

APPENDIX G

Car Parking Charges – Outcome of Investigation Requested at Full Council

1. At Full Council on Thursday 16th July it was “agreed to investigate a change to the Council Car Parking Policy to enable an initial free period of up to 2 hours of parking to be made available, where parking is currently charged at a timed rate”.
2. Officers have researched and investigated what might be the impact of applying an initial free period of up to 2 hours of parking for the short and medium stay car parks in Yeovil, Chard, Crewkerne, and Ilminster. They also considered the financial effect in towns where the council operate a parish or town financed free parking regime such as Castle Cary and Wincanton. Three main areas were considered as outlined below:-
 - **Financial modelling using South Somerset data to forecast financial impact.**
3. The current car parking income stands at £2.374m. The analysis indicates that implementing an up to two hours free parking scheme would result in a financial loss of between £1.2 and £1.5 m (a reduction of 53.5%). This would need to be added to the MTFP and therefore the savings requirement for 2016/17 would increase by a further £1.5 million to facilitate this. The capital costs of changing the machines and signage/advertising would be £20,000
4. The compilation of this report has required 30 hours of the Strategic Transport Officer, 60 hours of the Engineering and Property services officer and 7 hours of the Assistant Director Economy.
 - **The relevant policies in the South Somerset District Wide Car Parking Strategy (DWPS)**
5. The DWPS was reviewed and approved in April 2013. It acknowledges that charging is a vital element of managing car parks, and helps create compact and convenient town centres help match supply to demand by controlling duration of stay and turnover, which can have a positive effect on a town’s vitality.
6. A decision to implement a free parking would not require a further review of the Strategy as introducing an up to two hour free parking period accords with and is not contrary to any policy. However, there would be an impact on other aspects of the Strategy, such as the efficient use of long and short stay spaces, and the ability to reinvest in improvements to car parking.
 - **A comparative impact analysis derived from the experience of towns in the UK where free car parking periods have been introduced.**

a) National Evidence

7. The national reports compiled by the Welsh government, The Association of Town & City Management & The British Parking Association and the RAC support 4 broad conclusions:

- There is a lack of robust evidence that can be used to link car parking strategies and town centre footfall.
- Charging for car parking is one of a complex array of factors that can influence town centre vitality.
- Town centre economies are highly localised and differ considerably. Parking strategies and charges need to be tailored to local areas to maximise the impact on footfall.
- Car park charging should not be viewed in isolation from other factors (availability of parking, signage, and traffic flow) which affect willingness to drive in town centres.

b) Local Evidence

8. Some authorities that have introduced a free parking period have experienced a significant downturn in revenue. With 2 hours often being the most popular period of stay then this downturn has the potential to be considerable in South Somerset
9. There is plenty of evidence that the availability of free spaces is an essential pre-requisite for trade and charging/enforcement is a way of ensuring car parks do not become saturated. Short-stay on-street parking is recognised to support "passing" trade by making some spaces available and discouraging owners/workers from parking in premium places."
10. Any implementation of a free charging period should therefore be a targeted specific measure in a specific location that has been properly assessed to avoid an adverse effect on either the town centre or the revenue currently generated. It is also likely that should it subsequently prove to have an adverse impact, it would be very difficult to then remove what could still be a perceived benefit.

Other considerations

11. Before implementing such a scheme there are other considerations many of which would indicate an increased financial loss
 - a) Tariff Bands – It is assumed that the existing tariffs for over 2 hours remain as they are now so in theory someone staying for an extra 1 hour over the 2 hour free period will be paying the existing 3 hour tariff and therefore not benefit from the first two hours free. The loss of income quoted above has been based on this assumption
 - b) Tickets Machines - The software in the 48 pay and display ticket machines across the district will have to be modified to enable the 2 hour free ticket to be issued. The cost of doing so is £292 per machine, total = £14,016
 - c) Signage – The car park regulation notice boards will have to be changed to reflect the changes in free parking/tariffs and the cost of altering the signage will be £5,000.
 - d) Car Park Orders – Any changes to the existing car park regulations/charges have to be advertised and a new off street car park order needs to be advertised as part of the consultation process, cost of advert and administration will be £1,000.

- e) Incentive to stay longer than 2 hours – As indicated in point 1 above there is no incentive for the public to stay over and above the 2 hour free parking if the existing tariffs for over 2 hours remain in place. The only incentive would be to introduce new cheaper tariffs for 3 hours or more than those at present. The downside of this of course is that this would reduce the loss of annual income even further to that identified above.
 - f) Enforcement - Enforcement will be very difficult to implement and monitor. Unless vehicle registrations are noted there will be nothing to stop people returning to their car and obtaining another free 2 hour ticket or moving to another parking space in the car park or to another car park and obtaining a free ticket again. If the latter occurs it would be impossible to enforce due to logistics and time involved. The enforcement issues are a potential further loss of income over and above the figures quoted.
 - g) Displacement - The introduction of a free car parking period would have an impact on on-street car parking, especially (although not necessarily confined to) where charges are levied by SCC as drivers would be more likely to use SSDC's car parks instead. This displacement is likely to impact on the availability of spaces in SSDC's car parks at peak times.
 - h) Turnover of Bays - The impacts on turnover (positive or negative) would be dependent on the level of charges set for any subsequent period as indicated in point 5 above.
 - i) Impact on commercial providers of parking– At present the Quedam and the Yeo Leisure Centre generally reflect the car park charges and strategy this Council has in place for benchmarking initiatives. If free 2 hour parking is introduced this will have an impact on the viability of these commercial enterprises and their financial business plans.
 - j) Availability of income for reinvestment in car parks. The current operational budget uses a proportion of income allows for reinvestment and the car parking strategy policy Action PS14 suggests that the council will seek to reinvest a proportion of its car parking receipts to continually improve the parking experience through a variety of measures as indicated and as resources allow. A reduced receipt will reduce this opportunity and new measures such as pay on exit and new phone charging measures will need to be separately financed.
12. In conclusion whilst there is some evidence that footfall can increase with a free 2 hour parking period and also some evidence that measures such as the shop vacancy rate can improve, this is not a universal conclusion, and could equally or in part be due to the effect of town centre regeneration, new shops and other marketing initiatives.
13. In South Somerset 2 hours is the most popular period of stay therefore the loss in income has the potential to be considerable, and from the detailed work undertaken up to £1.5m per annum and possibly much more without increased enforcement and low levels of abuse. The one-off costs to implement include at least £20,000 for signage and machine re-programming. Significant officer time would be diverted from other tasks to design and implement the new system. The chart below shows clearly that the majority of income is from up to 2 hours. Currently there has been no provision made within the MTFP for a period of free parking given the financial impact it would have.

