

**OVERVIEW AND SCRUTINY  
21 MARCH 2017**

**\*PART 1 – PUBLIC DOCUMENT**

**AGENDA ITEM No.**

**12**

**TITLE OF REPORT: PROPOSED OFF-STREET CAR PARKING TARIFFS**

REPORT OF THE HEAD OF DEVELOPMENT & BUILDING CONTROL

EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM

***DRAFT OF REPORT TO BE PRESENTED TO CABINET ON 28 MARCH 2017***

**1. SUMMARY**

- 1.1 This is a draft report for Cabinet. Any updates will be reported at the committee.
- 1.2 This report requests that Cabinet agrees the proposed car parking tariffs in North Hertfordshire District Council's off street car parks, in accordance with the Council's fees and charges policy as set out in the Medium Term Financial Strategy (MTFS) 2017-2022, which was agreed by Full Council on 1 September 2016.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet agrees to adopt the proposed off-street car park tariffs for 2017/18 as set out in Table 1 for Hitchin and Table 2 (Option 2) for Royston at Appendix B.
- 2.2 That Cabinet agrees to the proposed increase in season tickets prices of 3.2%, for 2017/18, as set out in Table 3 at paragraph 9.2, for each of its long stay car parks in Hitchin, Letchworth Garden City and Royston.
- 2.3 That Cabinet agrees not to increase the charges for resident permits, visitor permits, business permits or visitor tickets for resident permit zones for 2017/18 and the prices remain as set out in Table 4 at paragraph 9.3.
- 2.4 That Cabinet agree that the proposed tariff changes, as recommended in paragraphs 2.1 and 2.2 above, are implemented as soon as practicable, and that officers in consultation with the Executive Member for Policy, Transport & Green Issues proceed with the implementation as required.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To implement an increase in car parking tariffs and season ticket prices in accordance with the Council's fees and charges policy as set out in its Medium Term Financial Strategy (MTFS).

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 See Section 8 of the report.

#### **5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 5.1 This report has been prepared in consultation with the Executive Member for Policy Transport and Green issues.
- 5.2 At the time of writing this report informal discussions are due to be held with the town centre managers for Hitchin and Royston regarding the proposed tariff structure and their views will be reported to Cabinet.

#### **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on 5 February 2016.

#### **7. BACKGROUND**

- 7.1 The Council's approved Medium Term Financial Strategy for 2017-2022, under its Income Policy states that, as a minimum, where legally possible, the Council should increase discretionary fees and charges annually in line with inflation, as measured by CPI plus 2% (at November). Parking tariffs fall within this policy and the budget estimates for 2017/18 include the expectation that income from parking will increase accordingly.
- 7.2 Paragraph 5.6.30 of the Council's Constitution (approved 16 July 2015), states '*it is for cabinet to determine charges for car parking*'. The proposals for car parking tariffs and season ticket increases are set out sections 8 and 9 below.

#### **8. CAR PARKING TARIFF PROPOSALS**

- 8.1 Parking tariffs were last increased in May 2016, when a similar approach was adopted for the tariff increase to that adopted in the previous financial year. The approach sought to limit the increases to a small number of car parks across the District and to a small number of price bands.
- 8.2 This year a different approach has been adopted where, at the request of the Executive Member, a full review of the Council's existing Parking Strategy has been undertaken. The current Parking Strategy was adopted back in 2012. The review is being undertaken in two phases and consultants have been appointed to assist the Council in its review and provide an independent and professional view based on their findings and experience drawn from other authorities.

- 8.3 Phase 1 of the study, includes a review of, and advice on, parking tariffs. A range of car parking and attitudinal data surveys have been undertaken and analysed by the consultants to fully understand the baseline situation for each of the four towns and Knebworth. An assessment of tariff setting options has been undertaken and discussed with officers and the Executive Member resulting in a report with recommendations for consideration by the Council. These recommendations include options for tariff setting, which are estimated to deliver a level of additional income in line with the Council's fees and charges policy, and consider the further options of introducing Sunday and evening charging. This report to Cabinet is concerned with the former, i.e. presenting a new tariff structure that is anticipated to meet the expectation within the budget estimates for 2017/18 and its implementation as soon as possible in the new financial year. Options for evening and Sunday charging are not considered within this report and will be investigated and reported on later in the year.
- 8.4 Some of the wider issues emerging from the Phase 1 report for each of the towns and Knebworth will be taken forward into the Phase 2 report which will cover wider aspects relating to parking provision and management issues across the District and will also provide a review of the policies in the current Parking Strategy. It is anticipated to present a revised Parking Strategy for Cabinet's consideration in the summer.
- 8.5 The executive summary of the Phase 1 Report is attached at Appendix A. A full copy of the consultants' report is available on the Council's website at the following link:  
[\[link to follow once final report received\].](#)
- 8.6 Over the last two years, when reviewing tariffs the Council has adopted an approach that aligns with its current parking strategy and has sought to:
- support the town centres during the economic down turn by freezing the 1 hour charge across the District;
  - rationalise the charges within each town so they remain consistent with each of the town centre car parks; and
  - resist significant increases in long stay charges where possible to protect the residential streets from increased on-street parking from commuters and town centre workers.
- 8.7 These previous increases have been based on agreed Council revenue budget setting estimates for the respective financial year, which plan for increased income from parking charges in line with the Council's fees and charges policy, as laid out in the Annex A of the MTFS. The projected revenue increase had been based on relevant usage figures over a 12 month period.
- 8.8 The consultants are recommending a different approach based on both their assessments and the recorded usage of the car parks for each of the town centres, recognising their distinctive characteristics in the way they operate. Based on their analysis of the data, they suggest the following tariff recommendations:
- (i) ***Recommendation 1 – Maintain tariff bands at the current level in Baldock and Knebworth in the short-term***
- There is no case for tariff changes in 2017/18 in Baldock and Knebworth. Increases in line with inflation may be considered in subsequent years.*

**(ii) Recommendation 2 – Improve car park utilisation by increasing the differential between more and less popular car parks within Hitchin, Letchworth Garden City and Royston**

*In order to manage demand between the car parks in Hitchin, all price bands in the more popular short-stay car parks should be increased to create a greater price differential to the less well-utilised car parks.*

*The same principle can be applied in Royston where there is a stark difference between the three most popular car parks around the market place and the remaining short and long-stay facilities.*

*The same principle is valid in Letchworth Garden City, although the total car park utilisation in the town is lower. In the short-term NHDC may only achieve these aims through coordination with external parties because the most popular car parks are not within NHDC control.*

**(iii) Recommendation 3 – Offer off-peak incentives for users to stay for longer in Hitchin town centre**

*While the performance of Hitchin town centre remains strong, a reduction in parking duration of short-stay users has been observed. Incentives should be offered at less busy times to encourage town centre users to spend more than one hour in the town centre. The Lairage remains under-utilised and it is proposed that a £1 for two hours and £2 for four hours tariff structure is used to attract medium stay demand into the multi-storey.*

*There is also spare capacity in the short-stay car parks in the afternoon, and it is therefore recommended that a ‘cheaper after three’ offer is introduced with up to three hours for the price of one to encourage visitors to spend longer in the town centre.*

**(iv) Recommendation 4 – Encourage a higher turnover in the most popular short-stay car parks in Royston**

*The three car parks around the market place are very popular and are operating at capacity for much of the day. Before considering a price increase to manage demand, space for short-stay parking can be freed up by introducing a maximum stay of three hours. Likewise, if the ‘free after 3’ policy is taken forward, it should also be applied with a maximum stay of one hour in short-stay car parks.*

*Furthermore, a discounted two-hour parking tariff in the Town Hall car park can be used to draw visitors staying longer to this side of the town centre.*

8.9 The above recommendations and rationale have been discussed with officers and the Executive Member and it is proposed in the interim to alter tariffs in Hitchin and Royston for 2017/18 and to consider increasing tariffs in Letchworth, Baldock and Knebworth in subsequent years as part of the wider considerations under the Phase 2 report.

- 8.10 Tables 1 and 2 at Appendix B set out the proposed tariffs for Hitchin and Royston. The changes to the tariff structure in Hitchin are recommended to manage demand by seeking to increase turnover at peak times in the short stay car parks, while encouraging visitors to stay longer at the less busy times in all car parks and in the under-utilised Lairage multi-storey car park. The tariff structure in Royston seeks to prioritise short-stay parking around the market, and to create a better balance of demand between the different car parks in the town. In addition to the consultant's recommendations (Table 2, Option 1 at Appendix B), it is intended to retain the full 'free after 3pm' policy in all Royston car parks for 2017/18 (i.e. Table 2, Option 2 at Appendix B). This is currently subsidised by an annual contribution from Royston First BID, Royston Area Committee and County Councillor Hertfordshire Locality Budgets.
- 8.11 In suggesting these proposed tariffs, the consultants have taken into account transaction data from previous tariff changes to estimate demand elasticity (i.e. the likely movement/shift of users to the after 3pm restrictions and to the longer stay car parks) and have also assessed the sensitivity of car park users to price changes for long-stay and short-stay parking. For the purpose of the elasticity analysis and tariff option assessment, all prices were converted to 2016 prices using the GDP deflator (CPI-based) taken from the DfT's TAG data book (July 2016). This analysis has been incorporated in the summary within the consultant's report, which indicates that the Council can expect to realise the budgeted additional income of approximately £50k from parking charges for 2017/18, when the annual subsidy from the above mentioned Royston organisations is taken into consideration.
- 8.12 It is to be noted that this is a forecast estimate and is based on the analysis of usage data, as set out in the consultants report. It is impossible to predict visitor behaviour and reaction to the tariff changes. This is a different approach that seeks to improve turnover and usage throughout the day, thereby supporting the town centre businesses. Usage will be monitored and discussions will take place with the relevant town centre managers to understand the impact of the proposed tariff changes, as set out in Appendix B, on the town centres. The Off- street Parking Traffic Regulation Order will be amended to ensure that a free ticket is displayed as a means of obtaining accurate ticket usage data.
- 8.13 All other car parking tariffs will remain unchanged.

## **9. SEASON TICKETS AND RESIDENT PERMIT ZONES**

- 9.1 Over the last few years, the Council has increased season ticket prices in each of its long stay car parks in Hitchin, Letchworth and Royston in accordance with its fees and charges policy.
- 9.2 Following discussion with the Executive Member for Policy, Transport & Green Issues and in accordance with the Council's Medium Term Financial Strategy (MTFS), it is proposed to increase Season Ticket prices by CPI (November 2016) plus 2% in the Council's long stay car parks in Hitchin, Letchworth and Royston for 2017/18. The 12 month movement in the CPI, as measured at November 2016, was 1.2%. The new prices, as proposed in Table 3, are therefore the result of uplifting the present tariffs by 3.2% (November CPI+2%) and then rounding to the nearest pound. This proposed increase would increase income from season tickets by approximately £8,100, assuming demand remains unchanged. This proposed price increase is considered marginal and should not deter the use of the long stay car parks, as season ticket holders will still be receiving a reasonable discount over full day pay-as-you-use charging.

**Table 3: Proposed Season Ticket Increases for 2017/18.**

<b><u>Hitchin, Letchworth and Royston</u></b> In all valid off-street parking places identified in the North Hertfordshire District Council (Off-Street Parking Places) Order 2014	<b>Existing Season Ticket charges 2016/17</b>	<b>New Season Ticket charges 2017/18</b>
One Month	£76.00	£78.00
Three Months	£187.00	£193.00
Six Months	£347.00	£358.00
Twelve Months	£642.00	£663.00

- 9.3 There is no proposal to increase resident, business or visitor permits and visitor ticket books for each of the Council's resident permit parking zones across the District for 2017/18. These were last increased in April 2013 where the subsidy target was met and such zones are considered to be self financing. It is proposed that these will remain at the current prices as outlined in Table 4.

**Table 4: Resident Permit Parking Zone Charges:**

<b>Town and Zone</b>	<b>Type of Permits</b>	<b>Current Charges for 2015/16</b>
<b>Baldock</b> Zone A	Resident Parking Permit	£84.00 per annum, £42.00 six months
	Resident Parking Permit	£84.00 per annum, £42.00 six months
	Business Permit	£84.00 per annum, £42.00 six months
	Visitors Permit	£84.00 per annum, £42.00 six months
	Ticket Book (10 tickets per book)	£12.00 per book

## **10. LEGAL IMPLICATIONS**

- 10.1 Under the Terms of Reference for Cabinet, paragraph 5.6.30 of the Constitution states that the Cabinet should by way of resolution determine charges for car parking.
- 10.2 The proposed tariff changes will be required to be published as a Notice of Variation to the North Hertfordshire District Council (Off-Street Parking Places) Order 2014 in the local papers under Section 35C of the Road Traffic Regulation Act 1984 and in compliance with Section 25 of part V of the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. Such Notice of Variation will give a minimum of 21 days notice of when the new parking tariffs will be implemented. Site notices will be displayed in all affected car parks.

## **11. FINANCIAL IMPLICATIONS**

- 11.1 The budget for 2017/18, approved by Full Council in February 2017, includes estimated income to the Council of £1.676million from pay-as-you-use parking charges. This figure however includes the delivery of the approved efficiency proposal of 100k from changes to parking arrangements following the Strategic Parking Review and is additional to this exercise. The income budget in relation to the sale of car park season tickets in 2017/18 is £262k.
- 11.2 The Council's policy with regard to discretionary fees and charges is that an inflationary increase equivalent to CPI plus 2%, as measured at November, should be applied annually. For 2017/18 this equated to a 3.2% increase in the relevant parking income budgets, equivalent to an increase in income of £48,900 from pay-as-you-use income charges and £8,100 from the sale of car park season tickets.
- 11.3 The approach taken and assumptions made in estimating the financial impact of the proposed pay-as-you-use tariff structure, as laid out in Tables 1 and 2 at Appendix B, are explained in the body of this report and further technical detail is contained within the consultant's report. While the actual impact on parking activity from the proposed tariff structure is unknown, the income estimates derived by the consultants, based on their analysis and approach as described above, are in line with the income expectation in relation to ad-hoc parking charges within the approved budget for 2017/18. The intended retention of the full 'free after 3pm' policy in all Royston car parks is estimated to have an adverse impact of approximately £13k on the total income estimate, but this will be subsidised by an annual contribution from Royston First BID, Royston Area Committee and County Councillor Hertfordshire Locality Budgets.
- 11.4 The cost of publishing the notices, advertising the increased car parking tariffs and season ticket prices in the local press, amending tariff boards and making adjustments to the car park payment machines and to the current Traffic Regulation Order if required will be resourced within existing budgets.

## **12. RISK IMPLICATIONS**

- 12.1 The risks to car parking income have been identified and include the impact of the 2017/18 tariff review. There is also a financial risk that the review of tariff structure does not produce as much income as would be generated from a flat inflationary increase across all tariffs or following similar approach to the previous financial years.

### **13. EQUALITIES IMPLICATIONS**

- 13.1 The Equality Act 2010 came into force on the 1<sup>st</sup> October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5<sup>th</sup> April 2011. There is a General duty, described in 13.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 13.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 13.3 There are no direct equality issues arising from this report. There is a range of charging/payment options which will still remain available to cater for the widest needs of local car park users. The realignment of the tariffs seeks to improve turnover and usage throughout day thereby supporting the town centre businesses and benefit the economy of North Hertfordshire. Amidst the slight increases, resident permits remain the same and the after 3pm subsidy continues for their benefit.

### **14. SOCIAL VALUE IMPLICATIONS**

- 14.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in Section 13.

### **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 The resignation of the Principal Transport Policy Officer will place additional workload on existing staff who are already engaged in the Local Plan. In the short term wherever suitable, subject to existing budgets, consultants will be used to progress projects. Officers will be responsible for implementing the new tariffs.

### **16. CONTACT OFFICERS**

#### ***Report author***

- 16.1 Louise Symes, Strategic Planning and Projects Manager  
01462 474359 [louise.symes@north-herts.gov.uk](mailto:louise.symes@north-herts.gov.uk)

#### ***Contributors***

- 16.2 Ian Fullstone, Head of Development and Building Control, 01462 474480  
[ian.fullstone@north-herts.gov.uk](mailto:ian.fullstone@north-herts.gov.uk)
- 16.3 Antonio Ciampa, Accountancy Manager, 01462 474566 [antonio.ciampa@north-herts.gov.uk](mailto:antonio.ciampa@north-herts.gov.uk)
- 16.4 Shah Mohammed, Assistant Accountant, 01462 474240 [shah.mohammed@north-herts.gov.uk](mailto:shah.mohammed@north-herts.gov.uk)



- 16.5 Steve Crowley, Contracts & Project Manager, 01462 474211 [steve.crowley@north-herts.gov.uk](mailto:steve.crowley@north-herts.gov.uk)
- 16.6 Nurainatta Katevu, Property and Planning Lawyer, 01462 474364  
[nurainatta.katevu@north-herts.gov.uk](mailto:nurainatta.katevu@north-herts.gov.uk)
- 16.7 Kerry Shorrocks, Corporate Human Resources Manager, 01462 474224  
[kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk)

## **17. APPENDICES**

- 17.1 Appendix A - Executive Summary Extract from Consultant's Report: North Hertfordshire District Council Parking Strategy Review: Phase 1 Report: Markides Associates Feb 2017.
- 17.2 Appendix B - Proposed 2017/18 Tariff Increases for Hitchin and Royston Off- Street Car Parks

## **18. BACKGROUND PAPERS**

- 18.1 1 September 2016 Full Council: Item referred from Cabinet: 26 July 2016 – Medium Term Financial Strategy 2017-2022
- 18.2 9 February 2017 Full Council: Item Referred From Cabinet: 24 January 2017 – Corporate Business Planning – Budget 2017/18
- 18.3 North Hertfordshire District Council Parking Strategy Review: Phase 1 Report: Markides Associates Feb 2017.