

South Somerset District Council Car Park Charging Policy Paper

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Purpose of the Report

1. The purpose of this report is to outline the current situation with pay and display car parking charges across the district and the policy background on fees and charges. It is also to identify the need for work to be undertaken in 2018/19 to consider various car park user improvements and benchmarking as part of an updated car park strategy to present a longer term charging policy in line with the regulations in force. This is to be considered for implementation when complete in July 2019.

Forward Plan

2. Scrutiny Committee at its meeting in August 2017 requested a Scrutiny Task and Finish review with regard to car parking charges. The broad topic area was 'car park charges – has SSSDC got the right approach and could SSSDC be generating a greater surplus to support service delivery and council ambitions as suggested in the LGA Peer Review' paper.
3. At the January 2018 Scrutiny Committee it was confirmed that the Member Task and Finish Group for car parking were to postpone their proposals at present due to resource constraints, but have asked for officers with the technical knowledge of the subject to bring an interim proposal to them for this next financial year and a plan to take them forward towards 2019/20.
4. District Executive Committee at its meeting in February 2018 reinforced the need for this proposal to be undertaken for further consideration by Members.
5. This report appeared on the District Executive Forward Plan with an anticipated Committee date of March 2018.

Public Interest

6. Car parking charges are of interest to the general public, businesses, and other facilities within the market towns.

Recommendations

7. That the District Executive approve the following for implementation in the timescales indicated, following consultation where necessary:-
 - a) Increase prices by 10%+ to align charges with inflation rises since April 2012 (last price increase) as per the schedule detailed in this report and to implement in 2018;

- b) In the event that any surplus is generated, this be ring fenced for projects in accordance with CPE legislation and guidelines (this includes public transport, road improvements and environmental improvements; such as public land, free public access to water or recreational facilities);
- c) Approve an automatic minimum inflationary increase in charges annually in line with other fees and charges and the policy detailed in this report;
- d) Approve delegated authority to officers, to manage the inflationary increases annually or to implement increases every 3 years (cumulatively) if it is not cost effective to implement annually (e.g. if increase is so small each year that the cost of implementing it outweighs the increase in projected revenue);
- e) Recommend a full market charges, benchmarking, and car park operational review as part of the car park strategy update to ensure alignment in the area. This is to be carried out by officers in the financial year 2018/2019 for implementation in July 2019; subject to being approved at District Executive.
- f) To introduce a flat rate charge of £1 all day in the pay and display car parks in Yeovil on Sundays. This is to be for an 18 month trial period from date of implementation and to be reviewed at the end of that period and reported back to District Executive. An updated Equality Impact Assessment to be carried out in conjunction with advertising the proposals;
- g) Approve delegated authority to officers to deal with any representations following the consultation period and approve increase in charges.

Background

a) Car Park Charges

- 8. Car park charges have not been reviewed or increased since April 2012 and the Peer Review recommendations stated the Council should be looking at car park charges as they believed they had fallen behind with other charges.
- 9. They have not kept up with inflation while associated costs in maintaining the infrastructure, enforcement, and administration have increased over the years.
- 10. The table below shows an accumulative inflation figure of 11% over this period. Increasing charges by around 10% will still result in the charges in South Somerset being comparable to neighbouring towns from a benchmarking exercise.

Inflation Figures 11/12 to 17/18	Unit, £	%	Accumulative figure
11/12 to 12/13 = 2.4%	1	2.62	1.02400
12/13 to 13/14 = 2%	1.024	2.00	1.04672
13/14 to 14/15 = 1%	1.04672	1.04	1.05761
14/15 to 15/16 = 2%	1.05761	0.12	1.05888
15/16 to 16/17 = 1%	1.05888	1.11	1.07063
16/17 to 17/18 = 2%	<u>1.07063</u>	3.00	1.10274
	1.10274		
Overall increase	10.3%		

(Inflation data from www.rateinflation.com/inflation-rate/uk-historical-inflation-rate).

b) Policy Background on Fees and Charges

11. The present SSDC Financial Regulations relating to fees and charges states;

8.2 Setting Fees and Charges

In line with the budget setting timetable all fees and charges shall be reviewed annually by each Director and Manager in consultation with the Section 151 Officer. All changes to such charges shall be agreed in advance with the Section 151 Officer and recorded annually within the Fees and Charges Register. The Register will be published on the Council's website and it is the responsibility of each Director and Manager to notify the Section 151 Officer of any changes made in addition to the annual review.

12. South Somerset District Council has adopted a set of principles on which fees and charges decisions should be based in accordance with the Financial Regulations:

Car Parking Charges Policy

13. Based on the policy principles above, a car parking charges policy:

- Will increase in line with SSDC Financial Regulation 8.2 relating to setting fees and charges
- Will seek to maintain car parking income at current levels in real terms.
- Will consider the annual rate of inflation and recognise the lowest coin denominator is 5p but realistic increase would be a minimum of 10p before automatically increasing charges to maintain income at current levels
- Will take into account the above and apply to the varying car park charges fairly across the district and not before any increases reflect an inflation figure regardless the number of years that may take
- Will seek to ensure that users pay for the parking service rather than the council tax payer.
- Will promote existing and explore new technologies to improve the overall convenience of parking in South Somerset. This includes pay on exit and ANPR technology.
- Will seek where possible and appropriate to match parking capacity with demand.
- Will seek to develop and implement parking solutions that reflect local needs.
- Will make the economic vitality of South Somerset a core consideration when developing parking services.
- Will continue to work with partners to look at what additional sustainable transport services may be appropriate and deliverable.
- Will annually consider our fees and charges for car parking alongside the main budget setting timetable and set charges at levels that are competitive with neighbouring towns and cities, but which do not act to suppress the local economy
- Will consider the convenience and quality of parking locations and the local environmental conditions
- Will meet the requirement to provide an efficient Council parking service
- Will consult with the public and stakeholders on any actual proposed parking charges

- We will **not** introduce increases to car parking charges to a level to discourage the use of cars in the short term. (This approach will be reviewed when attractive alternative ways of travelling into towns are available in line with government policy on integrated transport systems)

c) Market and Operational Review

14. Subject to agreement of implementing the inflationary increase to the existing car park charges and a flat rate £1 Sunday charge in Yeovil car parks, an advert will be placed and the 28 day consultation period will commence and any representations be considered. An Equality and Impact Assessment will be carried out in conjunction with the consultation process. The off street car park order can be made and sealed and once completed software and signage for the new tariffs ordered. The advert, consultation, consideration of any representations, and the installation and erection of the new signage will take approximately 8 weeks before the new tariffs are applicable.
15. The larger piece of work to look at and consider car park user improvements and a study of the charging and car park strategy overall, will commence in 2018/19 with recommendations being made and reported back to District Executive for consideration in July 2019. This review will include the introduction of charging in the car parks in Wincanton as the Town Council have served notice to cancel their compensation agreement from September 2019 to keep the car parks free of charge. It will also include an updated review of benchmarking with charges in the neighbouring towns.

This project will also include recommendations and Strategies from the Yeovil Refresh and Chard Regeneration projects to ensure all advice and actions are consistent.

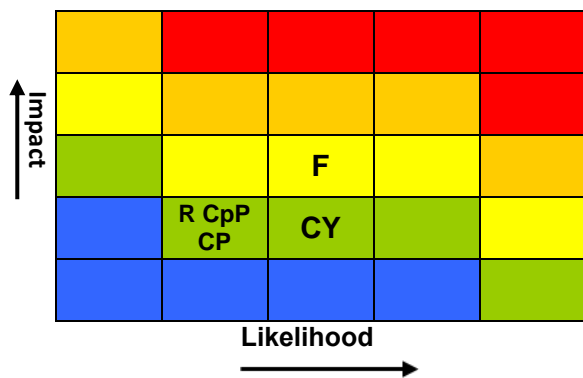
Financial Implications

16. Net income for 16/17 made up from Pay and Display, Phone and Pay, and Season Tickets was £1,975,067 against a budget of £2,140,510 so £165,443 below budget (7.7%). The net income at the end of January 2018 for 17/18 was £1,553,366 against a budget figure of £1,764,086 so £121,720 below budget (7.2%). For information phone and pay accounts for approximately 10% of income and is increasing year on year.
17. Using an estimated outturn of 7.5% below budget for the car park income figure for 17/18, this will result in a net income of £1,841,222 against a budget of £1,990,510, a shortfall of £149,288.
18. A 10% increase may generate an income of £184,000 if present occupancy is maintained.
19. Analysing the present tariffs some increases will be slightly more than 10% and some will remain the same to round up the tariffs in 10p intervals rather than 5p for example. There is generally an initial downturn when prices increase but there is a potential of £150,000 annual increase in income based on present 8am to 6pm charging regimes Mon – Sat inclusive, free on Sundays. Any surplus revenue generated over and above the present income would be ring fenced for transport related projects in accordance with CPE legislation.

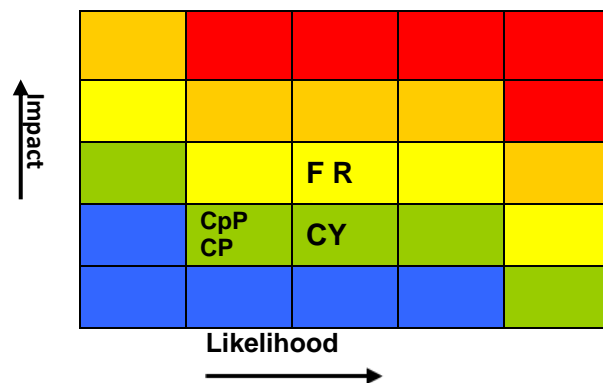
20. Introducing a flat rate charge of £1 for Sunday charging in Yeovil could generate an annual net income of £15,000 - £20,000 per annum.
21. There is a cost in altering the software on the 48 no. machines at approx. £250 each and altering the tariff notice boards at £150 each (48 no.) and then advertising the order etc. (£500), therefore an overall cost of approximately £20,000 to implement the changes. There will also be an increased enforcement cost if Sunday charging is introduced in the region of £4,000. These costs would have to be met from the existing revenue budget.
22. Appendices are attached to show existing and proposed tariff changes based on the 10% inflation figure for all pay and display car parks across the district.

Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

Council Plan Implications

- Corporate Plan: Focus 2; Environment - Maintain an attractive environment to live in
- Corporate Plan: Deliver well managed, cost effective services valued by our residents
 - Increase overall / general satisfaction with local area which includes the enforcement and management of the car parks

Carbon Emissions and Climate Change Implications

Not applicable

Equality and Diversity Implications

None applicable for increased inflationary charges but an assessment to be carried out for the introduction of a flat rate Sunday charge.

Privacy Impact Assessment

None applicable

Background Papers

- Scrutiny Task and Finish Group August 2017 and January 2018
- Peer Review Report to District Executive July - 2017

Appendices

- a) Car park charges 17/18
 - b) Proposed car park charges for 18/19 based on a 10% inflationary figure
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