

**CABINET  
16 MARCH 2021**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: PROPOSED INCREASE IN CAR PARKING TARIFFS 2021-22**

REPORT OF THE SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER FOR PLANNING & TRANSPORT: COUNCILLOR PAUL CLARK

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) 2021-26, which was agreed by Full Council on 24 September 2020.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet agrees to adopt the proposed off-street car park tariffs for 2021/22 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 2%, for 2021/22, as set out in Table 6 at Appendix A, 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 business permits for 2021/22 for its car park at St. Martins Road in Knebworth as set out in Table 7 at Appendix A.
- 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 2021/22.
- 2.5 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 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). To set car parking tariffs that support the achievement of modal shift away from private car use and to help support the vitality of town centres.

#### **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 selection of tariffs and kept informed on these matters. The Executive Member and Deputy for Enterprise has also been informed.

5.2 Town Centre and BID Mangers for each of the towns, Royston Town Council, Knebworth Parish Council and Chairs of the Area Committees 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 collated and either verbally reported to Cabinet or included within an addendum report.

5.3 These proposals were also discussed at the Political Liaison Board on 2 March 2021.

#### **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 2021.

#### **7. BACKGROUND**

7.1 The Council's approved Medium-Term Financial Strategy for 2021-26, 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 2021/22 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 by Cabinet in March 2020, however these were not implemented due to Coronavirus. The inflationary budget estimate for car parking charges, including parking tariffs (i.e. pay-as-you-use including payment by phone/ app) and season tickets for 2020/21 was estimated to increase by £44,900 in total. The 2020/21 increase included a 2% inflationary rise across the 2 hour tariff band which was rounded up to the nearest 10p in all car parks across the four towns including Knebworth. It also included a 4% rise in season tickets prices for all long stay car parks in Hitchin, Letchworth and Royston, and in business permits for the St. Martins Road car park in Knebworth. . A copy of the March 2020 Cabinet report can be viewed on the Councils website. (Agenda Item 13 <https://srvmodgov01.north-herts.gov.uk/ieListDocuments.aspx?CId=133&MId=2200&Ver=4>)

8.2 The proposals for 2021/2022, includes implementing last year's rise and a proposed further inflationary uplift of 2% which results in an additional £49,400 as set in the budget. These proposed tariff increases have been calculated against the agreed 2020/21 tariff increases taking the 2019/20 income as the baseline on ticket sales. This approach is considered reasonable given the unpredictable parking income figures during this financial year associated with the pandemic. 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:

In order to achieve the inflationary budget uplift, a figure of 3.5% was applied to the tariff bands across all three options. This was then rounded to the nearest 5p or 10p as set out in the options below. A 2% uplift would have resulted in no uplift being applied to some tariff bands, as a result a 3.5% uplift had been applied.

Option One:

8.2.1 To increase the selected tariff bands by 3.5% (to achieve the 2% overall) rounded to the nearest 5p across all tariff bands in all car parks in each of its towns and Knebworth. This resulted in a potential surplus (additional increase above inflation) of circa £41k which was dismissed given the potential impact on the vitality of the town centres at this point in time as the national lockdown eases and the town centres are trying to recover post the pandemic.

Option Two:

8.2.2 To achieve the overall inflationary budget estimate by:

- (i) achieving most of the inflationary target through applying a 3.5% increase to selected tariffs rounded to the nearest 5p based on the 2020/21 tariff increases except for the 1 hour tariff. This will be applied across all car parks in our four towns and Knebworth; and
- (ii) applying a further 2% increase to the cost of season tickets over the agreed 2020/21 prices, this would equate to a £5 increase on a 1 month Season Ticket and a £43 increase on a 12 month Season ticket over the current 2019/20 prices. (See paragraph 8.25 below)

8.2.3 Under this option:

- (i) The one hour tariff bands across all car parks in all four towns and Knebworth will be retained, which will remain at the 2019/20 prices;
- (ii) The off-peak incentives after 3pm in Hitchin and Royston will be retained where:
  - the After 3pm tariff bands in the Hitchin Car parks from the 2020/21 price increases will remain, and
  - the subsidised full 'free after 3pm' policy in all Royston car parks will be retained until such time as this policy is reviewed in light of the Hertfordshire County Council Sustainable Travel Town Initiative<sup>1</sup>; and

---

<sup>1</sup> The HCC Sustainable Travel Town Initiative is a concept being promoted by HCC through their LTP4 which seeks to promote more active and sustainable modes of travel and includes implementing measures to reduce car travel.

- (iii) the 2020/21 increase in businesses permits for St. Martins Road Car park will be retained i.e. at a cost of £156 for six months and £260 for twelve months.

8.2.4 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.

8.2.5 Overall this option could achieve circa £3k over the inflationary budget estimate but is relying on a proposed increase of circa £6.1k in Season Ticket income. If Season Tickets were not increased, then there would be a deficit of circa £3k. This proposed increase would increase income from season tickets and business permits by approximately £17,900 from the 2019/20 prices, 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. Table 6 at Appendix A shows the proposed Season Ticket price increases for 2021/22, while Table 7 shows the Business Permit prices for St. Martins Car park in Knebworth which are to be retained at the 2020/21 prices.

8.2.6 This option is the officers preferred option as 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 original 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
- Seeking to protect the economic vitality of the town centres, particularly as the lockdown eases and town centres start to recover, with a proposed increase to the nearest 5p as having a minimal impact as possible across all car parks. Returning to a 5p payment option is considered possible with the contactless payment option now available across the majority of the Council Car Parks. Currently our contactless technology is available in all our car parks and as a result of the current pandemic its use is increasing and accounts for 50% of payment methods in our car parks. The parking machines will also accept 5p coins for cash payments.
- Managing the volume and type of off-street parking in a balanced approach to meet NHDC, HCC and national policy objectives, including the need to achieve mode shift away from private car use and to help support the vitality of town centres.

Option Three

8.2.7 Increase tariff bands by 3.5% rounded to the nearest 10p across all tariff bands in all car parks, except the 1 hour tariff and the after 3pm parking tariff in Hitchin and Royston, which would remain at 2020/21 prices. This option could result in a deficit of circa £5k and place additional pressure on the Council when coming to review its tariffs for 2022/23. For this reason, this option was dismissed.

- 8.3 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 2021/22 or to introduce Evening, Sunday and Bank holiday charging at this point in time. The budget assumption includes a 2% inflationary increase for parking zone permits. Therefore not increasing these will lead to an estimated budget shortfall of £3.6k. This small shortfall is off set by the tariff increases that are proposed which is slightly above the inflation target.
- 8.3.1 A review of resident permits 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, or the possibility of limiting the number of permits and/or increasing the cost for additional permits as a means of seeking to control the demand for permits and reduce car ownership in more sustainable locations across the towns as set out in the Council's adopted Car Parking Strategy.
- 8.3.2 The introduction of Evening, Sunday and Bank holiday charging will form part of a wider policy review, in terms of managing the volume and type of off-street parking and on-street parking in surrounding streets, whilst encouraging people to use more active and sustainable forms of transport, as well as assessing any likely impact on the vitality and viability of the town centres.
- 8.3.3 The introduction of reduced tariffs for non-fossil fuel vehicles will be considered with the business case for alternative payment methods as it may be preferable to link this approach to number plate recognition technology. It should be noted that in order to achieve the current income, tariffs for fossil fuel vehicles will need to increase beyond the inflationary increase and will need to continue to increase as electric vehicle uptake increases. The work on preparing a business case for alternative payment methods is an action in the adopted Parking Strategy Action Plan and is expected to commence this coming financial year.
- 8.4 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 2021/2022 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*. These proposed tariff increases are set out in Tables 1 to 7 for each town at Appendix A attached to this report.

## **9. LEGAL IMPLICATIONS**

- 9.1 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.
- 9.2 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.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The budget for 2021/22, approved by Full Council in February 2020, includes estimated additional income from inflation to the Council of £49,400.
- 10.2 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 2021/22 the forecast increase in income is approximately £46k from pay-as-you-use income charges and approximately £6k from the sale of car park season tickets.
- 10.3 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, particularly with the pandemic over this financial year the income estimates derived are based on the 2019/20 usage figures and are in line with the income expectation in relation to ad-hoc parking charges within the approved budget for 2021/22. 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.
- 10.4 Any income shortfalls during the first quarter of 2021/22 (up to 30 June) will be compensated through the Government Sales, Fees and Charges compensation scheme. The Council will fund the first 5% of any losses, and the Government will fund 75% of the remainder. These losses are calculated in comparison to the 2020/21 original budget.
- 10.5 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.
- 10.6 Work on preparing a business case on alternative methods of payment will be undertaken by officers and if additional technical/consultant expertise is required consideration will be given to funding this from existing budgets and reserves.

## **11. RISK IMPLICATIONS**

- 11.1 The risks to car parking income have been considered, including the impact of not implementing the agreed 2020/21 tariff review due to the pandemic. 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 at the end of 2019/20 and 2020/21 as a result of the pandemic. Car parking usage and income is continually monitored throughout the year, including as part of the regular revenue monitoring reports.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 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.
- 12.2 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.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 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 12.

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1 The NHDC parking strategy seeks to minimise environmental impacts where possible in regard to Off-street parking as noted at 8.2.6 in shifting away from private car use. As noted at 8.2.3 there may be further reduction in car travel with the implementation of the Hertfordshire County Council Sustainable Travel Town Initiative in some areas.

## **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 and for preparing the business case for alternative methods of payment.

## **16. APPENDICES**

- 16.1 Appendix A - Proposed 2021/2022 Tariff Increases for NHDC Off-Street Managed Car Parks

## **17. CONTACT OFFICERS**

### ***Report authors***

- 17.1 Louise Symes, Strategic Planning and Projects Manager  
Ext 4359 [louise.symes@north-herts.gov.uk](mailto:louise.symes@north-herts.gov.uk)
- 17.2 Ian Fullstone, Service Director - Regulatory, Ext 4480 [ian.fullstone@north-herts.gov.uk](mailto:ian.fullstone@north-herts.gov.uk)

### **Contributors**

- 17.3 Shah Mohammed, Group Accountant, Ext 4240 [shah.mohammed@north-herts.gov.uk](mailto:shah.mohammed@north-herts.gov.uk)
- 17.4 Jonathan Charter, Parking Enforcement Manager, Ext 4358 [jonathan.charter@north-herts.gov.uk](mailto:jonathan.charter@north-herts.gov.uk)
- 17.5 Ian Couper, Service Director - Resources, Ext 4243 [ian.couper@nprth-herts.gov.uk](mailto:ian.couper@nprth-herts.gov.uk)
- 17.6 Tim Everitt, Performance Improvement Officer, Ext 4646 [tim.everitt@north-herts.gov.uk](mailto:tim.everitt@north-herts.gov.uk)
- 17.7 Nurainatta Katevu, Property and Planning Lawyer, Ext 4364 [nurainatta.katevu@north-herts.gov.uk](mailto:nurainatta.katevu@north-herts.gov.uk)
- 17.8 Reuben Ayavoo, Policy and Community Engagement Manager, Ext 4212 [reuben.ayavoo@north-herts.gov.uk](mailto:reuben.ayavoo@north-herts.gov.uk)
- 17.9 Jo Keshishian Human Resources Operations Manager, Ext 4414 [jo.keshishian@north-herts.gov.uk](mailto:jo.keshishian@north-herts.gov.uk)

### **18. BACKGROUND PAPERS**

- 18.1 North Hertfordshire District Council Parking Strategy 2019 - 2031(adopted January 2019) <https://www.north-herts.gov.uk/home/parking/parking-strategy>
- 18.2 Cabinet Report 24 March 2020 – Inflationary Increase in Car Parking Tariffs 2020-21 Agenda Item 13 <https://srvmodgov01.north-herts.gov.uk/ieListDocuments.aspx?CId=133&MId=2200&Ver=4>