

REVIEW OF PARKING OPERATIONS & CHARGES

Portfolio Area: Environment & Sustainability
Report Presented by: Cllr Graham Butland

Background Papers: Scrutiny Task & Finish Group's Report on Fees & Charges - Cabinet 10 February 2009.

Corporate Implications: Please refer to table at end of report

Options:

Car Park Tariff

- 1(a) No change to existing tariff
- 1(b) Apply the Low increase as set out at Appendix 2.
- 1(c) Apply the Medium increase as set out at Appendix 2.
- 1(d) Apply the High increase as set out at Appendix 2.

Blue Badge Holders

- 2(a) Introduce a charge for disabled parking
- 2(b) Retain status quo

Concessions

- 3 Introduce a 3-month pilot concession at George Yard wef 1 April 2010.

Free Parking - Causeway House

- 4(a) Incorporate Causeway House car park within the charging scheme to allow for charges to be applied on Saturdays
- 4(b) Retain status quo

Free Parking - Rural Car Parks

- 5. Offer Parish Councils the option of taking over ownership of rural car parks and, if they do not wish to take them on, introduce a charging scheme as outlined in the report.

Free Parking - Sundays

- 6(a) Apply the parking tariff 7 days per week.
- 6(b) Retain status quo (free parking)
- 6(c) Flat rate all day e.g. 50p

Risks:

The primary risk associated with the review is that increased charges will reduce usage and hence have an adverse effect on the projected increased income.

In addition, new charges may displace vehicles and cause greater congestion on public highways.

It is inevitable that increasing charges will result in some adverse publicity for the Council.

Executive Summary

This report sets out a series of options for Members to consider in relation to improving the car parking service for customers, setting a new tariff and applying charges where currently none exist.

Parking income is a significant source of revenue to the Council (£800k p.a.). Charges have not been increased since 2006 and a moderate increase should be applied now if we are to avoid imposing an unreasonably high increase in the future. Whilst mindful of the impact on customers given the current economic climate, the proposed tariff in Option 3 at Appendix 2 seems a reasonable compromise and is still very competitive in comparison with other car park providers.

The law requires that two periods of statutory consultation be undertaken. This is a lengthy process, but if the new tariff can be agreed, there is no reason why the legal process should not be completed in time for implementation by 1 April 2010.

The report considers the issue of concessions and these could be applied during off-peak periods to encourage more people into our car parks and town centres. However, the existing machines do not have the facility to apply variable tariffs and so these cannot be introduced until after the new machines have been installed.

There is a proposal to replace the existing ticket machines in all of the car parks with modern facilities. These will provide a reliable service to users and more sophisticated technology which is crucial to the effective management of our car parks in terms of managing utilization -v- capacity, offering concessions and maximizing income opportunities.

Decision

Members are RECOMMENDED to:

- (1) Agree the 'medium' parking tariff (Option 3 at Appendix 2) to be applied from 1 April 2010
- (2) Transfer the Council's four rural car parks to the Parish Councils and if they do not wish to take them on, introduce charges as outlined in the report.
- (3) Maintain free parking for blue badge holders (max 3 hrs)
- (4) Introduce charges for parking at Causeway House on Saturdays
- (5) Introduce a flat charge of 50p all day for parking in all of the Council's car parks on Sundays.
- (6) Approve capital funding for the new 'Pay & Display' ticket machines in the current financial year.

PURPOSE OF REPORT

A report by Scrutiny Task and Finish Group on Fees & Charges was presented to Cabinet on 10 February 2009. Members endorsed the recommendations put forward by the Group and the Cabinet Member for Environment and Sustainability was asked to look at the whole aspect of car parking operation and charges in the Braintree District and to consider the free parking currently available at the four rural car parks.

The Parking Partnership (Braintree, Uttlesford, Colchester) commenced on 1 April 2009. The Partnership is committed to carrying out a detailed review of the car parking operations in all three areas, but it is prudent to allow at least 12 months' operation for the Partnership to become fully established before commencing this work.

Given the above, this report focuses primarily on the review of off-street parking charges, new payment facilities and free parking currently provided at some car parks and proposes a series of options for Members to consider.

BACKGROUND

The Council operates 15 car parks in Braintree and Witham, offering a total of 1,448 parking bays. In addition, 188 spaces are available in our four rural car parks and a further 221 at Causeway House (evenings and weekends) at no charge. These are summarized at Appendix 1.

Parking charges were last increased in April 2006 and whilst significant additional revenue was realized, income was less than projected. In the current financial year, the projected under-recovery is £60,000. The drop in revenue reflects national trends and can be attributed to the economic downturn, as well as local issues including free parking offered by other service providers.

The importance of car parking as a service and the income it generates should not be underestimated, however, a balance must be struck between the level of charging and the impact this has on users of the service and the local economy in the current climate.

TICKET MACHINES

In order to improve customer satisfaction and management information, it is proposed to replace the existing 'Pay & Display' ticket machines in all BDC car parks. The machines are now obsolete and unreliable and do not provide the detailed management information needed to make informed decisions about utilization -v- capacity, nor do they allow for technology upgrades that would accommodate new payment methods and variable tariffs.

Various payment methods have been explored and it is considered that the most appropriate and cost effective system for our car parks is 'Pay & Display'. This is our current payment method and is in use in small car parks across the country.

The total cost of replacing all **existing** machines is £65,000 and Members are requested to approve capital funding in 2009/10 for this expenditure.

The option of converting George Yard multi-storey to a 'Pay on Foot' system (obtain a ticket on entry and pay on exit) was considered, but discounted in view of the cost of installing barriers and associated works. In addition, as there are only two access and two exits, during peak periods, there is a high risk that cars waiting to access would overspill onto Pierrefitte Way, causing traffic congestion.

FEES & CHARGES

Appendix 2 sets out options for the car parking tariff ranging from:-

Tariff	Extra Revenue	Projected income	Current Budget	Budget Impact
No change - option 1	Nil	£743,000	£806,000	- £63,000
Low - option 2	+ £ 48,000	£791,000	£806,000	- £15,000
Medium - option 3	+ £ 68,000	£811,000	£806,000	+ £ 5,000
High - option 4	+ £109,000	£851,000	£806,000	+ £45,000
Fees & Charges Group recommendation	+ £ 80,000	£823,000	£806,000	+ £17,000

The Council's current charges are significantly lower than those levied by other authorities in our CIPFA family group (see Appendix 3). The proposed 'medium' tariff for Braintree compares very favourably with these charges.

Increasing parking fees does not necessarily generate the additional income predicted, as it can reduce car park usage, particularly within the first 12 months. Projected income therefore takes into account anticipated demand reduction.

The Task & Finish Group suggested the introduction of a 1-2 hr pricing band, but this would significantly reduce the income from the 0-1 hr and 1-3 hr bands and so it is not recommended.

Concessions

Offering concessions is often used as a means of generating additional income during off-peak periods. This would be well received by both service users and the business community and could mitigate public dissatisfaction with any increased charges.

The existing Pay & Display machines do not have the facility to offer variable tariffs, but it is proposed to introduce a 3-month pilot scheme from 1 April 2010 (when new machines will be in place) in George Yard based on a reduced tariff (say 70p) between 3pm and 6 pm on weekdays.

Blue Badge Holders

Blue badge holders park free in our car parks for a maximum of 3 hours and thereafter normal charges apply. This is in line with Chelmsford, Colchester, Ipswich and Cambridge. The option exists to charge everyone regardless, however, it is not recommended as it could displace some users onto the public highway where they can park free of charge on yellow lines, causing congestion/obstruction, and result in public dissatisfaction.

NEW INCOME STREAMS

Opportunities exist to develop new income streams from the four rural car parks and at Causeway House, in addition to charging for parking on Sundays at all car parks. Table 1 gives an indication of what income may be achieved at 50% take-up, based on £3.50 per bay per day over a 6-day week, 50 weeks per year.

Table 1

Car Park	50% use
Earls Colne	£23,100
Sible Hedingham	£12,075
Coggeshall	£39,375
Hatfield Peverel	£24,150

Potential new income	£98,700
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Table 2

Car Park	50% use
Causeway House	£10,000
Sunday Parking	10% use
All car parks	£6,000

Potential new income	£16,000
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This would require an additional capital investment of £30,000

Alternatively, Members may wish to consider the option of transferring ownership of the rural car parks to the Parish Councils, subject to their agreement, or offering them a 50% share of parking revenue.

CONCLUSIONS

- New ticket machines are required to improve customer satisfaction, management information and to maximize income opportunities.
- Parking charges have not increased since 2006 and it is proposed that these be increased from 1 April 2010. The longer an increase is deferred, the bigger the impact on customers, as it will need to be set at a higher level than would otherwise be the case. The proposed tariff in Option 3 at Appendix 2 is a reasonable compromise and still very competitive in comparison with other car park providers.
- There should be no change to the current provision for blue badge holders. The Council has just 48 blue badge holder bays and the actual financial benefit to the Council from introducing charges would be minimal.

- There is an opportunity to transfer the rural car parks to the Parish Councils or alternatively, retain these and introduce parking charges.

Corporate Implications		
Financial:	Requirement for capital to invest in new ticket machines Potential for additional revenue	
Legal:	Yes - compliance with statutory legislation	
Equalities & Diversity:	Equality inclusive	
Customer Impact:	The proposals will impact upon all users of the Council's car parks.	
Environment & Climate Change:	Any increase in charges may encourage people to use more sustainable methods of transport, although the benefits would potentially be offset by any parking concessions (if offered)	
Consultation/Community Engagement:	Local Committees - during November 2009	Partners - Not yet, but will included within the statutory consultation referred to below.
	Public - two statutory periods of public consultation are required in respect of any increase in car parking charges - to be carried out before April 2010.	Staff - No
Key Decision:	Yes (affects all residents and business District-wide.)	
Public/Private Report:	Public/Private – [Insert relevant paragraph number]	
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PUBLIC CAR PARKS OPERATED BY BRAINTREE DISTRICT COUNCIL

PAYING CAR PARKS

Car Park	Short Stay	Long Stay	No. of Pay & Display Bays	No. of Permit Holders	Blue Badge Holder Spaces	Motorcycle Bays
Newlands Drive, Witham	Yes	No	168	28	No	Yes
Mill Lane, Witham	Yes	No	52	N/A	Yes – 2 bays	Yes
White Horse Lane, Witham	No	Yes	84	N/A	No	Yes
Lockrams Lane, Witham	Yes (weekends only)	Yes (Mon-Fri only)	41	41	No	No
Maylands, Witham	Yes (weekends only)	Yes (Mon-Fri only)	32		No	No
George Yard, Braintree	Yes	No	610	7	Yes – 37 bays	No
Station Approach, Braintree	No	Yes	81		No	No
Manor Street, Braintree	Yes	No	67	N/A	Yes – 4 bays	No
Victoria Street, Braintree	No	Yes	41		No	No

FREE OF CHARGE

	No. of bays	Blue Badge Holders
Earls Colne	44	No
Sible Hedingham	23	No
Coggeshall	85	Yes – 4 bays
Hatfield Peverel	46	No
Causeway House (evenings & weekends only)	216	Yes – 5 bays

PARKING TARIFFS

Existing Tariff

Season Tickets		Short Stay car parks		Long Stay car parks	
Monthly	£ 35.00	0-1 hr	50p	0-23 hrs	£3.50
Quarterly	£ 90.00	1-3 hrs	£1.20		
Annual	£350.00	3-6 hrs	£2.50		
		6 hrs+	£5.00		

OPTION 1 - No increase

Projected income = £743,000. Current budget £806,000. Shortfall - £63,000.

OPTION 2 - Low Increase

Short Stay	Increase		Demand Reduction	New Charge	Blue Badge Holders	Projected increase in income
0-1 hr	10p	20%	5%	60p	Free	£22,189.00
1-3 hrs	10p	8%	2%	£1.30	Free	£16,481.00
3-6 hrs	10p	4%	2%	£2.60		£ 1,346.00
6 hrs+	20p	4%	2%	£5.20		£ 813.00
Long Stay						
0-23 hrs	20p	6%	2%	£3.70	Free	£ 3,449.00
Season Tickets						
Monthly	£ 2.00	6%	2%	£ 37.00		£ 2,008.00
Quarterly	£ 5.00	6%	2%	£ 95.00		£ 327.00
Annual	£20.00	6%	2%	£370.00		£ 1,542.00

FULL TOTAL = £48,155.00 (6.5% increase)

Potential income = £791,000. Current budget £806,000.

OPTION 3 - Medium Increase

Short Stay	Increase		Demand Reduction	New Charge	Blue Badge Holders	Projected increase in income
0-1 hr	20p	40%	15%	70p	Free	£30,113.00
1-3 hrs	30p	25%	15%	£1.50	Free	£16,712.00
3-6 hrs	50p	20%	10%	£3.00		£ 5,607.00
6 hrs+	50p	10%	5%	£5.50		£ 1,907.00
Long Stay						
0-23 hrs	50p	14%	7%	£4.00	Free	£ 6,033.00
Season Tickets						
Monthly	£ 15.00	43%	25%	£ 50.00		£ 3,990.00
Quarterly	£ 40.00	44%	25%	£130.00		£ 791.00
Annual	£150.00	45%	25%	£500.00		£ 3,064.00

FULL TOTAL = £68,217.00 (9.2% increase)

Potential income - £811,000. Current budget £806,000.

Option 4 - High increase

Short Stay	Increase		Demand Reduction	New Charge	Blue Badge Holders	Projected increase in income
0-1 hr	50p	100%	35%	£ 1.00	Free	£47,547.00
1-3 hrs	80p	67%	35%	£ 2.00	Free	£22,289.00
3-6 hrs	£ 1.50	60%	25%	£ 4.00		£14,019.00
6 hrs+	£ 2.50	50%	25%	£ 7.50		£ 5,296.00

Long Stay						
0-23 hrs	£ 1.00	29%	15%	£ 4.50	Free	£ 8,905.00

Season Tickets						
Monthly	£ 35.00	100%	45%	£ 70.00		£ 5,585.00
Quarterly	£ 90.00	100%	45%	£180.00		£ 949.00
Annual	£350.00	100%	45%	£700.00		£ 4,289.00

FULL TOTAL = £108,879.00 (14.7% increase)
Potential income - £851,000. Budget £806,000.

FEES & CHARGES GROUP RECOMMENDATIONS

Short Stay	Increase		Demand reduction	New Charge	Blue Badge Holders	Projected increase in income
0-1 hr	20p	40%	15%	70p	Free	£30,113.00
1-3 hrs	80p	67%	35%	£2.00	Free	£22,289.00
3-6 hrs	£3.50	140%	50%	£6.00		£14,019.00
6 hrs+	£1.00	20%	10%	£6.00		£ 3,389.00

Long Stay						
0-23 hrs	£1.50	43%	30%	£5.00	Free	£ 2.00

Season tickets						
Monthly	£ 45.00	129%	50%	£ 80.00		£ 7,977.00
Quarterly	£110.00	122%	50%	£200.00		£ 1,055.00
Annual	£250.00	71%	40%	£600.00		£ 1,226.00

FULL TOTAL = £80,070.00 (increase 10.8%)
Potential income - £823,000. Budget £806,000

CAR PARKING CHARGES LEVIED BY LOCAL AUTHORITIES IN OUR CIPFA GROUP

Local Authority	>1hr	>2hrs	>3hrs	>4hrs	>5hrs	>6hrs	Long stay
Ashford	0.80p	£1.60	£2.40	£3.20	£3.20	£3.20	£3.20
Braintree	0.50p	£1.20	£1.20	£2.50	£2.50	£2.50	£3.50
High Peak	0.80p	£1.30	£2.50	£2.50	£4.00	£4.00	£4.00
Huntingdonshire	0.50p	£1.00	£1.20	£1.50	£2.00	£2.00	£2.00
Lichfield	0.90p	£1.80	£3.60	£7.00	£7.00	£7.00	£7.00
Maidstone	0.50p	£1.00	£1.40	£1.80	£2.00	£5.50	£5.50
Maldon	0.70p	£1.30	£1.30	£2.80	£8.00	£8.00	£8.00
Mendip	0.80p	£1.10	£2.10	£2.10	£3.20	£3.20	£3.20
Newark & Sherwood	£1.50	£2.50	£2.50	£2.50	£4.50	£4.50	£6.00
South Somerset	£1.20	£1.20	£1.50	£2.00	£3.00	£3.00	£3.00
Stafford	£1.00	£1.50	£2.40	£3.00	£4.00	£4.00	£4.00
St. Edmundsbury	0.20p	0.80p	0.80p	0.80p	£1.60	£1.60	£1.60
Stroud	0.50p	£1.00	£1.00	£1.50	£2.20	£2.20	£2.20
Test Valley	0.60p	£1.10	£1.70	£2.20	£5.00	£5.00	£5.00
Whychavon	0.70p	£1.40	£2.10	£2.80	£4.00	£4.00	£4.00

Cheapest	0.50p	0.80p	0.80p	0.80p	£1.60	£1.60	£1.60
Most expensive	£1.50	£2.50	£3.60	£7.00	£8.00	£8.00	£8.00
Average charge	0.75p	£1.32	£1.85	£2.55	£3.75	£3.98	£4.15
Braintree	0.50p	£1.20	£1.20	£2.50	£2.50	£2.50	£3.50

Differential between BDC and average charge	- 50%	- 10%	- 54%	- 2%	- 50%	- 59%	- 19%
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