

**Report of the Portfolio Holder for Resources and Personnel Policy, and Portfolio Holder for Economic Development and Asset Management.**

**CAR PARK CHARGES**

1. Purpose of Report

To provide Cabinet with various options relating to car park charges in the Borough's off-street car parks.

2. Recommendation

**Cabinet is asked to consider the options provided in Appendix 1 and RESOLVE accordingly, with any changes to come into effect from 1 January 2024.**

3. Detail

The current parking charges were introduced in 2010 for Council owned public car parks on the basis of 1-hour free, 2 hours at £1, 3 hours at £1.50 and £3 all day. However, charges were not introduced at three small car parks in Kimberley and one small car park in Eastwood on the basis that low usage would not justify the cost of installing pay and display machines.

In October 2015, it was subsequently agreed that no ticket would be required for any of the Council's car parks after 4pm Monday to Friday (creating a "free after 3" for those arriving after 3pm and taking a 1-hour free ticket) or after 12 noon Saturday. Free Saturday parking was also introduced at Devonshire Avenue, Beeston; Oxford Street, Eastwood; Victoria Street, Kimberley; and Halls Road, Stapleford – one in each of the four towns.

A further review of car parking charges is now considered appropriate in view of the following factors:

- Use of off-street car parks is now returning to pre-pandemic levels.
- The total cost of providing off-street car parking is around £294,000, with income generated currently at £255,000, leaving a net deficit of £39,000 to be met from the General Fund.
- There has been a growth in the evening economy in Beeston and the introduction of charges up to 10.00pm could be considered. With the investment in Kimberley and Stapleford through the Levelling-Up Fund and the Towns Fund respectively, evening charges could be later introduced in these town centres when the impact of the investment has been assessed.
- In light of the Climate Change Emergency declared by the Council in July 2019, consideration could be given to introducing free parking for fully electric vehicles to support a move away from petrol and diesel. This will be reviewed when the impact of this is known.

Feedback from the Peer Review Challenge in December 2022 also recommended that the Council considers how its level of parking charges, which the group considered incentivises car use, fits in with climate change targets and wider budget pressures.

Efforts have already been made to reduce the cost of the parking service by not filling the vacant Civil Enforcement Officer posts; encouraging the sale of permits which guarantees an annual income; and leveraging capacity in the Devonshire Avenue car park, after analysing utilisation data, to increase income from permit sales.

Options are detailed in appendix 1 which would:

- ensure that the cost of providing off-street parking is met through parking charges;
- increase income to help ensure that service costs do not adversely impact the general fund.

Consideration could be given to Blue Badge holders where it is currently only free for 3 hours and possibly a free all-day tariff introduced for fully electric vehicles.

Experience has shown that although increasing parking charges may have an initial negative impact on potential income generation, this tends to be short-lived with usage returning to pre-change tariff levels.

An Amendment Variation Order would need to be made to introduce any changes in tariff and the signs in car parks updated to reflect new charges. This would take two and six months to complete at a cost of between £8,000 and £15,000.

Appendix 2 provides some benchmarking information in relation to parking income from neighbouring authorities to help inform Cabinet's decision.

#### 4. Financial Implications

The comments from the Head of Finance Services are as follows:

The financial implications are as detailed in appendix 1. The potential uplift in income that could be generated from changes in parking tariffs would provide substantial additional resources as the Council looks to meet its challenging budget gap for the General Fund. This additional income has been provisionally included in the updated Business Strategy that is due to be presented to Cabinet on 7 November 2023, along with the Medium Term Financial Strategy.

The combined cost of up to £15,000 for the Amendment Variation Order to introduce any changes in tariff and updated signage to reflect new charges would be met from additional revenue receipts from ticket sales in 2023/24.

## 5. Legal Implications

The comments from the Monitoring Officer/Head of Legal Services are as follows:

Under section 35 of the Road Traffic Regulation Act 1984 (“the Act”), the Council may provide off street parking places and charge for the use of them. Further under section 45 of the Act, the Council may designate parking places on a highway and charge for the use of them including the issuing of parking permits.

It is for the Council to decide the appropriate charge and in doing so it should have regard to the cost of providing the service. It is however not bound to set the charges at cost recovery only. The Council therefore has the power to impose parking charges in connection with the provision of on street parking and off street parking. It may also impose charges connected with the suspension of parking bays and provide dispensation for exemption from parking restrictions. Section 122 of the Act imposes a general duty on the Council to exercise its functions under the Act to “secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway”.

In addition, the decision in R. (on the application of Attfield) v Barnet LBC confirmed that although the powers enabling local authorities to charge for the provision of parking must not be used for the purpose of raising revenue, the authority is not bound, when setting the charge, to reflect only the costs of providing it. Section 55 of the Act requires the Council to keep an account of their income and expenditure in respect of designated parking places including the parking charges. Section 55(4) of the Act sets out the purposes for which any surplus income in respect of designated parking places can be used. Therefore, any surplus in income in respect of designated parking places must be used for these purposes, which include: a) Provision and maintenance of off street parking b) Meeting costs incurred in the provision or operation of public transport c) Highway and road improvements and maintenance d) reducing environmental pollution e) Improving public open spaces.

The legislation also allows for tariff changes and minor changes to the charging period to be made by a simple process by way of a Variation Order. This requires a notice in the car park that the tariff change relates to and in the local newspaper. We must allow 21 days before the new fees come into effect.

## 6. Human Resources Implications

There are no comments from the Human Resources Manager.

## 7. Union Comments

The Union comments were as follows:

No comments

8. Climate Change Implications

The comments were as follows:

A focus on encouraging electric vehicles usage will assist in reducing the Borough's overall carbon footprint.

9. Data Protection Compliance Implications

This report does not contain any [OFFICIAL (SENSITIVE)] information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

An equality impact assessment is not required.

11. Background Papers

Nil

## APPENDIX 1

## OPTIONS FOR CAR PARK CHARGES

Current Usage and Ticket Sales

The table below shows the visitor usage and income from ticket sales recorded by pay and display parking ticket issues in 2022/23:

<b>Current Usage (based on charging to 4pm)</b>	<b>Total Users</b>	<b>Gross Income</b>	<b>Net Income</b>
Total no of visitors in 2022/23	518,843		
Visitors using free 1-hour	311,779	-	-
Visitors paying £1 for 2-hours/all day depending on car park	77,393	£77,393	£64,494
Visitors paying £1.50 for 3-hours	13,308	£19,962	£16,635
Visitors paying £2 all day	10,409	£20,818	£17,348
Visitors paying over £3 - £15 all day – various tariffs depending on car park	1,796	£5,388	£4,490
Unknown, i.e. transactions not recognised by a specific pre-loaded tariff band	45,151	£30,581	£25,484
Pay By Phone (not split by tariff)	59,007	£65,340	£54,450
<b>Total</b>	<b>518,843</b>	<b>£219,482</b>	<b>£182,901</b>

The visitors acquiring the free 1-hour ticket, as a proportion of all tickets issued by the pay and display machines, is 75.2%. The proportion of users buying a ticket from the machine for all day parking is 2.9%.

In addition to the parking income above, a further £27,242 has been received from Parking Contravention Notices. The sale of permits, income received from Rushcliffe Borough Council and other miscellaneous income has also increased to bring in a total income of £45,027. Opportunities will be explored to increase the number of exemption permits further which are paid for a year in advance, guaranteeing income.

**Option 1 – No change to existing charging tariffs (counter factual)**

Based upon current usage this option would generate net income of £182,901 as shown in the table above.

No change to the existing tariffs would result in approximately £38,750 needing to be met from the General Fund to cover the cost of the service.

**Option 2 – All car parks to introduce a £1 charge for up to 2 hours**

<b>Current usage based on charging to 10pm</b>	<b>Total Users</b>	<b>Gross Income</b>	<b>Net Income</b>
Visitors with blue badge or electric vehicles free	TBC		
Visitors paying £1 for up to 2 hours	442,056	£442,056	£368,380
Visitors paying £2 for up to 3 hours	23,325	£46,650	£38,875
Visitors paying £1 all day	44,161	£44,161	£36,800
Visitors paying £2 all day	13,451	£26,902	£22,418
Visitors paying £15 all day	487	£7,305	£6,087
Visitors using the train station multi-day tariff	5,150	£24,650	£20,541
<b>Total</b>	<b>528,630</b>	<b>£591,724</b>	<b>£493,101</b>

Option 2 will potentially result in additional income of approximately £284,700 (net of VAT). This is reduced from £310,200 after allowing an estimated 5% reduction in car park usage following the increase in charges and the cost of implementation £10,000.

**Option 3 – Model based on introducing a 2-step tariff structure**

<b>Current usage based on a 2-step tariff model to 10pm</b>	<b>Total Users</b>	<b>Gross Income</b>	<b>Net Income</b>
Visitors with blue badge or electric vehicles free	TBC		
Visitors paying £1 for up to 3 hours	465,381	£465,381	£387,817
Visitors paying £3 all day to 10pm	58,099	£174,297	£145,247
Visitors using the train station multi day tariff	5,150	£24,650	£20,541
<b>Total</b>	<b>528,630</b>	<b>£664,328</b>	<b>£553,605</b>

Option 3 will potentially result in additional income of approximately £342,000 (net of VAT). This is reduced from £370,700 after allowing an estimated 5% reduction in car park usage following the increase in charges and the cost of implementation £10,000.

This approach may result in a reduction in turnover within the car parks. The issue would be monitored in the event that members adopt this option.

Members could consider recruitment to one of the vacant Civil Enforcement Officer posts to ensure compliance with the requirement to pay for parking up to 10pm.

This approach may result Beeston car parks effectively being used as a park and ride facility. To avoid this, Members may be minded to consider option 4 as a more sustainable option.

**Option 4 – Model based on introducing a three-step tariff structure**

<b>Current usage based on a 3-tariff model to 10.00pm</b>	<b>Total Users</b>	<b>Gross Income</b>	<b>Net Income</b>
Visitors with blue badge or electric vehicles free	TBC	-	-
Visitors paying £1 for up to 3 hours	458,169	£458,169	£381,808
Visitors paying £3 for up to 6 hours	57,512	£172,536	£143,780
Visitors paying £10 for over 6 hours	600	£6,000	£5,000
Visitors using the train station multi day tariff	5,150	£24,650	£20,541
<b>Total</b>	<b>521,431</b>	<b>£661,355</b>	<b>£551,129</b>

As the issue of car parks being used as a park and ride facility is unlikely to arise other than in Beeston, Members may consider that the 3-step tariff option should be introduced in Beeston only. This could give income of:

<b>Current usage based on a 3 tariff model to 10pm – Beeston only</b>	<b>Total Users</b>	<b>Gross Income</b>	<b>Net Income</b>
Visitors with blue badge or electric vehicles free	TBC	-	-
Visitors paying £1 for up to 3 hours	458,169	£458,169	£381,808
Visitors paying £3 for up to 6 hours	17,627	£52,881	£44,068
Visitors paying £10 for over 6 hours	496	£4,960	£4,133
Visitors using the train station multi day tariff	5,150	£24,650	£20,541
<b>Total</b>	<b>481,442</b>	<b>£540,660</b>	<b>£450,549</b>

An increase in the daily charge in Beeston to £10 may also impact people who work full-time in the town who currently pay £1 or £2 all day to park. Members may be minded to ask officers to look at ways to mitigate this including the option of permits at a concessionary rate being available for purchase by anyone who can provide proof of employment in Beeston.

## APPENDIX 2

Benchmarking Analysis

<b>Comparative Data 2022</b>	<b>Broxtowe</b>	<b>Ashfield</b>	<b>Erewash</b>	<b>Rushcliffe</b>
Total – Car Parks	29	16	29	13
Total – Parking Spaces	841	1,010	1,511	1,088
Total – Service Users	518,843	623,276	416,968	915,175
Total – PCN issued	1,193	1,259	1,096	3,883
Total Income from PCN	£34,416	£6,900	£27,213	£105,936
Total ‘Pay and Display’ and other car park income *	£234,586	£34,500	£659,748	£905,562
Total Cost of Service	£291,450	£167,345	£322,303	£415,000
Surplus/(Deficit) *	(£22,448)	(£125,945)	£364,658	£596,499

\* Based on gross income

Note: The figures included in the table above are for the period January to December 2022 (not the 2022/23 financial year) as this was the only data available from all the Councils included in the benchmarking. The data, including the deficit shown in the analysis, is therefore different to the amounts included in appendix 1.