

EAST HERTS COUNCIL

EXECUTIVE – 10 JANUARY 2012

REPORT BY EXECUTIVE MEMBER FOR
PLANNING POLICY AND ECONOMIC DEVELOPMENT

CAR PARK CHARGES – 2012/13

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To secure the Executive's agreement to a percentage change to car park pay and display charges for 2012/13.

<u>RECOMMENDATION FOR EXECUTIVE: that</u>	
(A)	the percentage increase in car park pay and display charges in 2012/13, be determined.

1.0 Background

1.1 East Herts Council reviews its pay and display charges annually, with changes coming into effect at the start of each financial year.

1.2 Pay and display charges were not increased in 2011/12. The current Medium Term Financial Plan includes an assumption that pay and display income will increase by 2.5% per annum.

1.3 On 24 November 2009 the Executive agreed to give officers greater flexibility in setting charges and asked that in future they bring forward tariff proposals that recognise the differing characteristics and needs of each town. A necessary precursor to this is the securing of a decision on the overall percentage increase required.

1.4 East Herts Council is developing a Transport and Parking Strategy in parallel with Hertfordshire County Council's preparation of its Local Transport Plan. The role of car park

pricing as a traffic management tool will be considered as part of this work. The Strategy will be mindful of local needs and aspirations consistent with the more flexible approach outlined in 1.3 above. The Strategy will not be reported to Council until spring 2012.

2.0 Report

Pressures on Income

2.1 Whilst pay and display charges were not increased in 2011/12 the service faced cost and inflationary pressures in a number of areas:

- A 2.5% VAT increase from January 2011 (off-street parking charges attract VAT) resulting in a reduction of income of approximately £73k in 2011/12.
- The Council budgeted for inflation in respect of general running costs of around 2% in 2011/12, although at December 2011 CPI stood at 4.8%.

Pay and Display Income

2.2 The original 2010/11 budget figure for pay and display income was £3,181,000. The outturn at year end was £2,979,000 being a total of approximately 6.5% below budget for that year.

2.3 The latter figure includes the net income reduction arising from the Council's decision to absorb the VAT increase referred to above.

2.4 The base budget for 2011/12 is set at £2,969,000. As at November 2011 income was averaging around 0.85% below budget. Officers' expectation is that that car park use and therefore income will remain depressed during 2012/13.

2.5 Additional downward pressure on 2011/12 pay and display income will arise from the refurbishment of Bircherley Green from January 2012 to June 2012 and the Christmas parking concessions (2011/12). The financial consequences of those two planned activities are included below;

Base budget (2011/12)	£2,969,000
Depressed P&D income (0.85%).	£25,000
Christmas parking concessions (2011/12)	£7,000
Expected impact of Bircherley Green MSCP refurbishment (20 January 2012 to June 2012)	£10,000
Predicted outturn for 2011/12	£2,927,000

- 2.6 If it is assumed that the Christmas parking concession is repeated in 2012/13 and the anticipated losses due to the continued refurbishment of Bircherley Green MSCP during April and May 2012 are also £10,000, then the base budget for 2012/13 should be £2,927,000.
- 2.7 As that figure equates to a total 1.42% shortfall against the base budget for 2011/12, an increase in income of 3.92% (2.5% + 1.42%) would be required to achieve the expectations of the MTFP. This would require a charges increase of £116,000 or approximately 4.0% if car park use did not further decline for other reasons.
- 2.8 Any percentage increase agreed by Members will be translated into proposed tariff changes at town level which will be reported as part of the budget setting exercise at the Executive on 7 February 2012.
- 3.0 Implications/Consultation
- 3.1 Changes to existing car park pay and display charges are made through the "Notice of Variation" procedure which does not give a statutory right to object to the Council's proposals.
- 3.2 New car park charges or the re-designation of car parks (i.e. short stay to long stay or vice versa) would require the promotion of a Traffic Regulation Order. When advertised, a TRO allow any interested party the opportunity to make representations concerning the Council's proposals.
- 3.3 The above proposal takes no account of the financial impact of initiatives the Council may wish to implement in-year, arising from the findings of the forthcoming Parking and Transport Strategy. These would be the subject of a separate report.

Background Papers

Minutes of the Executive held on 24 November 2009.

http://www.eastherts.gov.uk/media/word/n/b/Minutes_24_November_2009.doc

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ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives:</p>	<p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p>Shaping now, shaping the future <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p>
<p>Consultation:</p>	<p>Changes to existing car park pay and display charges are made through the "Notice of Variation" procedure which does not give a statutory right to object to the Council's proposals.</p> <p>New car park charges or the re-designation of car parks would require the promotion of a Traffic Regulation Order. When advertised, a TRO allow any interested party the opportunity to make representations concerning the Council's proposals.</p>
<p>Legal:</p>	<p>Changes to existing car park pay and display charges are made through the "Notice of Variation" procedure</p> <p>Wholly new car park charges or the re-designation of car parks would require the promotion of a Traffic Regulation Order.</p>
<p>Financial:</p>	<p>The current MTFP requires an increase to car park income of 2.5% per annum over 2011/12 budget.</p>
<p>Human Resources:</p>	<p>N/A</p>
<p>Risk Management:</p>	<p>Changes that require the promotion of a Traffic Regulation Order carry increased risk of delayed, partial or non-delivery. Any interested party may raise objections following the promotion of a TRO.</p> <p>A significant increase in car park tariffs at a time of economic austerity may generate considerable customer, business and media backlash.</p>