer feasible now that we've increased the cost and reduced the duration of this tariff band from 4 hours to 3 hours. Since this tariff change, these individuals are likely to have either bought an annual parking permit instead; found an alternative free parking location; or started buying all day tickets instead.
 - ii) It is also likely that some people are buying a 1 hour ticket instead of a 3 hour ticket and are carrying out their business more quickly, where previously they may have bought a 4 hour ticket and stayed longer in the town centre.
- 4.22 The picture between different Towns in the County is even more complex. Llangollen and Ruthin have both seen no real significant change in ticket sales compared with last year, yet ticket sales in Rhyl, Denbigh, Prestatyn and Rhuddlan have dropped by 24%, 18%, 10% and 18% respectively compared with last year.
- 4.23 It is noticeable that Rhyl has experienced the biggest drop in ticket sales, yet this has generated comparatively few complaints compared with elsewhere in the County. One possible explanation for this is that Rhyl has a greater supply of alternative parking locations including private car parks (e.g. White Rose Centre and Morrison's Supermarket); a significant number of free on-street parking bays subject to a time limit; and free unrestricted on-street parking slightly further out from the town centre.
- Business Survey regarding impact of increase in charges.

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- 4.24 The Council's Economic & Business Development Team carried out a brief "soundbite" survey of business across the County in June in order to receive some focussed feedback on the increase in the charges. Please see Appendix E.

Conclusion

- 4.25 Based on our analyses of income received and overall ticket sales, the impact of the price increase across the County as a whole has generally been less than some had feared, notwithstanding the initial adverse reaction that occurred in April immediately following the fee increase. This accords with the findings of previous research to examine the link between parking and town centre retail, including the WG study, "Assessing the Impact of Car Parking Charges on Town Centre Footfall".
- 4.26 However, it's considered that there's still significant scope to improve our parking facilities and systems; Appendix A lists potential interventions to achieve that aim.

5. How does the decision contribute to the Corporate Priorities?

Developing the local economy - Better management of town centre parking to increase the turnover and availability of spaces in short stay car parks especially.

6. What will it cost and how will it affect other services?

It cost approximately £11,000 to implement the price increase. The bulk of this figure was the cost of reprogramming the pay and display machines. Total pay and display machine income from 1st April to 31st August 2016 was £193,225 higher than the same period in 2015. (This includes beach car parks and pay and display car parks).

7. What are the main conclusions of the Well-being Impact Assessment? The completed Well-being Impact Assessment report can be downloaded from the [website](#) and should be attached as an appendix to the report.

2 Stars. Actual score 12 out of 24. Please refer to Appendix F.

8. What consultations have been carried out with Scrutiny and others?

A paper was submitted to SCVCG in July 2016 which led to this report being requested.

9. Chief Finance Officer Statement

Car parking has consistently overspent over the last couple of years by around £150k. During this time the service has also been unable to provide the necessary investment in the infrastructure of the car parks, resulting in a backlog of works. The additional income resulting from the changes to parking charges will be used to firstly address the historic income shortfall to cover the running costs. Any further additional income will be used to invest in car parks and the wider highways infrastructure.

10. What risks are there and is there anything we can do to reduce them?

Not recognising that our car parks are gateways to our towns, whilst also balancing the need to ensure income can fund improvements and day to day maintenance.

11. Power to make the Decision

Road Traffic Regulation Act 1984

Section 7.4.2 of the Council's Constitution outlines Scrutiny's powers with respect to examining the impact of decisions and the application of policies.