

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 29 NOVEMBER 2016

REPORT BY EXECUTIVE MEMBER FOR ECONOMIC DEVELOPMENT

CAR PARK FEES AND CHARGES 2017/18

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To obtain the Committee's support for an overall 7.5% increase to car park charges from April 2017.
- To obtain the Committee's preferred approach to implementing these car park tariff changes.
- To obtain the Committee's support for additional proposals affecting a small number of the Council's car parks.

RECOMMENDATIONS FOR CORPORATE BUSINESS SCRUTINY:

(A)	The Committee supports the proposal to increase car parking charges by 7.5% from April 2017 and recommends approval to the Executive, and:
(B)	The Committee advises which of the two approaches to tariff changes detailed in this report it prefers and recommends approval to the Executive, and:
(C)	The Committee supports proposed changes to a small number of the Council's car parks and recommends approval to the Executive

1.0 Background

1.1 Car park charges in East Herts have remained the same for several years and in some cases have been reduced. The last increase in charges was in 2010/11 and the Council reduced its short stay tariffs in September 2014 as part of a two year trial. Since 2010/11 inflation as measured by CPI has eroded the real terms value of the Council's car park income by nearly twelve percent.

1.2 The Council's decision to absorb the increase in the rate of VAT from 17.5% to 20% in 2011 has further eroded its income from car park charges. A table showing how key parking tariffs would

currently stand had they kept pace with inflation and the increase in VAT is offered as **Essential Reference Paper 'B'**.

2.0 Report

Proposal to increase parking charges

- 2.1 In view of the fact that car park charges have been unchanged and in some cases have reduced over the last six years and as the costs of operating the service will increase, it is proposed to increase tariffs from 2017/18.
- 2.2 In October/November 2016 the Council installed new 'pay and display' machines to replace machines which had come to the end of their ten year operational life. The new machines offer significantly improved functionality, including the facility to pay by credit or debit card and the option to pay just before leaving the car park. Although these changes will deliver savings in some areas, costs will increase in others. For example, the Council will pay a small transaction charge every time a credit or debit card is used. It is anticipated that these charges are likely to amount to £50,000 per annum. Other, new operating and licencing costs associated with the new machines are projected to cost around £27,000 per annum.
- 2.3 Members may recall the 2011 survey of East Herts residents' views on parking, undertaken during the development of a parking and transport strategy for the district. One of the questions asked in the survey was "what is the most important to you when choosing where to park?" Respondents were invited to give a 1-5 ranking to the following, in order of importance:
- Quality of facility
 - Cost
 - Convenience
 - Security/safety
 - Other
- 2.4 Fifty three percent of respondents identified convenience as their top priority. Cost came in second at thirty one percent. This suggests that cost is not necessarily the dominant issue for many motorists and issues such as convenience and safety can rank just as high, if not higher. The Council has worked towards promoting convenience through the new "Check IN/Check OUT" function of the new pay and display machines along with their

ability to accept credit and debit card payments.

- 2.5 The Council has also responded to the important issues of security and safety. In May 2016 the Council secured British Parking Association/Police 'Park Mark' status for every East Herts car park in the district. As the BPA advised when confirming this achievement, "The Safer Parking Scheme is a proven community safety and crime prevention initiative. This achievement demonstrates to the people of East Hertfordshire that the Council have taken active measures to reduce the risk of crime taking place in all of the authority's car parking facilities". Thus, the Council has taken positive steps to ensure its car parks remain clean, safe and accessible to users; however these positive initiatives have come at a cost – in the above case in the form of an annual subscription to remain part of the 'Park Mark' scheme.
- 2.6 The proposed tariff increases are designed to increase the Council's 'pay and display' revenue budget by approximately 7.5% (£225k). The Council's intention is that there will be no additional tariff increase for a further three years.
- 2.7 As the elimination of the parking Smartcard has resulted in the loss of the 10% discount enjoyed by some long stay car park users it is proposed that the tariff increases be loaded towards the short stay end of the tariff range.

Approach

- 2.8 Two distinct approaches aimed at delivering the 7.5% increase are set out in **Essential Reference Paper 'C'**.
- 2.9 The first option retains the current tariff structure and it will be noted that this requires significant increases to a number of tariff bands. In this approach customers could pay up to an increase of 25% on some tariff bands; however, this approach retains the tariff structure that customers are currently used to.
- 2.10 The second option reverts to the former tariff structure, (pre the 2014 trial), of one hour tariff bands throughout the charging day. This approach requires few changes to the tariffs currently advertised, instead reducing the amount of time purchased by some tariffs. This change would be most pronounced at the short stay end of the tariff range. By re-introducing the former tariff bands a small number of customers could be paying an increase of up to 10% on some tariff bands.

- 2.11 The second option may be particularly beneficial for the growing number of motorists likely to use the new 'Check IN/Check OUT' option, as they will pay the applicable tariff at the point they exit the car park. The Committee is also reminded that with effect from April 2015, local authorities are required to offer a ten minute 'grace' period following the expiry of paid for time in a car park before a Penalty Charge Notice (PCN) may be issued; therefore should there be a reversion to one hour tariff bands and should customers wish to continue to 'pay and display', their chance of receiving a PCN is minimal. For these reasons, operationally speaking, reversion to a one hour tariff band structure throughout the charging day is regarded as most congruent with current operating conditions in the Council's car parks.
- 2.12 In both scenarios the free 30 minute parking option would be retained.
- 2.13 Those customers who elect to pay for their parking before they leave the car park (the 'Check IN/Check OUT' option) will only pay for the tariff they have actually used. This may mean that for many motorists who currently overpay as a form of insurance against receiving a PCN, the cost of parking may not increase. Another beneficial consequence of offering payment on departure is that many fewer PCNs are likely to be issued for the contravention of overstaying the parking time paid for.
- 2.14 The Committee is asked to consider which of the options set out in **Essential Reference Paper 'C'** it prefers and to forward its comments to the Executive.
- 2.15 To further assist the Committee, current key tariffs in East Herts' have been benchmarked with those operated in neighbouring local authorities. These are shown in **Essential Reference Paper 'D'**. Members will note that current charges in East Herts have fallen significantly below those in operation nearby.

Additional proposals

- 2.16 Officers have identified a small number of car parks where other changes are recommended. These proposals are set out in **Essential Reference Paper 'E'**. In Buntingford and Sawbridgeworth officers propose the reduction, over time, of each town's extended free parking period – currently three hours in Buntingford and one hour in Sawbridgeworth.

2.17 The Committee is requested to forward its comments on the proposals set out in **Essential Reference Paper 'E'** to the Executive.

3.0 Implications/Consultations

3.1 Implementation of the changes detailed in this report will require the promotion of a Traffic Regulation Order (TRO). It is anticipated the TRO will be advertised in early January 2017. The TRO process gives any interested party the right to object or make comments on the Council's proposals. The changes are planned to come into effect at the start of the 2017/18 financial year.

Background Papers

None.

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