

HUNTINGDONSHIRE DISTRICT COUNCIL

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| Title/Subject Matter: | Review of Fees and Charges – Car Parks |
| Meeting/Date: | Overview & Scrutiny (Economy & Growth) – 6 October 2016 Cabinet – 20 October 2016 |
| Executive Portfolio: | Councillor Darren Tysoe – Executive Councillor for Operational Resources |
| Report by: | Beth Gordon – Operations Manager (Commercial Services) |
| Ward(s) affected: | All |

Executive Summary:

The last review and increase in car park fees and charges was completed on 1st April 2013.

The Council's 2015/16 Zero Based Budgeting (ZBB) process identified a requirement to achieve a £250,000 increase in the income budget for off street parking charges by 2020 requiring a review of car park charges.

This year's review of car park charges included:

- Analysis of 12 alternative models of charging.
- Car park designation by primary use
- A review of charges to enable retail designated car parks to offer a reduction in charged hours.
- A review of charges to support recreational use of the parks adjacent to Riverside car parks in Huntingdon and St Neots.
- A review of current charges against those in comparator authorities to ensure value for money.

The proposals include a 20p increase in short stay car parking, 30p for long stay car parking and a flat rate of £1 for long stay car parking for the first three hours.

The revised fees and charges will ensure that the Council can:

- Keep pay and display car parking charges fixed for the next 3 years.
- Offer value for money and consistency across St Ives, St Neots and Huntingdon when compared with comparator authorities whilst meeting the Council's pressures on funding.
- Encourage leisure use of our open spaces by the introduction of a free first hour in the Riverside car parks.
- Stimulate the local economy in our towns through a free parking period on Saturday after 3:00pm in retail designated car parks.

Recommendation:

That the Cabinet approve formal consultation be undertaken on the proposed fees and charges detailed in Section 10.2, Table 5.

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 This report provides a summary of the review undertaken on car park fees and charges that was required to achieve the additional car park income established within the 2015/16 ZBB programme.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 Car park charges were last reviewed over three years ago, with the last increase in implemented on 1 April 2013. Charges were found to be out of line with comparators in the region (Bedford Borough Council, Peterborough City Council and Cambridge City Council) and HDC's CIPFA comparator authorities. This is summarised in Table 1 below:

Table 1: Summary of Comparator Fees & Charges

| Comparator | 0.5 Hr | 1 Hr | 2 Hrs | 3 Hrs | 4 Hrs | Daily |
|--|--------|---------------|---------------|---------------|---------------|-------|
| Average for CIPFA Family Group | N/A | £1.08 | £1.82 | £2.40 | £3.23 | £5.83 |
| Average for Peterborough CC, Bedford BC & Cambridge CC | £0.84 | £1.48 | £2.67 | £3.19 | £4.17 | £6.65 |
| Huntingdonshire DC | £0.40 | £0.40 - £0.80 | £0.60 - £1.20 | £0.90 - £2.20 | £1.20 - £3.20 | £3.00 |

- 2.2 Within the 2016/17 budget, Cabinet agreed to achieve the additional £250,000 in car parking income identified within the ZBB process.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 The Leader and Executive Councillor for Operational Resources gave specific direction for the review of fees and charges:
- The fees and charges proposals must include for a clearer definition of car parks (Retail – short stay, Commuter/Worker – long stay and Recreational) that is readily understandable to customer. These are set out in Appendix A.
 - The proposed fees and charges must be consistent with the comparator local authorities and at the lower end of the fees and charges levied.
 - Increases to fees and charges shall not be disproportionately in favour of income generation over the interests of retailers and businesses in the District.
 - Fees and charges must be supportive to people wishing to undertake recreational activities in Riverside Park in Huntingdon and Riverside Park in St Neots.
 - The proposed fees and charges must be the only increases planned for the next three years.

- f) The proposed fees and charges should also help support through the additional income upgrades to car parks to improve the quality of service offered to customers.

3.2 An options appraisal report was considered by the Leader and Executive Councillor on 2 June 2016 that included:

- a) The comparison of charges levied by other local authorities in HDC's CIPFA benchmark group to provide the reference point for the review of HDC fees and charges.
- b) Twelve detailed options for increases to fees and charges were presented reflecting the market comparators; in order to be able to understand the possible increase achievable through a change to the current fees and charges.
- c) The preferred option was Option 12 in the report that included a differential increase in fees and charges for short stay parking (£0.20) and long stay (£0.30); with a flat rate of £1.00 for long stay parking because it delivered the additional income required by the ZBB programme and evidenced to offer value for money against the comparator fees and charges.
- d) The direction for the next iteration of the preferred option was for the re-designation of car parks against their predominant use; retail, commuter/worker and recreational to provide greater clarity on the pricing structure of the Council's car parks.

3.3 The revised Preferred Option (Option 12) was considered by the Leader and Executive Councillor on 26 July 2016. This included the re-designation of the car parks and the following additional proposals:

- a) Reduced charged hours on all car parks across the District on Saturdays, with no charges after 15:00 hours to directly support retailers and businesses. This being a significant extension of the free parking offer after 15:00 hours available in December each year. This results in £103,400 reduction in annual income. An option to extend a free after 4:00pm offer every day was unaffordable, resulting in a reduction in income of £274,000.
- b) A 'zero' charge to be introduced for the initial hour of parking at the Riverside Car Parks in Huntingdon and St Neots, specifically to promote recreational use of the adjacent parks. This results in a reduction in income of £27,600.

3.4 The annual charges for parking permits will need to be increased in line with the proposed increases in fees and charges. This is detailed in Table 3 on the following page.

| Proposed Daily Fees & Charges | Current Season Charges *1 | Current Resident Season Charges *1 | Proposed Season Charges | Proposed Resident Season Charges |
|---|----------------------------------|---|--------------------------------|---|
| Average Daily Payment - £3.30 | Average Daily Payment - £0.96 | Average Daily Payment - £0.32 | Average Daily Payment - £1.27 | Average Daily Payment - £0.42 |
| Average Weekly Payment - £19.80 | Average Weekly Payment - £5.57 | Average Weekly Payment - £1.92 | Average Weekly Payment - £7.62 | Average Weekly Payment - £2.54 |
| Average Annual Payment – £1,030 | Average Annual Payment – £300 | Average Annual Payment – £100 | Average Annual Payment – £400 | Average Annual Payment – £130 |
| % Saving (proposed season tick charge/average annual payment) | | | 61% | 87% |
| *1 = 50% discount is currently given on the annual charges for cars with a LE 50% rating. | | | | |

3.5 Season Ticket charges were last reviewed in 2012 as part of the Car Parking Review and they offer a substantial discount, providing excellent value for money for the customer. The proposed increases in the annual charges represent 39% for season ticket and 13% for resident season tickets which seem high but against daily payments they will still offer excellent value for money to the customer. However it is recommended that they should not be frozen as recommended for general fees and charges but subject to an annual incremental increase to further close the large gap that exists with daily charges while still offering substantial discounts.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

4.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to further update reports to the Cabinet.

5. KEY IMPACTS/RISKS?

5.1 The proposed implementation timetable may be affected by the outcome of the formal consultation required to implement the proposed changes.

5.2 The pay and display machines within the car parks at Riverside Huntingdon and St Neots need upgrading to offer the proposed hour of free parking. The procurement process will need to be managed in-line with the implementation of new charges.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

6.1 The proposed timetable for implementation is detailed below:

| Activity | Deadline |
|--|-----------------|
| Overview & Scrutiny for review of the proposed increases to fees and charges. | 6/10/16 |
| Cabinet for in principal approval of the proposed increases to fees and charges, (Order, Notice, etc. to | 20/10/16 |

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| be drafted ready for release). | |
| Publishing of Notice in the Hunts Post Notice and consultation with defined organisations. | 26/10/16 |
| Consultation period ends. | 7/12/16 |
| Subject to the outcome of the consultation Cabinet decision not to hold Inquiry, consider responses, confirm Order | 15/12/16 or 19/01/17 |
| 2 nd Notice published. | 21/12/16 or 25/1/17 |
| Consultation period ends and Order comes into force | 1/2/17 or 8/3/17 |

7. LINK TO THE CORPORATE PLAN

7.2 The proposed changes to fees and charges will support sustainable growth by reducing charged hours on Saturdays to support retailers and businesses and promote recreational use of some parks as part of enabling communities.

8. CONSULTATION

8.1 Given the proposed change in car park charges, Legal advice has confirmed that a full public consultation, with re-advertisement of the Parking Orders which set out the charges must be undertaken.

8.2 The full consultation process will take 4 to 5 months and an implementation in February/March 2017.

9. LEGAL IMPLICATIONS

9.1 Please see section on consultation.

10. RESOURCE IMPLICATIONS

10. 1 Outlined in Table 4 below is a summary of the financial implications of the preferred option for increases to fees and charges:

Table 4: Summary of Financial Implications for the Proposed Increases to Fees and Charges

| Projected Income and Costs | £ |
|---|-----------|
| a) Total additional income delivered from the increased fees and charges | 384,200 |
| b) Cost of reduced charged hours on retail designated car parks across the District on Saturdays, with no charges after 15:00 hours | (103,000) |
| c) Cost of the 'zero' charge to be introduced for the initial hour of parking at the Riverside Car Parks in Huntingdon and St Neots | (27,600) |
| d) Additional nett income requirement (ZBB). | 253,600 |

10.2 Table 5 below contains a comparator of the proposed increases to fees and charges against the charges levied by other local authorities in HDC's CIPFA benchmark group and neighbouring local authorities:

Table 5: Comparator of Proposed Increases to Fees & Charges and to CIPFA Benchmark Group and Neighbouring Local Authorities

| Comparators | 0.5 Hr | 1 Hr | 2 Hrs | 3 Hrs | 4 Hrs | 6 Hrs | 10 Hrs | 23 Hrs |
|--|--------|-------|-------|-------------------|-------------------|-------|--------|--------|
| Average Fees & Charges for CIPFA Benchmarking Group. | N/A | £1.08 | £1.82 | £2.40 | £3.23 | N/A | £6.00 | N/A |
| Average Fees & Charges for Neighbouring Authorities. | £0.84 | £1.48 | £2.67 | £3.19 | £4.17 | N/A | N/A | N/A |
| Proposed Fees & Charges | | | | | | | | |
| • Short Stay Parking | £0.50 | £1.00 | £1.40 | £2.00 to £2.40 *2 | £2.60 to £3.40 *2 | N/A | N/A | N/A |
| • Long Stay Parking | N/A | N/A | N/A | £1.00 | £1.50 | N/A | £2.30 | £3.30 |
| • Recreational Parking | N/A | N/A | £1.00 | £1.00 | £1.50 | N/A | £2.30 | £3.30 |
| • Hinchingsbrooke Country Park | N/A | N/A | £1.00 | N/A | £1.50 | £2.00 | N/A | N/A |
| *2 = Determined by location (proximity to retail outlets) and market demand. | | | | | | | | |

10.3 There will be the following one off costs associated with the implementation of the revised fees and charges:

- a) **Signage:** The current signage in the car parks will require to be updated in relation to fees and charges that are being introduced at a cost of circa **£5,000**.
- b) **Cost of New Ticket Machines:** To facilitate the proposed fees and charges, upgrades will be required to certain machines to allow users to input vehicle registration number to claim the free 1st hour's parking in Riverside St Neots and Riverside Huntingdon. An average cost of £4,700 including civils works has been used based on machines that would fulfil the requirements through the ESPO framework. A total of 11 machines will be required initially for an estimated cost of **£51,700**.
- c) **Cost of Reprogramming Existing Ticket Machines:** Any change to fees and charges will require the current pay and display machines to be reprogrammed. The full costs cannot be confirmed until the full range of changes is confirmed but indicatively it will be a cost of £110 per machine with 51 machines needing to be reprogrammed at a cost of **£5,400**.

10.4 **Total implementation Costs:** Therefore the total cost of implementing the proposed fees and charges increases will be circa **£61,000**.

10.5 A discounted cash flow has not been provided for this project as the increase in charges will fully recover the implementation costs within the first full year of operation.

11. OTHER IMPLICATIONS

11.1 There are no other implications arising from this report.

12. REASONS FOR THE RECOMMENDED DECISIONS

12.1 A revision of fees and charges is essential in order to meet the budgetary requirements identified within the ZBB process, providing a net increase in the car parking income of £250,000.

13. LIST OF APPENDICES INCLUDED

Appendix A – Car Park Designations

BACKGROUND PAPERS

None

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