

EAST HERTS COUNCIL

JOINT MEETING OF SCRUTINY COMMITTEES – 12 FEBRUARY 2013

EXECUTIVE – 5 MARCH 2013

REPORT BY EXECUTIVE MEMBER FOR ECONOMIC DEVELOPMENT

8. CAR PARK CHARGING POLICY

WARD(S) AFFECTED: HERTFORD, BISHOP'S STORTFORD AND WARE WARDS.

Purpose/Summary of Report:

- To present further information to support the Executive in their decision making regarding Car Park Charging Policy for 2013.

<u>RECOMMENDATIONS FOR JOINT MEETING OF SCRUTINY COMMITTEES:</u> that	
(A)	The Council's proposed policy, as set out in paragraph 2.1, be scrutinised, and the Executive be advised of any recommendations; and
(B)	The introduction of a £1.00 evening charge from 6:30 pm–9:00 pm and associated recommended options for a reduction in day time charges as presented in paragraphs 2.3 – 2.4 – Removal of 2 hour charge, and reduction of 3 hour charge to the current 2 hour charge in Hertford, Ware and Bishop's Stortford, be scrutinised, and the Executive be advised of any recommendations.

<u>RECOMMENDATIONS FOR THE EXECUTIVE:</u> that	
(A)	The Council's car park charging policy for 2013, as set out in section 2.1, be approved;
(B)	Consideration be given to which, if any, options available it wishes to adopt; and

(C)	Officers be authorised to progress Traffic Regulation Orders and Notices of Variation consequent to (A) and (B) above.

1.0 Background

1.1 East Herts Council has adopted a set of policy principles on which fees and charges decisions should be based:

- Any subsidy from council tax payers should be a deliberate choice.
- Discretionary fees and charges should generate income to help deliver improvements in priority services.
- Discretionary fees and charges should support the Medium Term Financial Plan.
- There should be a measure of consistency in setting charges for similar services.
- Levels should be set to avoid unnecessary subsidies from the council tax payer to commercial operations.
- If the impact is likely to be high, consideration should be given to phasing in changes.

1.2 Upon adoption of its Parking and Transport Strategy, East Herts Council confirmed seven policy pillars for the development of its parking service:

- We will seek to maintain car parking income at current levels in real terms.
- We will seek to ensure that users pay for the parking service rather than the council tax payer.
- We will promote existing and explore new technologies to improve the overall convenience of parking in East Herts.
- We will seek where possible and appropriate to match parking capacity with demand.
- We will seek to develop and implement parking solutions that reflect local needs.
- We will make the economic vitality of East Herts a core consideration when developing parking services.
- We will continue to work with partners to look at what additional sustainable transport services may be appropriate and deliverable.

1.3 The Executive on 4th December 2012 agreed:

- (A) that the 2.5% uplift to the pay and display income budget required by the MTFP, be funded from elsewhere, subject to further consideration within the budget process;
- (B) that the options for change ... be explored further for consideration alongside other options that may come forward in the budget process;
- (C) that officers be instructed to undertake further evidence gathering/ research to inform decision making and bring a further report to the Executive in the New Year;

2.0 Report

2.1 Pricing Policy 2013

- 2.1.1 The Council is keen to support the economic wellbeing of the towns and villages in East Hertfordshire. This may be aided by encouraging visitors to stay longer parking within our towns through reductions in pay and display charges. The Council wishes to consider ways of reducing the charges of the 2, 3 and 4 hour parking charges whilst maintaining pay and display income.
- 2.1.2 The Council is committed to ensuring the costs of car park provision, management and enforcement are not borne by the East Herts taxpayer. It has therefore established a policy that the users of car parks should pay for their provision.
- 2.1.3 It is evident that the Council's car parks in the key towns of Bishop's Stortford, Hertford and Ware are used after charges cease at 6:30pm. These car park users currently do not contribute to the costs of these car parks.
- 2.1.4 The Council does not wish to raise additional net income from its car parks and has continued to hold its pay and display charges at 2009/10 levels.
- 2.1.5 The Council therefore proposes the introduction of an evening charge of £1.00 between 6:30pm and 9:00pm in the key towns of Bishop's Stortford, Hertford and Ware such that the costs of car park provision, management and enforcement are borne by all car park users whilst ensuring any income from this new charge be used to benefit these towns by reductions in the daytime charges.

2.2 Occupancy Counts

- 2.2.1 The Council undertook occupancy counts within the towns of Bishop's Stortford, Hertford and Ware in December to assess evening and overnight use of these car parks. This use is shown

in Essential Reference Paper C, with up to 300,000 parking acts per annum after 6:30pm based on current behaviour.

2.2.2 Further evidence gathering in the form of additional space counts were planned for the second half of January, but these had to be postponed due to the extreme weather conditions. It is still intended that these counts will be completed by the end of January and the additional information will be available ahead of the Scrutiny Committee meeting.

2.2.3 Counts were taken on the quieter evenings of Monday, Tuesday, Wednesday and Sunday and compared to counts taken on Thursday, Friday and Saturday evenings. The count difference between these times was 4%, greater on the Thursday, Friday and Saturday.

2.3 Estimated Income from an Evening Charge

2.3.1 Not all parking acts after 6:30 pm if charged for would generate purely additional income. Jackson Square is subject to lease conditions which mean that 25% of income net of costs would accrue to the Landlord as rent.

2.3.2 Grange Paddocks and Wallfields Visitor car parks allow 2.5hrs and 2hrs free parking respectively. The estimated 30,000 parking acts a year after 6:30pm in these car parks must be excluded from income estimates.

2.3.3 The potential income, at a flat rate of £1 per parking act after 6:30pm, based on the remaining sample in December, is estimated to be £148,000 after the costs of a minimum level of parking enforcement after 6:30 pm has been paid for.

2.3.4 While no empirical evidence is currently available if there was for example a 20% reduction in the income estimate resulting from changes in parking behaviour after the introduction of a charge after 6:30 pm it would result in a final estimated net income of £110,000. Members would need to take a view as to what the extent of this risk might be.

2.4 Developing Options for Reduced Day Time Charges

2.4.1 ERP D illustrates the percentage of tickets sold in the current parking tariff bands; the higher the tariff band, the fewer parking acts undertaken. The objective of the Council's policy would therefore be to see how it may reduce the charge in these bands to encourage their use for longer time periods, making good the

loss income through the proposed evening charge. Because more parking acts by both volume and gross income are for the shorter time bands, the price reduction affordable for no net loss of income is therefore greater the higher the tariff band it is applied to.

2.4.2 Based on 2012 figures, officers have prepared a number of options for reductions in the 2, 3 and 4 hours tariff bands that may be achieved by utilising the estimated £148,000 income to be gained from a £1.00 evening charge.

2.4.3 Creating a lower charge up to 2 hour Tariff

The Council could consider deleting the 1 hour band and having parking events starting with a 2 hour band. If this could be made to be at or close to the cost of the existing 1 hour band (currently 80p) it might be an option that would encourage shoppers to stay longer in the towns and so help support the local economy. However, because such a large proportion of parking events are for the 1 and 2 hour band the net effect of removing the 1 hour band and having 2 hour £1 charge is an estimated reduction in income of £351,868. Were the Council to charge £1.20 for a 2 hour stay the shortfall would be £202,838. At a £1.30 charge the shortfall would be £128,323

2.4.4 Reduction in 2 Hour Tariff

Reducing the 2 hour tariff by 20 pence to £1.30 in Bishop's Stortford and Hertford and reducing the 2 hour tariff in Ware by 20 pence to £1.00 will reduce income by an estimated £112,500.

Band	Ware		Hertford and Bishop's Stortford	
	Current Charge	Proposed Charge	Current Charge	Proposed Charge
1hr	60p	60p	80p	80p
2hrs	£1.20	£1.00	£1.50	£1.30
3hrs	£1.80	£1.80	£2.20	£2.20
4hrs	£2.40	£2.40	£2.90	£2.90
5hrs	£3.00	£3.00	£3.60	£3.60
All day	£3.50	£3.50	£4.40	£4.40

2.4.5 Reduction 3 Hour and 4 Hour Tariffs

Reducing the 3 hour tariff by 50 pence to £1.70 in Bishop's Stortford and Hertford and the 3 hour tariff by 30 pence to £1.50 in Ware as well as reducing the 4 hour tariff by 70 pence to £2.20 in Bishop's Stortford and Hertford and the 4 hour tariff by 40 pence to £2.00 in Ware will reduce income by an estimated £131,500.

Band	Ware		Hertford and Bishop's Stortford	
	Current Charge	Proposed Charge	Current Charge	Proposed Charge
1hr	60p	60p	80p	80p
2hrs	£1.20	£1.20	£1.50	£1.50
3hrs	£1.80	£1.50	£2.20	£1.70
4hrs	£2.40	£2.00	£2.90	£2.20
5hrs	£3.00	£3.00	£3.60	£3.60
All day	£3.50	£3.50	£4.40	£4.40

2.4.6 Removal of 2 Hour Band, Charge 3 Hour Band at current 2 Hour Rate

Removing the 2 hour charging band to replace it with a single 'up to 3 hours' band with a charge set at the current 2 hour tariff of £1.50 (70 pence less than the 3 hour band) in Hertford and Bishop's Stortford and doing the same in Ware with the 'up to 3 hour' band being £1.20 (60 pence less than the current 3 hour band) the car park tariffs are simplified and income is estimated to reduce by £132,000. Officers recommended this option as it is considered the most likely to deliver the policy objectives of members and also simplify the tariff bands for car park users.

Band	Ware		Hertford and Bishop's Stortford	
	Current Charge	Proposed Charge	Current Charge	Proposed Charge
1hr	60p	60p	80p	80p
2hrs	£1.20	£1.20	£1.50	£1.50
3hrs	£1.80		£2.20	
4hrs	£2.40	£2.40	£2.90	£2.90
5hrs	£3.00	£3.00	£3.60	£3.60
All day	£3.50	£3.50	£4.40	£4.40

2.4.7 Removal of 4 hour Band, Charge 5 Hour Band at current 4 Hour Rate

Removing the 4 hour band to replace it with an up to 5 hours band with a charge set at the current 4 hour tariff of £2.90 (70 pence less than the 5 hour band) in Hertford and Bishop's Stortford and doing the same in Ware with the 'up to 5 hour' band being £2.40 (60 pence less than the current 5 hour band) the car park tariffs are simplified and income is estimated to reduce by £100,000.

Band	Ware		Hertford and Bishop's Stortford	
	Current Charge	Proposed Charge	Current Charge	Proposed Charge
1hr	60p	60p	80p	80p
2hrs	£1.20	£1.20	£1.50	£1.50
3hrs	£1.80	£1.80	£2.20	£2.20
4hrs	£2.40	£2.40	£2.90	£2.90
5hrs	£3.00		£3.60	
All day	£3.50	£3.50	£4.40	£4.40

2.5 Potential Impacts

ERP B sets out a number of potential impacts of the policy proposed by the Council in this paper.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

Car Park Fees and Charges – Executive 4th December 2012.

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