



<b>Council</b>	<b>Tuesday, 05 December 2017</b>	<b>Matter for Information and Decision</b>
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**Title:** **Off-Street Parking and Council-Owned Car Parks**

**Author(s):** **Margaret Smith (Facilities and Administration Team Leader)**

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## **1. Introduction**

- 1.1. At the extraordinary meeting of the Council on 6 July 2017 to consider budget savings, it was agreed that a solution is required for car parks which is at least cost neutral in terms of balancing enforcement costs versus the revenue generated from parking and introduces a single system of management across all of the Council's car parks.
- 1.2. At that meeting, Members of the administration stressed that an undertaking had been given in its manifesto to preserve free parking for shoppers within the Borough.
- 1.3. This report considers options for the future running of car parks and an indication of the income that could be generated if charges were to be introduced for different lengths of stay.

## **2. Recommendation(s)**

- 2.1. That Council notes the information in the report.
- 2.2. That in order to achieve a single system of management across all of the Council's car parks, approval is given to introduce charging for all car park users (with the option to introduce free 30 minute bays in some/all car parks) in order to at least meet (and likely exceed) a break-even position in terms of balancing enforcement costs versus the revenue generated from parking.  
  
By exceeding a break-even position, this option would also allow for income generated from car parking to be used for maintenance and improvements across all of the Council's car parks.
- 2.3. That the option of disc parking is explored further, particularly with regard to its ability to support a single system for discounted car parking charges for residents and to manage car parking arrangements and flow of vehicles across all car park locations.
- 2.4. That Council considers the miscellaneous schemes detailed in the report and decides whether further investigation should be carried out in relation to any of these schemes.

## **3. Current Position**

- 3.1. The current position is that car parks are running at an annual overall revenue loss of around £23,801 as shown below:

<b>Income</b>		<b>Expenditure</b>	
Penalty Charge Notices (PCNs)	£8,992	Enforcement (Including costs of processing PCNs)	£39,424
Pay and display income	£13,801	Pay and display machine	£2,900

		maintenance contract	
		Data cards for pay and display machines	£450
		Cash collection from 5 machines (G4S)	£3,100
<b>Total Income</b>	<b>£22,793</b>	<b>Total Expenditure</b>	<b>£45,874</b>
		<b>Less Income</b>	<b>£22,793</b>
		<b>Overall loss</b>	<b>-£23,081</b>

- 3.2. The provision of car parking is not a statutory requirement but it has always been accepted that this is a function with which the Borough Council should be involved. The current position, where annual losses are incurred is not sustainable. Alternative models for the delivery of parking are considered in more detail below together with their potential income generating capability.
- 3.3. Whilst considering the options below it should be noted that there is limited usage information available on the number of cars parking per day or length of stay that can be used to inform this report. Basic surveys were undertaken in March 2016 which showed the average percentage of free spaces in Oadby Town Centre car parks over the course of a week to be 31% and the average percentage of free spaces in Wigston Town Centre car parks to be 26%. Detailed usage surveys could be undertaken if required, but a supplementary budget would be required to fund this.

#### 4. Options

##### 4.1. Remove off-street enforcement altogether:

This would give a net saving of approximately **£32k** in enforcement costs, minus Penalty Charge Notice (PCN) income, but there would be a lack of parking control (i.e. no control on length of stay may mean that car parks become a 'park and ride' option to the city centre which was an issue experienced before the current car park management system was put in place, no enforcement on abuse of disabled bays etc).

Income from pay and display tickets would likely decrease over time as drivers realise there is no enforcement.

Viable option: **No**

##### 4.2. Make all town centre car parks short stay (up to 3 hours free) and remove provision for long stay (paid) parking altogether:

This option would reduce the net loss to **£6,901** and give savings in Civil Enforcement Officer (CEO) time in dealing with pay and display machines meaning more time available for enforcement and an increase in issue of PCN's.

However, there is potential for dissatisfaction as there would be no off-street long stay parking available in the town centres.

Viable option: **No**

##### 4.3. Extend long stay ability (paid) to all town centre car parks, first 3 hours free:

There is no evidence of demand for over 3 hour parking above those locations already operating as long stay (i.e. Sandhurst Street, Oadby and Paddock Street and Aylestone Lane, Wigston). This option is unlikely to generate additional income and is likely to spread existing long stay users across all car parks.

Viable option: **No**

4.4. **Reduce short stay parking from 3 hours to a maximum of 2 hours free in all car parks. Charge for over 2 hour stays in the current long stay locations at the current rate of £3:**

This option may generate some additional income but it is likely that users would reduce their length of stay to avoid payment. There is also a possibility that the number of car parks offering long stay (i.e. over 2 hour) parking would need to increase if the number of over two hour parkers exceeds the number of spaces available in the current long stay car parks which would increase revenue costs for pay and display machine maintenance, cash collection etc.

Viable option: **No** - unlikely to generate sufficient additional income to break even.

4.5. **Reduce short stay parking to 1 hour free and charge £0.50p for stays of 1 to 3 hours; £3 for over 3 hour stays – apply to all car parks:**

Assuming a 75% occupancy rate across all car parks (i.e. 573 spaces) and 30% of drivers pay to stay over an hour, this could generate an additional income of around **£25k** per annum (at £0.50p charge). There is a small risk that some users may reduce the length of time spent in the town centre to under one hour in order not to have to pay.

There is potential for more PCN's to be generated as more users would have timed tickets meaning only one visit is required to a car park for enforcement to take place. There may be opportunity to develop an incentive scheme that could potentially re-imburse all or some of drivers' pay and display costs via local businesses.

Viable option: **Yes** - this option is likely to generate sufficient income to reach a revenue break-even point but may not generate a surplus.

4.6. **Introduce parking charges for all stays in all car parks; £0.50p up to 3 hours and £3.00 for over 3 hours:**

Assuming 75% of spaces across all car parks (i.e. 573) are used once per day, introducing a £0.50p charge for up to three hours stays could generate additional **£85k** revenue.

There may be an increase in the issue of PCN's as all cars would be required to display a timed parking ticket meaning CEO's would only need to make one visit to a car park before a PCN is issued, whereas under the current system two visits are required. There may be opportunity to develop an incentive scheme that could potentially re-imburse all or some of drivers' pay and display costs via local businesses.

Viable option: **Yes** - introducing charges for all car parks could generate a net income of around **£41k** which could be used for maintenance and improvements to the car parks thus allowing the service to cover its' costs:

Income (revenue)		Expenditure (revenue)	
Additional income from under 3 hour parking by charging £0.50p	£85,000	Additional costs for maintenance / data cards / cash collection for 10 new machines	£12,000
Current income from over 3 hour stays	£13,801	Enforcement costs (no change)	£39,424
		Current costs for maintenance / data cards / cash collection for 5 existing machines	£6,450
<b>Total income</b>	<b>£98,801</b>	<b>Total expenditure</b>	<b>£57,874</b>
<b>Less expenditure</b>	<b>-£57,874</b>		
<b>Net income</b>	<b>£40,927</b>		

4.7. **As paragraph 4.6 above, but introduce a number of free 30 minute only bays in larger car parks:**

Up to 10% of the parking bays in the larger car parks could be made into free 30 minute wait bays. In this case, the revenue expenditure would be the same as in 4.6 above whilst income would be slightly reduced. Capital expenditure to implement would increase to **£50k** to include additional signage and re-lining of the 30 minute bays.

There are currently eight 20 minute bays at East Street Car Park at present and these are very well used and could be extended to 30 minutes wait. The advantage of specific bays is to save CEO enforcement time in knowing which cars have paid and which have not.

Viable option: **Yes**; this is a viable option if introduced in conjunction with 4.6 above, but would marginally reduce the income stated; there is a possibility that demand for the 30 minute bays would exceed availability leading to dissatisfaction.

4.8. **Summary of the above options:**

Option	Net revenue loss / saving	PCNs	Dissatisfaction of users	Capital costs	Break even?
<b>Remove enforcement</b>	£32k net saving	N/A	Low initially leading to high	Nil	No
<b>All car parks 3 hours short stay</b>	£7k net loss	Potential increase	Medium	Low (under £5k)	No
<b>Extend long stay (paid) to</b>	No change	Potential decrease	Low	Medium (around	No

<b>all car parks</b>				£36k)	
<b>Up to 2 hours free, charge for over 2 hours</b>	May generate some additional income	Potential increase due to overstays	Low to medium	Low (under £5k)	Unlikely
<b>Up to 1 hr free 1 – 3 hrs 50p Over 3 hrs £3</b>	Potential for approx £25k income	Potential increase due to overstays	Medium (short term)	Medium (around £36k)	Yes
<b>Charge for all lengths of stay</b>	Potential for approx £41k income	Potential increase	High (short term)	High (around £45k)	Yes with surplus
<b>Charge for all lengths of stay with some free 30 minute stay bays</b>	Potential for approx £35k income	Potential increase	High (short term)	High (around £50k)	Yes with surplus

4.9. **In making any decision to change the way off-street parking operates the following should be taken into consideration:**

4.10. The charges suggested in this report are used to give an indication of the amount of income that could be generated by each option and are considered to be a minimum charge in terms of viability. Members would need to agree the actual level of charges introduced.

4.11. For information current charges in neighbouring districts are:

**Harborough District Council (for Market Harborough town centre):**

Long stay car parks up to 4 hours £2.00  
 Long stay car parks over 4 hours £4.00  
 Short stay car parks up to 2 hours £1.00  
 Short stay car parks up to 3 hours £1.50  
 Short stay car parks up to 4 hours £2.50  
 Short stay car parks over 4 hours £6.00

**Blaby District Council (for Blaby town centre):**

Up to 2 hours £0.30  
 Up to 3 hours £0.50p  
 Up to 4 hours £1.50  
 Over 4 hours £5.00  
 Residents parking permit £75

4.12. Introducing charging in all car parks may make alternative payment options more viable, for example, pay by phone, card or contactless payments which is a facility that the Council does not currently offer.

4.13. It is a legal requirement that proposed changes to car park tariffs and operations will

require the Parking Order to be revised. This is a statutory process involving advertising in the local press giving opportunity for residents or businesses to raise objections to the proposals.

- 4.14. A number of town centre car parks are included within the Councils' Local Plan for redevelopment and the Council has adopted a Local Development Order which includes Paddock Street Car Park. Any redevelopment would require some parking to be retained and no overall net loss of spaces although these may be created at other locations within the town centres.
- 4.15. If charges are introduced for any length of stay then there may be a knock-on effect for on-street parking if drivers attempt to park for free.
- 4.16. On-street parking is managed by Leicestershire County Council. This includes school parking zones and parking on grass verges. The County Council also operates on-street resident permit schemes such as on Sandhurst Street in Oadby.
- 4.17. Leicestershire County Council is considering a County-wide strategy to introduce on-street parking charges via pay and display machines. Oadby and Wigston Borough Council would be a statutory consultee to this scheme but the potential should be borne in mind when any changes to off-street parking are considered.

## **5. Other Systems that Could Replace or Supplement Pay And Display**

### **5.1. Disc parking:**

The above options assume pay and display machines will be retained in their current locations with potential for installing machines across other town centre car parks. However, the same end result could be achieved by disc parking rather than introducing further pay and display machines. Under such a scheme, users would be required to purchase and display a clock style parking disc allowing them to park for up to three hours in any Council car park. Users who wished to stay over three hours would need to park in the existing long stay car parks and purchase an all day pay and display ticket. All car parks owned by the Council could come under this scheme creating a single system of up to three hour parking across all car park locations. Parking discs could be available from Customer Service Centre and local shops as well as via on-line purchase.

- 5.2. Such a system would introduce a significant administrative burden compared to the current arrangement and therefore consideration would need to be given to the administration costs in order to be certain that costs do not outweigh the income generating capability. Enforcement would be made easier as only one visit would be required to a car park to enforce rather than the present two visits. In terms of income generation, discs could last for 12 months then require renewal, or last indefinitely. Twelve month discs would generate a regular annual revenue; discs lasting indefinitely would increase revenue initially but this would decrease annually over time once users have obtained permits.
- 5.3. A scheme such as this operates at Horsham District Council where a clock disc costs £12 and is renewed annually, allowing the driver to park in any car park within the district for times up to the maximum stay in that particular car park. To avoid abuse of the system and the same disc being passed between multiple users, an application form needs to be completed and submitted along with the drivers V5 (Vehicle Registration Document). The disc is then identifiable to a particular vehicle. A maximum of 4 discs are allowed per household, £12 for the first disc and £6 for each

subsequent disc. In addition, Horsham District Council has installed pay and display machines in their car parks to allow for visitors who are unlikely to be disc holders. Scarborough Borough Council also operates disc parking in Whitby for on-street zoned parking alongside permit parking and pay and display machines in its car parks. In effect Horsham District Council and Scarborough Borough Council use the disc system to provide residents with the ability to benefit from discounted car parking charges rather than having to pay and display on every visit. This is, therefore, also considered to be the main purpose for introducing a disc scheme in the Borough.

5.4. Viable option: **Yes** - this scheme is viable if the discs are renewed annually and administrative costs can be kept as low as possible. The scheme would operate alongside the existing pay and display machines. Further detailed research is needed to establish how such a scheme would work in practice and what level of income could be generated.

5.5. **Pay on exit (barriers):**

The current pay and display system could be replaced by a pay on exit system with the introduction of entrance and exit barriers. The approximate cost of installing a pay on foot system with 1 entry lane, 2 exit lanes and 2 pay stations is estimated to be in excess of £100k whereas a single pay and display machine is around £3,500. Other considerations are vehicle access and egress (cars backing up at the barrier waiting to enter/exit a car park can cause congestion), availability of staff when a barrier or payment machine fails, and more complicated auditing systems as pay on foot machines give change and therefore would need to hold a float in addition to cash received.

5.6. **Automatic Number Plate Recognition (ANPR):**

ANPR systems have been introduced by some local authorities but legislation does not currently support this for local authority car parks and some authorities have discovered a problem when trying to enforce such schemes. Such a scheme would withdraw this authority's parking operations from the parking enforcement framework laid out in the Traffic Management Act 2004 meaning enforcement would be carried out as though the car parks were privately owned.

Local authorities were warned not to go down this route by Department of Transport in September 2014 when Robert Goodwill MP, the then Parliamentary Under Secretary of State wrote to all Parking Managers with Civil Parking Enforcement powers saying that 'any intention [to introduce ANPR] to operate outside this statutory regime would clearly go against the will of Parliament, Government policy and the expectations of local electorates' and that 'an application to the DVLA for access to keeper data on the basis of recovering unpaid charges for enforcement through contract law, will more than likely not be approved because the Council will not be operating as an enforcement authority under the Traffic Management Act.'

5.7. **Miscellaneous schemes that may generate small amounts of income:**

- There are currently 13 parking permits issued free of charge to residents of Aylestone Lane who have no off-street parking enabling them to park in Aylestone Lane car park free of charge. If a charge of £50 per annum is introduced for permits this would generate an income of £650.
- A season ticket at a preferential rate could be introduced for regular users of over 3 hour stay parking. This may encourage those people who currently park for 3 hours and move their vehicle during the lunch period and re-park in another car

- park for a further 3 hours to purchase a season ticket instead.
- The concession allowing blue badge holders to park over 3 hours in any car park could be removed so that the maximum stay would be 3 hours in short stay car parks or cost £3 for over 3 hours in long stay car parks.
  - Car Park at the front of St Peter's Church Hall – this land could be offered to St Peter's Church at market value.
  - Countesthorpe Road Car Park, South Wigston – no enforcement takes place in this car park where parking and parking is allowed up to 12 hours in any day. Parking time could be reduced to free up to 3 hours and charge of £3 for over three hour parking. This would require a change to the parking order, new signage and installation of two new pay and display machines. The cost to introduce over 3 hour charging would be around £7,500. Since the costs of introducing this scheme outweigh potential income, charging in this car park is only considered viable if it is introduced as part of a wider scheme of changes as suggested above.

**Background Documents:**

Report to Full Council (Extraordinary) on 6 July 2017

Appendix A - Current Car Park Operational Arrangements

Appendix B - Equality Assessment (Initial Screening)

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<b>Implications</b>   Off-Street Parking and Council-Owned Car Parks	
<b>Finance</b>	As set out within the report.
<b>Chris Raymakers</b> (Head of Finance, Revenues and Benefits)	
<b>Legal</b>	The report is satisfactory.
<b>Dave Gill</b> (Head of Law and Governance / Monitoring Officer)	
<b>Corporate Risk(s) (CR)</b>	<input checked="" type="checkbox"/> <b>Decreasing Financial Resources (CR1)</b> Car park income has been reducing over the last few years but there is potential to increase revenue by changing the charging regime. <input checked="" type="checkbox"/> <b>Effective Utilisation of Assets/Buildings (CR5)</b> <input checked="" type="checkbox"/> <b>Economy/Regeneration (CR9)</b> Any changes to parking need to take into consideration the impact on local businesses and the viability of the town centres.
<b>Margaret Smith</b> (Facilities and Administration Team Leader)	
<b>Corporate Priorities (CP)</b>	<input checked="" type="checkbox"/> <b>Effective Service Provision (CP2)</b> Car parks are essential to the viability of the town centres. Generating an income from parking can be used to maintain and potentially upgrade the parking provision.
<b>Margaret Smith</b> (Facilities and Administration Team Leader)	
<b>Vision &amp; Values (V)</b>	<input checked="" type="checkbox"/> <b>Customer Focus (V5)</b> The needs of car park users and local businesses need to be taken into consideration when considering the options contained in this report.
<b>Margaret Smith</b> (Facilities and Administration Team Leader)	
<b>Equalities &amp; Equality Assessment(s) (EA)</b>	There are no implications at this stage but a further equalities assessment will be completed once Members have agreed which option(s) to take forward.
<b>Margaret Smith</b> (Facilities and Administration Team Leader)	<input checked="" type="checkbox"/> <b>Initial EA Screening</b> (Appendix B)