

Report to	Performance Scrutiny Committee
Date of meeting	13th March 2025
Lead Member / Officer	Lead Member for Environment and Transport / Head of Planning, Public Protection and Countryside Services
Report author	Traffic and Transportation Manager
Title	Car Park Income

1. What is the report about?

- 1.1. This report is about the additional car parking income that was forecasted to be generated by increasing car park tariffs, extending charging hours and introducing charges in car parks that were previously free to use.

2. What is the reason for making this report?

- 2.1. Current projections estimate that the additional car parking income for financial year 2024-25 will be significantly less than the target originally forecasted.

3. What are the Recommendations?

- 3.1. That Performance Scrutiny Committee note the contents of this report and provide observations on the report's findings and proposed further actions.
- 3.2. That a proposed new car park tariff structure, is developed by officers and brought back to Scrutiny in Autumn 2025.

4. Report details

Background

- 4.1. As part of the work to make savings and increase income for financial year 2024-25, we implemented the following measures relating to our car parks which were predicted to generate an additional £699k of income:
- Increased the tariffs in all our pay and display car parks
 - Extended car park charging hours to 11pm (previously 5pm)
 - Increased the cost of our car park permits
 - Introduced charging in some of our remaining free car parks
- 4.2. The predicted £699k increase was made up of £591k from the tariff increase, £60k from evening charging, £30k from introducing charging in free car parks, and £18k from the permit cost increase. An explanation of how these individual figures were derived is provided in Appendix A.
- 4.3. The old and new tariffs are shown in Appendix B. The new tariffs represented a substantial increase over the old tariffs, to reflect the amount of inflation that had occurred since the tariffs had previously been increased in April 2016.
- 4.4. Actual parking income for April to November 2024 inclusive was £1,376k. This compares to a figure of £1,154k for April to November 2023. This equates to £222k of additional income over that period which represents a 19.2% increase.
- 4.5. Applying a 19.2% increase for the rest of this financial year would result in £295k in additional income compared with financial year 2023-24. This would still represent a shortfall of £404k below the £699k target increase in income.
- 4.6. The table in Appendix C compares pay and display income by town, for the period from April to November 2024 inclusive, and for the same period in 2023.
- 4.7. Appendix C demonstrates a wide disparity in the amount that parking income has increased in some towns compared to others. Excluding the £30k relating to introducing charges at free car parks, which hasn't yet been implemented.

The target to increase income by £669k equated approximately to a 45% increase in car park income. This target percentage increase has actually been exceeded in Denbigh, Rhuddlan, Ruthin and St Asaph, albeit the actual amounts of income for Rhuddlan and St Asaph are comparatively small.

- 4.8. However, most significantly, income only increased by 10.1% for April to November 2024 in Rhyl, compared to the same period in 2023. This figure for Rhyl has a huge impact on the overall figure because car park income from Rhyl car parks accounted for 43% of our total car park income in 2023-24.
- 4.9. Prestatyn and Llangollen which in 2023-24 accounted for 19% and 22% of total income respectively, saw increases of around 30% for April-November 2024 compared to April-November 2023.
- 4.10. The likely reasons for the comparatively small increase in Rhyl parking income to elsewhere are multi-faceted. There was the temporary closure of SC2, the permanent closure of the Sea Aquarium and the ongoing coastal defence works which will have reduced visitor numbers and thus parking income.
- 4.11. However, it is likely that the biggest factor for the comparatively small percentage increase in Rhyl parking income is that Rhyl has at least 6 privately-operated car parks located in and around the town centre. These are generally cheaper than our own car parks, especially for shorter stays of up to 3 hours.
- 4.12. Our current policy of setting our tariffs by car park type (i.e. whether short stay or long stay) is inflexible and treats all towns/villages as if they're the same, when clearly this isn't the case. Instead, it is proposed that we develop a new system where tariffs are based on demand. This would mean charging higher tariffs for high demand car parks, i.e. popular, conveniently located car parks. Similarly, we would then charge relatively lower tariffs in car parks that exhibit lower demand, such as car parks in less convenient locations.
- 4.13. Another measure introduced to increase income was to change the daily charging period to 8am until 11pm; (previously it was 8am until 5pm). Whilst this represents a 67% increase in the charging period, we made an assumption that

this alone would only increase pay and display income by 5% above 2023-24 parking income levels which, rounded up, equated to a figure of £60k.

- 4.14. The additional income from charging in the evening is already included in the total income figures for 2024-25 to date. Ticket sales data for a range of car parks, shows good levels of ticket sales after 5pm, meaning that the assumption of 5% of additional income from evening charging is being exceeded.
- 4.15. We increased our parking permit costs from April 2024 onwards. These increases are shown in Appendix D.
- 4.16. There has been a larger than expected increase in permit income, as income has increased by a higher percentage than the increase in permit costs. This indicates that more permits are being sold, presumably due to more customers buying permits instead of buying pay and display tickets, which is partially reflected in the worse than expected increase in pay and display income.
- 4.17. Permit costs will be increased again in 2025-26 as our permits are generally still cheap compared to our neighbouring authorities.
- 4.18. The proposals included the introduction of charging at Vicarage Lane car park, Rhuddlan; the car park in Meliden, and the Marine Lake car park. Progress on this has been much slower than planned due to temporarily reduced staffing.

Recommendations

- 4.19. In summary, it is recommended that the following actions are taken.
- a) Develop a new car park tariff structure based on demand.
 - b) Prioritise the introduction of charging in three existing free car parks.
 - c) Increase parking permit costs further in 2025-26

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

5.1. This report provides an update on the impact of the car park tariff increase, so doesn't directly relate to delivery of the Corporate Plan.

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

6.1. Current car park income levels are creating a budget pressure of approximately £400k in the Traffic and Transportation Section's budget, albeit these have been partially offset by reduced expenditure elsewhere in the Section.

6.2. The recommendations in paragraph 4.19 are intended to reduce this deficit.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. A copy of the Well-being Impact Assessment undertaken for the 2024 tariff increase is included in Appendix F.

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

8.1. The proposal to increase charges was discussed at Communities Scrutiny Committee in October 2023. Statutory public notices of the increase were placed in each car park, on the DCC website and in the local press.

8.2. A report on the outcome of the tariff increase has been previously reported to the Budget and Transformation Board.

9. Chief Finance Officer Statement

9.1. The report explains the methodology for calculating the forecast increase in income from the increase in car parking charges, which was not unreasonable. Given the financial challenges faced by the Council and that car parking charges had not increased since 2016 there was a need to set an ambitious income target. As the target has not been reached, the service is right to review factors affecting the result. Some factors are outside of the Council's

control, could not have been foreseen and will be one-off in nature. Some factors however are now known and it is right that we review our approach to car parking tariffs as a result.

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

10.1. In addition to the competition from private car parks; financial year 2024-25 saw a number of factors with a negative impact upon car park income. These included unseasonably cold weather affecting many weeks of the Spring and Summer, and closures to certain attractions in Rhyl especially.

11. Power to make the decision

11.1. Paragraph 8.50 of Appendix 3 to Section 13 of the Council's Constitution.

11.2. Scrutiny's powers are set out in Section 21 of the Local Government Act 2000 and in Sections 7.4.1 and 7.4.2 of the Council's Constitution.