

**CABINET  
24 MARCH 2020**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: INFLATIONARY INCREASE IN CAR PARKING TARIFFS 2020-21**

REPORT OF: SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER FOR PLANNING & TRANSPORT: COUNCILLOR PAUL CLARK

CURRENT COUNCIL PRIORITY: PROSPER AND PROTECT

NEW COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

**1. EXECUTIVE SUMMARY**

1.1 This report requests that Cabinet agrees the proposed car parking tariffs in North Hertfordshire District Council's off street car parks in order to effectively manage their use, and in accordance with the Council's fees and charges policy as set out in the Medium Term Financial Strategy (MTFS) 2020-25, which was agreed by Full Council on 12 September 2019.

**2. RECOMMENDATIONS**

2.1 That Cabinet agrees to adopt the proposed off-street car park tariffs for 2020/21 as set out in Tables 1 to 5 at Appendix A.

2.2 That Cabinet agrees to the proposed increase in season tickets prices of 4%, for 2020/21, as set out in Table 6 at paragraph 9.3 of this report, for each of its long stay car parks in Hitchin, Letchworth Garden City and Royston.

2.3 That Cabinet agrees to the proposed increase in business permit prices of 4%, for 2020/21, as set out in Table 7 at paragraph 9.4 of this report, for its car park at St. Martins Road in Knebworth.

2.4 That Cabinet agrees not to increase the charges for resident permits, visitor permits, business permits or visitor tickets for resident permit zones for 2020/21.

2.5 That Cabinet agree that the proposed tariff changes, as recommended in paragraphs 2.1 to 2.3 above, are implemented as soon as practicable, and that officers in consultation with the Executive Member and Deputy for Planning and Transport 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 order to effectively manage their use and 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 RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

- 5.1 The Executive Member and Deputy for Planning and Transport has been involved in discussions and kept informed on the matters set out above. The Executive Member for Enterprise has also been informed.
- 5.2 Town Centre and BID Mangers for each of the towns, Royston Town Council and, Knebworth Parish Council were informed and invited to offer their views on the proposed tariff options as set out in Section 8 of the report. Comments received from these organisations will be verbally 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 6 December 2019.

### **7. BACKGROUND**

- 7.1 The Council's approved Medium-Term Financial Strategy for 2020-25, set a budget assumption that the Council should increase parking fees and charges annually by 2%. It made it clear that parking charge levels are mainly set to manage demand and reflective of the cost of alternative parking locations. The budget estimates for 2020/21 include the expectation that income from parking will increase by 2%. Any variance of this would be reported through budget monitoring processes.
- 7.2 Paragraph 5.6.30 of the Council's Constitution, 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 2018. The inflationary budget estimate for car parking charges, including parking tariffs (i.e. pay-as-you-use) and season tickets is that they will increase by £37.5k in total.
- 8.2 It is considered that an overall 2% increase can be justified in the context of managing demand, the cost of alternative locations and encouraging use of public transport. Therefore, three options were considered:

Option One:

- 8.2.1 To apply the 2% inflationary increase across all tariffs across all car parks in each of its towns and Knebworth. This resulted in a marginal increase in the tariffs ranging between 2p to 5p which is not conducive to a customer focused cash payment system and was dismissed.

Option Two:

- 8.2.2 To achieve the overall inflationary budget estimate by:
- (i) applying an increase to the 2 hour tariff band and rounding this up to the nearest 10p in all car parks across the four towns and Knebworth; and
  - (ii) applying an increase to the after 3:00pm tariff in all Hitchin Car Parks rounded up to the nearest 10p, except the Lairage Multistorey Car Park. The after 3 pm incentive can be confusing for visitors as it is the same rate for 1, 2 and 3 hour parking, it is therefore suggested to make this a flat rate, with the exception of Bancroft which will retain the 1 hour tariff and proposes an increase of the 2 to 3 hour tariff after 3pm to accord with the other car parks in Hitchin. It is also suggested to retain the current after 3pm tariffs in the Lairage MSCP to encourage continued usage of this car park.
  - (iii) applying an increase to the 3 hour tariff band at the Twitchell Car park in Baldock and rounding up to the nearest 10p given this is a long stay car park; and
  - (iv) applying a 4% increase to the cost of season tickets across all the Council's long stay car parks and to the cost of business permits in the car park at Knebworth.

- 8.2.3 The above tariff proposals would be applied to all NHDC car parks in Baldock, Hitchin, Letchworth Garden City, Royston and Knebworth as shown in Tables 1 to 5 at Appendix A. It is intended to retain the subsidised full 'free after 3pm' policy in all Royston car parks and to retain the off-peak incentives after 3pm.

- 8.2.4 These proposals would be in accordance with the Council's policy in terms of:
- supporting the economic vitality of the town centres by retaining the 2018/19 1 hour charge across the District;
  - adopting a consistent approach across all car parks within each town whilst respecting their separate identities; and
  - resisting increases in longer stay charges to protect the economic vitality of the town centre to allow visitors to continue to stay longer.

- 8.2.5 It is also suggested that the current 1 hour and 2-hour tariff after 3pm be merged into one tariff for ease to the customer in the Lairage MSCP, given that both these tariffs are the same. The rate will remain unaltered at £1.10 for 0-2hour parking.

Option Three

- 8.2.6 Consideration could have been given to the possibility of introducing evening and Sunday charging, however it was considered that this should be part of a wider policy review.

8.3 This report to Cabinet is concerned with presenting a tariff structure that seeks to manage car park usage and reflect inflationary cost pressures as determined by the budget estimates for 2020/2021 and its implementation as soon as possible in the new financial year. Following discussion with the Executive Member and Deputy for Planning and Transport it is the officer recommendation that Cabinet consider and agree the tariff increases as proposed at *Option Two above*, and the further suggestion to merge the 1 and 2 hour tariff at the Lairage MSCP Car Park after 3pm as out in paragraph 8.2.5 above. These proposed tariff increases are set out in Tables 1 to 5 for each town at Appendix A attached to this report.

## 9. SEASON TICKETS, BUSINESS PERMITS 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 the adopted MTFs.

9.2 Following discussion with the Executive Member and Deputy Planning and Transport and in accordance with managing demand, maintaining differentiations between pay-as-you-use and season ticket prices and the Council's Medium Term Financial Strategy (MTFS), it is proposed to increase Season Ticket prices in the Council's long stay car parks in Hitchin, Letchworth and Royston and business permits in the St. Martin's Road car park in Knebworth by 4% in 2020/21. This proposed increase would increase income from season tickets and business permits by approximately £11,800, assuming demand remains unchanged. This proposed price increase is expected to maintain use of the long stay car parks by season ticket holders, as they will still be receiving a reasonable discount over full day pay-as-you-use charging.

9.3 Table 6: Proposed Season Ticket Increases for 2020/21

Hitchin, Letchworth and Royston In all valid off-street parking places identified in the North Hertfordshire District Council (Off-Street Parking Places) Order 2014	Existing Season Ticket charges 2019/20	<b>New Season Ticket charges 2020/21</b>
One Month	£82.00	<b>£85.00</b>
Three Months	£203.00	<b>£211.00</b>
Six Months	£376.00	<b>£391.00</b>
Twelve Months	£697.00	<b>£725.00</b>

9.4 Table 7: Proposed Business Parking Permit Increases for 2020/21

St. Martins Road Car Park, Knebworth – identified in the North Hertfordshire District Council (Of Street) (Knebworth) (Amendment) Order 2012	Existing Business Permit Charge 2019/20	<b>New Business Permit Charge 2020/21</b>
Six months	£150.00	<b>£156.00</b>
Twelve months	£250.00	<b>£260.00</b>

- 9.5 Following discussion with the Executive Member and Deputy for Parking and Transport 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 2020/21. A review will be undertaken once the current work programme on resident permit parking zones has been completed. This could include the introduction of non-resident permits in some zones as set out in Policy 23 of the adopted NHDC Parking Strategy. This option is also referenced in the Parking Operational Guidelines which forms a separate report to this meeting of Cabinet.

## **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, the North Hertfordshire District Council (Off Street Parking Places) (Baldock) No.2 Order 2014 and to the North Hertfordshire District Council (Off- Street) (Knebworth) (Amendment) Order 2012 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 2020/21, approved by Full Council in February 2020, includes estimated income from inflation to the Council of £37,500.
- 11.2 The Council's policy with regard to parking fees and charges is that an inflationary increase of 2% will be applied annually. This is for modelling purposes and the actual increase is considered each year. For 2020/21 the forecast increase in income is approximately £28k from pay-as-you-use income charges and approximately £12k 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 to 5 at Appendix A, are explained in the body of this report. While the actual impact on parking activity from the proposed tariff structure is unknown, the income estimates derived are in line with the income expectation in relation to ad-hoc parking charges within the approved budget for 2020/21. 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 continue to be subsidised by an annual contribution from Royston First BID, Royston Area Committee and County Councillor Hertfordshire Locality Budgets.
- 11.4 There is a budget set-aside for 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.

## **12. RISK IMPLICATIONS**

- 12.1 The risks to car parking income have been considered, including the impact of the 2020/21 tariff review. Following assessment, the recommendations have been made whilst acknowledging that there is a financial risk that the review of tariff structure might not produce the estimated income and could contribute to a continuing / increasing downward trend in parking sales, as observed in 2019/20. Car parking usage and income is continually monitored throughout the year, including as part of the regular revenue monitoring reports to the Senior Management Team.

## **13. EQUALITIES IMPLICATIONS**

- 13.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their 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.
- 13.2 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, visitor permits, business permits or visitor tickets for resident permit zones remain the same and the after 3pm subsidy in Royston 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 the relevant section at Paragraph 13.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are no new human resource implications arising from the contents of this report. Officers will be responsible for implementing the new tariffs.

## **16. APPENDICES**

- 16.1 Appendix A - Proposed 2020/2021 Tariff Increases for NHDC Off-Street Managed Car Parks

## **17. CONTACT OFFICERS**

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## **18. BACKGROUND PAPERS**

- 18.1 North Hertfordshire District Council Parking Strategy 2019 - 2031(adopted January 2019)