

REPORT TO CABINET

REPORT OF: MANAGEMENT ACCOUNTANT

REPORT NO. DOS294

DATE: 7th November 2005

TITLE:	REVIEW OF CAR PARKING CHARGES IN GRANTHAM AND STAMFORD
FORWARD PLAN ITEM:	Yes
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	17 th August 2005
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	KEY DECISION

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	TOWN CENTRE DEVELOPMENT – CAR PARKING
CORPORATE PRIORITY:	TOWN CENTRE DEVELOPMENT
CRIME AND DISORDER IMPLICATIONS:	N/A
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available on the Council's website: www.southkesteven.gov.uk via the Local Democracy link
BACKGROUND PAPERS:	Previous report DPM 229

INTRODUCTION

1. The purpose of the report is to provide Cabinet with a performance update with regard to the car parking service and, in accordance with the Council policy of charges increases, to propose new car parking charges for both Grantham and Stamford.

RECOMMENDATION

2. The current policy with respect to the car parking service was agreed by Cabinet in January 2004. The policy is:

- To introduce a bi-ennial review of car parking charges and increase them, as a minimum, in line with inflation
- To agree with the migration of Stamford charges to be in line with Grantham charges within the next four years

Taking into consideration the comments of the Director of Finance and Strategic Resources on the Council's overall financial position I would recommend that the Portfolio Holder chooses either option 2 or 3 tariff table.

Furthermore consideration should be given in respect of the current policy in the following areas:

- Excess Charge Notices (charge increase)
- Sunday, bank holiday and evening charging
- Disabled parking charges

There is currently a strategic review of car parking provision for Stamford and a re-alignment of car parking infrastructure in Grantham. In addition the proposed redevelopment of Bourne Town Centre will result in a strategic review of car parking provision in the town. All of these may lead to a more fundamental study of charging methodology, classifications and charging policies generally. Therefore a more thorough assessment of the car parking service will be necessary once these reviews are completed.

DETAILS OF REPORT

3. The previous report on this subject (DPM 229) detailed two tariff options which generated different levels of additional income. Option 1 was agreed by Cabinet and implemented on 5 April 2004. Option 1 was forecast to generate additional £99,000 per annum. This has been achieved in the following areas:

	2003/04 £	2004/05 £
Excess Charges/Season tickets	98,385	121,874
Grantham tariff income	468,444	478,510
Stamford tariff income	426,295	492,276
Total	993,124	1,092,660

Additional income generated for financial year 2004/05 £99,536.

Turnover of spaces and income per space for 2004/05 can be shown as follows:

Car Park L/S long stay S/S short stay	Number of spaces	Turnover of users per space 2002/03	Turnover of users per space 2004/05	Income per space 2002/03	Income per space 2004/05	Total Income 2004/05
<u>Grantham</u>						
Conduit Lane (L/S)	48	631 – 2 times per day	506 – 1.6 times per day	£477	£547	£26,263
Guildhall St (S/S)	93	1221 – 4 times per day	1540 – 5 times per day	£1174	£1388	£129,049
Watergate (S/S)	100	1229 – 4 times per day	1062 – 3.5 times per day	£955	£1000	£99,699
Welham St (L/S)	151	589 – 2 times per day	673 – 2.3 times per day	£476	£618	£93,245
Wharf Road (S/S)	257	510 – 1.6 times per day	519 – 1.7 times per day	£343	£490	£125,646
<u>Stamford</u>						
St Leonards St (S/S)	31	1623 – 5 times per day	1487 – 4.8 times per day	£902	£1152	£35,714
North St (S/S)	102	1400 – 4.6 times per day	1471 – 4.8 times per day	£868	£1100	£112,146
Bath Row (S/S)	94	1123 – 3.7 times per day	1170 – 3.8 times per day	£777	£944	£88,740
Scotgate (S/S)	65	912 – 3 times per day	1011 – 3.1 times per day	£618	£786	£51,139

Cattlemarket (L/S)	266	323 – 1 time per day	351 – 1 time per day	£276	£374	£99,330
Wharf Road (L/S)	207	424 – 1.4 times per day	490 – 1.6 times per day	£384	£508	£105,208

(NB the turnover per space at Wharf Road Grantham is lower as level 2 is used for staff parking and levels 3 and 4 are under utilised for the majority of the week).

It can be seen that turnover of spaces has changed fairly significantly at some of the car parks (mainly Grantham) since the last implementation of car parking charges. This can be evidenced by changes in the ticket profile as shown below:

Car Park	1 hour		2 hours		3 hours		4 hours		All day	
	02/03	04/05	02/03	04/05	02/03	04/05	02/03	04/05	02/03	04/05
Conduit Lane	32%	29%	31%	30%	12%	10%	5%	5%	20%	27%
Guildhall St	48%	53%	41%	35%	10%	10%	1%	1%		
Watergate	48%	43%	41%	36%	10%	16%	1%	1%		
Welham St	32%	31%	31%	36%	12%	12%	5%	5%	20%	15%

Observational comments

Increased length of stay at Conduit Lane

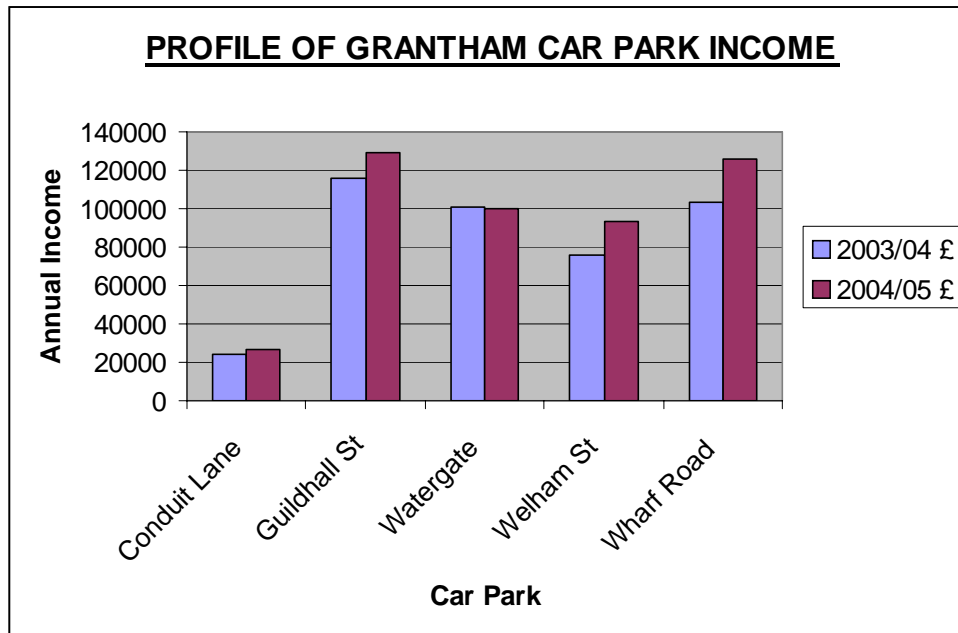
Increased sales of 1 hour tickets at Guildhall St with a counter reduction of 2 hour ticket sales

Increased length of stay at Watergate

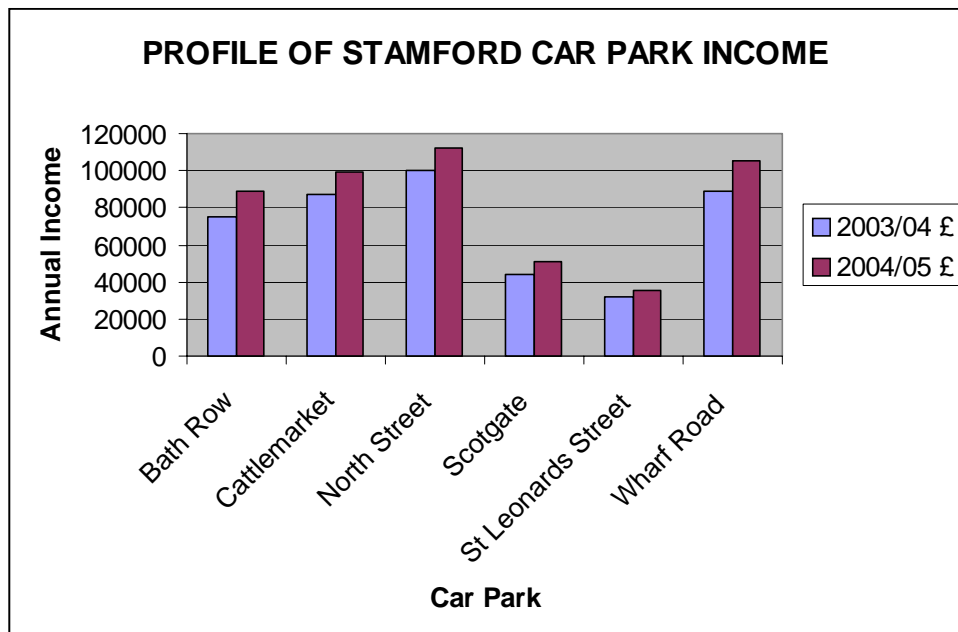
Reduction in all day use at Welham St with a counter increase in 2 hour stay

One issue that does arise from this analysis is the current policy of classifying car parks between long and short stay and the pricing regime that is in place based on these classifications. The survey results (shown later in the report) indicate there is a good understanding between the classifications and that motorists take it into consideration when deciding where to park. In summary over 50% of car parking tickets sold at long stay car parks are for 2 hours or less. This clearly should be discouraged by an appropriate charging structure if long stay car parks are to be used by those with all day parking needs.

Income Generation levels



NB Watergate car park closed for a period in 2004 for archaeological survey work



Benchmarking Information

<u>Authority</u>	<u>1 hr</u>	<u>2hrs</u>	<u>3hrs</u>	<u>4hrs</u>	<u>All Day</u>
<u>Melton BC</u>					
Short Stay	70p (£1 Tues)	£1.30 (£2 Tues)	£2 (£3 Tues)	£3.50 (£4 Tues)	N/a
Long Stay	30p	50p	70p	70p	£2.50
<u>Rutland County Council</u>	50p	80p	£1.20		£5.00 (£2 long stay)
<u>City of Lincoln Council</u>	£1	£2	£2.70	£3	£5
<u>North Kesteven DC</u>					
Short Stay	£1	£1.50	£2.00	N/a	N/a
Long Stay					£2
<u>Newark and Sherwood DC</u>					
<u>Short Stay</u>	80p	£1	£2	£4	£4
<u>Long Stay</u>	70p	£1	£1.60	£1.60	£2
<u>NCP</u>	£1.20	£1.50	£1.80	£2	£2
<u>Boston BC</u>					
<u>Short Stay</u>	£1.20 £1	£1.70 £1.50			
<u>Long Stay</u>	£1 £1	£1.30 £1.40	£1.30 £2	£1.50 £2.50	£2.50 £3.50

<u>South Kesteven DC</u>					
<u>Short Stay</u>					
<u>Grantham</u>	60p	£1.10	£1.60	£3	£5
<u>Stamford</u>	50p	90p	£1.30	£3	£5
<u>Long Stay</u>					
<u>Grantham</u>	50p	90p	£1.30	£1.80	£2.20
<u>Stamford</u>	50p	90p	£1.30	£1.80	£2.20

Compared with towns of similar size both Grantham and Stamford offer cheaper parking. There is therefore the opportunity to implement an increase whilst retaining competitive charges.

VFM Assessment and Performance Management.

Report CEX298 presented to Cabinet on 10 October 2005 identifies that car parking income is £6.17 per head of population. Compared with our neighbours reveals the following:

Authority	Parking £'s per head
West Lindsey DC	£1.26
North Kesteven DC	-£0.89
Newark & Sherwood DC	-£4.73
South Holland DC	-£0.81
South Kesteven DC	-£6.17
Boston BC	-£14.88
East Lindsey DC	-£8.53

In terms of parking income per head South Kesteven is the third highest of our neighbours which contributes towards the setting of the Council Tax levels. Unfortunately there are no national performance indicators to measure the car parking service and compare with our neighbours. However the service has a number of local performance indicators namely:

Gross income per car parking space

% of tickets sold > 3 hours
 <10% PCN's issued cancelled

Car Parking Service

During 2005 there has been a significant amount of improvement works undertaken on the pay and display car parks in Grantham and Stamford. The majority of car parks have had white lining, maintenance works and improved customer signage. In addition the multi-storey car park in Grantham has undergone a major maintenance and improvement scheme to ensure its longevity. These improvements will continue to ensure the car parks are of a high standard, preserve and sustain the revenue streams and provide a quality service to the public.

Options For New Car Parking Charges

As part of the review of car parking charges the current policy should be adhered to.
 Short stay rates over 3 hours should be punitive
 Long stay rates over 3 hours should be competitively priced

Option1 Charges

Charges	Grantham	Stamford
Short Stay		
0-1 hour	70p (60p)	70p (50p)
0-2 hours	£1.20 (£1.10)	£1.20 (90p)
0-3 hours	£1.70 (£1.60)	£1.70 (£1.30)
0-4 hours	£5 (£3)	£5 (£3)
All day	£7 (£5)	£7 (£5)
Long Stay		
0-1 hour	70p (50p)	70p (50p)
0-2 hours	£1.20 (90p)	£1.20 (90p)
0-3 hours	£1.50 (£1.30)	£1.50 (£1.30)
0-4 hours	£2 (£1.80)	£2 (£1.80)
All day	£2.50 (£2.20)	£2.50 (£2.20)
Coach Parking (Stamford only)		£6 (no change)

It is projected option 1 will raise an additional £140,000 per annum.

Option 2 Charges

Long Stay charges up to 3 hours and over 3 hours only

Charges	Grantham	Stamford
Short Stay		
0-1 hour	80p (60p)	80p (50p)
0-2 hours	£1.50 (£1.10)	£1.50 (90p)
0-3 hours	£2 (£1.60)	£2 (£1.30)
0-4 hours	£5 (£3)	£5 (£3)
All day	£7 (£5)	£7 (£5)
Long Stay		
0-3 hours	£1.50 (£1.30)	£1.50 (£1.30)
0-4 hours	£2.00 (£1.80)	£2.00 (£1.80)
All day	£2.50 (£2.20)	£2.50 (£2.20)
Coach Parking (Stamford only)		£6 (no change)

It is projected option 2 will generate an additional £300,000 per annum.

Option 3 Charges

Charges	Grantham	Stamford
Short Stay		
0-1 hour	70p (60p)	70p (50p)
0-2 hours	£1.20 (£1.10)	£1.20 (90p)
0-3 hours	£1.70 (£1.60)	£1.70 (£1.30)
0-4 hours	£5 (£3)	£5 (£3)
All day	£7 (£5)	£7 (£5)
Long Stay		
0-3 hours	£1.50 (£1.30)	£1.50 (£1.30)
0-4 hours	£2.00 (£1.80)	£2.00 (£1.80)
All day	£2.50 (£2.20)	£2.50 (£2.20)
Coach Parking (Stamford only)		£6 (no change)

It is projected option 3 will generate an additional £250,000 per annum.

Season tickets charges for all 3 options:

Season tickets (Mon-Fri)		
Per Quarter	£80 (£71.50)	£80 (£71.50)
Per 6 months	£145 (£130)	£145 (£130)
Season tickets (Mon-Sat)		
Per Quarter	£95 (£85)	£95 (£85)
Per 6 months	£170 (£160)	£170 (£160)

Excess Charge Notices (Parking fines)

The current fine charges are:

Failure to display a valid ticket - £50 (reduced to £25 if paid within 7 days)
Parking for a longer period than paid for - £30 (reduced to £15 if paid within 7 days)

For 2004/05 3584 fines were issued (992,256 parking tickets were sold). The fines can be broken down as:

Failure to display 1388 (39%)
Parking longer than paid for 2068 (58%)
Other 128 (3%)

The amounts need to be set at a rate that acts a deterrent and is punitive. It is proposed to increase these to:

Failure to display a valid ticket - £60 (reduced to £30 if paid within 7 days)
Parking for a longer period than paid for - £40 (reduced to £20 if paid within 7 days)

Other service policies for consideration

The following areas require a review of the current policy (having regard to the interim consultation results):

Sunday, Bank Holiday and Evening Charging

For many years the Council has not charged for Sunday, bank holiday and evening parking due to demand from users being low. The current charging period is Monday to Saturday 8am – 6pm. However as more shops are now open 7 days a week there may be a case to charge users accordingly. It is worth bearing in mind that all costs associated with providing car parking (eg business rates) are incurred on a daily basis so there may be an argument that charging should follow costs incurred. There needs to be a view whether the evening economy in our towns can support an evening charge (City of Lincoln Council charges a flat rate of 90p after 5pm) or whether the effect would be to displace vehicles onto the streets. However these are sensitive issues and a neighbouring authority introduced Sunday charging only to reverse the decision 3 months later due to the high number of complaints (particularly from church goers).

Disabled parking

A benchmarking exercise has been undertaken with other authorities to determine other policies on this matter. It transpires that the majority of authorities offer free unlimited parking for disabled users (in line with our current policy). However the policy of some Councils is to offer free parking limited to a time period (say 3 hours).

Payment methodology

For many years the Council has operated the charging car parks on a pay and display basis. The maintenance of these machines and the enforcement of the Parking Order is undertaken by the car parking attendants who operate in each town on a patrolling basis. This form of payment method is the cheapest and most cost effective way currently available. The main advantages being:

- Machines are relatively cheap to purchase (typically £3K), maintain and operate
- Attendants can patrol between car parks thus maximising their time.
- Machines can take many forms of payment and can include 'help' facility

The main disadvantage is that parking tickets can only be purchased in prescribed time bands which can discourage visitors and shoppers from staying longer in the town.

A popular alternative that can be appropriate in some car parks is the pay on foot/exit charging regime. The requirements of this type of charging is entry and exit barriers, entry and exit card terminals, paystations and a centralised terminal. The main advantage being that users are not time constrained when parking and can return at their convenience which can result in parking for longer periods. However the set up costs are expensive (around £35,000) and there is a need to have an attendant on-site to ensure the smooth running of the car park and to assist when problems arise.

Both of these methods have merit depending upon the nature of the car park and a thorough appraisal is needed before the most appropriate method is selected. This will be undertaken if the multi-storey car park proceeds at Welham Street Grantham.

Smartcards

A business case is currently being compiled to enable an alternative payment method of smartcards to be introduced at Council car parks. This will require the upgrading of car parking machines but will ultimately assist the Council objective of encouraging other non-cash methods of payment. A report on this subject will be presented at a later date.

Consultation Results

Grantham only – 80 responses
(Stamford currently being undertaken)

Do you consider the number of Council operated car parks is.....	About right 71% Too high 3% Too low 19%
What is most important when deciding where to park	Cost 92% Location 89% Length of stay 82% Type of visit 20% Council operated 11%
Are you aware of the long and short stay distinction	Yes 53% No 22% Don't know 25%
Is this taken into consideration when parking?	Yes 80% No 20%
Should you pay more for car parks centrally located?	Yes 45% No 25% Don't know 30%
Should people pay on Sundays and Bank Holidays?	Yes 13% No 87%
Should disabled drivers have free and unlimited parking	Yes 88% No 12%
Should people pay more for parking on certain days of week?	Yes 24% No 76%
Do you agree that car parks should be paid for by users of the service and not Council tax payers?	Yes 88% No 12%
Should the Council provide public car parks?	Yes 91% No 9%
<u>Satisfaction</u> The charges Information on boards Using parking machine Availability of spaces Security provision	 63% fairly or very satisfied 72% fairly or very satisfied 68% fairly or very satisfied 65% fairly or very satisfied 70% fairly or very satisfied
<u>User breakdown</u>	53% shopping 20% Visitor 8% commuting
<u>Profile</u>	Male 42% Female 58%

<u>Disability</u>	10% yes 90% no
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Observational Comments

Based on the interim results the following observations can be made:

Over two thirds consider the number of car parks is 'about right'

Most important when deciding where to park: Cost, location and length of stay

53% aware of long stay and short stay classification

80% of users take this into consideration when deciding where to park

Strong opposition for Sunday (and Bank Holiday) charging and strong support for free parking for disabled motorists

Equally strong support for the service should be paid for by the motorist not the tax payer and that the Council should provide public car parks

Ahead of the decriminalisation study for Lincolnshire 48% of users asked thought on street enforcement by the Council was a good idea (36% didn't know enough about the subject to comment).

COMMENTS OF DIRECTOR OF FINANCE AND STRATEGIC RESOURCES

4. Car park revenue is a major income source for the Council and its surpluses help provide services such as CCTV and town centre management. Increases in charges should provide a balance to be made between Council Tax increases and ensuring return on assets is maximised. My report FIN239 identifies financial strategy no.5 that asset returns are reviewed and optimised. I recommend the Cabinet approve option 3 as a minimum tariff increase for 2006/07.

COMMENTS OF CORPORATE MANAGER, DEMOCRATIC AND LEGAL SERVICES (MONITORING OFFICER)

5. In view of the proposed changes contained in this report, the Council must fully comply with the statutory requirements of the Road Traffic Act 1984. The full consultation period will be required for anything more than increased charges. This consultation period can take up to six months.

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