

CABINET

13 September 2022

*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: PROPOSED INCREASE IN CAR PARKING TARIFFS 2022-23

REPORT OF: SERVICE DIRECTOR - REGULATORY

EXECUTIVE MEMBER FOR PLANNING & TRANSPORT: COUNCILLOR RUTH BROWN

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

1.1 This report requests that Cabinet agrees:

- (i) the proposed car parking tariffs in North Hertfordshire 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).
- (ii) the policy proposal that all visitors must obtain a parking ticket for a subsidised parking session when offered whilst parking within the Council's car parks. This will enable officers to fully understand the usage data during these periods and will provide an evidence base against which future subsidised requests can be assessed fairly for all parties.

2. RECOMMENDATIONS

- 2.1 That Cabinet agrees to adopt the proposed off-street car park tariffs for 2022/23 as set out in Tables 1 to 7 at Appendix A.
- 2.2 That Cabinet agrees not to increase the charges for Season Tickets for each of its long stay car parks or business permits for its car park at St. Martins Road in Knebworth for 2022/23
- 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 2022/23.
- 2.4 That Cabinet agree that the proposed tariff changes, as recommended in paragraphs 2.1 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.
- 2.5 That Cabinet agree to the policy of customers obtaining tickets for subsidised parking sessions when offered whilst parked within the Council operated car parks .
- 2.6 That Officers proceed with the necessary amendments to the Off- Street Parking Traffic Regulation Orders as required to implement changes recommended above, 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 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 for proposed increases to car parking tariffs within the Council car parks and to introduce measures to accurately record subsidised parking arrangements.

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 for Finance 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.

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 7 June 2022.

7. BACKGROUND

- 7.1 The Council's approved Medium-Term Financial Strategy for 2021-26, sets 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 2022/23 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. RELEVANT CONSIDERATIONS

8.1 Car Park Tariff Proposals

- 8.1.1 Parking Tariffs were last increased by Cabinet in March 2021 for 2021/22. These were not implemented until October 2021, affording the town centres more time to recover following the easing of the pandemic lock down restrictions over the summer of 2021. A copy of the

16 March 2021 Cabinet report can be viewed on the Councils website. (See link at para 17.2 below)

8.1.2 The proposals for 2021/2022 also included the 2020/21 inflationary budget estimate for car parking charges which were not implemented due to Coronavirus. In summary, the 2021/2022 tariff increase included inflationary increases to:

- the 2, 3 and 4+ hour tariff bands with increases being rounded to the nearest 5p across all Council operated car parks,
- a nominal increase in the after 3pm off-peak tariff band in all Hitchin Car Parks,
- an increase in season tickets for all long stay car parks, and
- an increase in business permits in the car park at Knebworth.

It was agreed by Cabinet that the one hour tariff bands remained untouched across all car parks in all four towns and Knebworth, these remained at the 2019/20 pre-pandemic prices.

8.1.3 In order to enable local businesses to further recover from the pandemic it was previously agreed that the Council would delay the inflationary tariff increases for 2022/23 until later this year. In accordance with the Council's Medium Term Financial Strategy (MTFS) Officers', subject to approval by Cabinet, are currently working towards proposals for implementation during the latter part of 2022/2023 and into 2023/24 (i.e. from October 2023 to Sept 2024) which will include a proposed inflationary tariff increase of 2%. Transaction data has been analysed to estimate the impact of adjusting individual tariffs.

8.1.4 The proposed 2% further inflationary uplift for 2022/23 is estimated to increase income by £40,000, taking the August 2021 to July 2022 income figures as the baseline on ticket sales. This baseline is considered to be reasonable following the further lifting of the lockdown restrictions. Three tariff options have been considered:

Option One:

8.1.5 To increase all tariff bands by 2% rounded to the nearest 5p in all Council operated car parks in each of its towns and Knebworth, with the exception of the subsidised free after 3pm off-peak parking incentive in Royston. This resulted in a potential surplus (additional increase above inflation) of circa £23k and was dismissed given the potential impact on the vitality of the town centres as they continue to recover post the pandemic.

Option Two:

8.1.6 To meet most of the inflationary target by:

- (i) Applying a 10p increase to the one hour tariff bands across all Council operated off-street car parks in Hitchin, Letchworth, Royston and Knebworth including the after 3pm one hour tariff band in all Hitchin car parks. This excludes the Twitchell car park in Baldock, as Baldock only has one car park with a 3hour and all day tariff band. This one hour tariff band has remained unaltered since 2019/20 as reported at para 8.1.2 above.

It is noted that the proposed 10p increase for the 1 hour tariff band in the Lairage MSCP in Hitchin creates an anomaly with a 5p gap between the 1 and 2 hour tariff bands. It is therefore proposed that the Council revert to the previous 0-2 hour tariff band which is to be retained at £1.25.

In terms of the off-peak incentives after 3pm parking in Hitchin this proposal will:

- increase the one hour tariff from £1.40 to £1.50 in the short stay car parks and will be a flat rate irrespective of whether visitors park for one or more hours after 3pm.
 - increase the one hour stay from £1.10 to £1.20 in the long stay car parks, and the two to three hour stay tariff will remain unaltered.
- (ii) Retaining the off-peak incentive after 3pm in Royston, where the subsidised full 'free after 3pm' policy in all Royston car parks will be retained until such time as this policy is reviewed, such as in light of the Hertfordshire County Council Sustainable Travel Town Initiative¹.
- (iii) Retaining all other tariff bands as per the current 2021/22 prices across all car parks.

The above tariff increase proposals would be applied to all North Herts car parks in Hitchin, Letchworth Garden City, Royston and Knebworth as shown at Tables 1 to 5 at [Appendix A](#).

8.1.7 It is estimated that this option would increase overall parking revenue by 1.93% only slightly less than 2% based on the current composition of demand for each tariff. (i.e. a shortfall of circa £1,900). This estimate however does not consider any consequent positive impact on the demand for the 2 hour tariff from this option, the relative value of which would increase.

8.1.8 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 current 2021/22 - 2hr, 3hr and 4+ hr tariff bands to encourage people to stay longer by increasing the 1hr tariff band by a nominal 10p; and
- adopting a consistent approach across all car parks within each town whilst respecting their separate identities.

Option Three:

8.1.9 To increase all tariff bands by 5p in all Council operated car parks in each of its towns and Knebworth, with the exception of the subsidised free after 3pm off-peak parking incentive in Royston. This resulted in a potential surplus of circa £5k. While this option would meet the target, it was dismissed on the grounds that the 2+ hour tariff bands were significantly increased previously and the Council would prefer to encourage people to stay longer within the town centres to support their vitality, again as local businesses continue to recover post the pandemic.

8.1.10 Under each of these options it is not proposed to increase Season Tickets prices in the Council's long stay car parks or to increase Business Permits in St. Martins Road car park in Knebworth. (Tables 6 and 7 at [Appendix A](#)). There has been a reduction in the take up of Business Permits given the change in employer habits over the pandemic with more people continuing to work from home and commuting less into their place of work. Officers will continue to monitor the uptake over the coming year and in consultation with the Exec Members for Finance and for Planning & Transport may consider reviewing its approach going forward including the requirement to adjust the overall budget.

¹ 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.

8.2 Off-peak parking incentives

8.2.1 As part of the Car Parking Tariff Report considered by Cabinet on 16 March 2021 the following recommendation was agreed:

“(7) That delegated powers be granted to the Service Directors – Regulatory and Resources in consultation with the Executive Members and Deputy for Planning and Transport and for Finance and IT to consider and agree requests for subsidised parking within the council operated car parks.”

8.2.2 From an operational perspective and in order for the Council to be more transparent in terms of agreeing subsidised parking requests, especially in the case of subsidising a free session offered to the customer, it is proposed that customers are required to obtain a ticket for the duration of their parking session. This will enable officers to fully understand the usage data during these periods and will provide an evidence base against which future subsidised requests can be assessed and agreed in accordance with the Council's adopted Parking Strategy.

8.2.3 This will require an amendment to the current Off-street Parking TRO in order to be legally compliant.

8.3 Resident Permits, Evening, Sunday and Bank Holiday Charging.

8.3.1 Following discussion with the Executive Member and Deputy for Planning 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 2022/23 or to introduce Evening, Sunday and Bank holiday charging at this point in time. The Council is currently breaking even and on target with its resident permit scheme. Officers are in the process of reviewing all types of parking permits offered, both on street and off street. The outcome of this review will be reported once the feasibility study on alternative methods of payment has been completed. The outcome of the permit review 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. Consideration could also be given to offering a special permit within the Council off Street long stay car parks where there is available capacity, be this for town centre residents, voluntary organisations or offering an incentive for low carbon vehicles on Season Tickets.

8.3.2 The introduction of Evening, Sunday and Bank holiday charging will need to 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. Given the This will be reported following the completion of the permit review.

8.4 Officer summary

8.4.1 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 2022/2023 and its implementation as soon as possible in this 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 5 for each town at Appendix A attached to this report.

- 8.4.2 This report also seeks to review the off- peak parking subsidy policies, where the proposal is that customers are required to obtain a ticket so the Council can monitor the usage during these periods which in turn will provide an evidence base against which future subsidised requests can be assessed. Following discussion with the Executive Member and Deputy for Planning and Transport it is the officer recommendation that Cabinet consider and agree this policy review.

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, 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.
- 9.3 The proposed inclusion of customers obtaining a ticket for any subsidised parking session will require an amendment 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 and any other North Hertfordshire Off Street Order considered relevant. Such amendments will accord with the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996.

10. FINANCIAL IMPLICATIONS

- 10.1 The budget for 2022/23, approved by Full Council in February 2022, includes estimated additional income from inflation to the Council of £47k for parking tariffs.
- 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 2022/23 the forecast increase in income is £40.4k from pay-as-you-use income charges and £6.3k 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 3 and 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 recovery from the pandemic over the last 12 months where the income estimates derived are based on the usage figures from August 2021 to July 2022 and have been adjusted to reflect the income expectation in relation to ad-hoc parking charges within the approved budget for 2022/23. A separate budget adjustment for the continuing impact from Covid-19 recovery will be made relating to the usage.
- 10.4 The intended retention of the full 'free after 3pm' policy in all Royston car parks is estimated to have an adverse impact of approximately £11k 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, and will be reassessed as part of the requirement to obtain a ticket as proposed under paragraph 8.2.

- 10.5 There is a budget set-aside for the cost of implementing the proposed tariff increases including publishing the notices, advertising the increased car parking tariffs in the local press, amending tariff boards and making adjustments to the car park payment machines.
- 10.6 The work required to amend the Off Street Traffic Regulation Order in relation to the introduction of a possible tariff structure for EV Bays and the requirements for customers to obtain and display a parking ticket for any subsidised parking session will be funded from existing budgets and reserves.
- 10.7 Work on preparing a business case on alternative methods of payment and review of the Council's permit scheme will be undertaken by officers and where additional technical/consultant expertise is required will be funded from existing budgets and reserves.

11. RISK IMPLICATIONS

- 11.1 The risks to car parking income have been considered as part of the 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 result in downward trend in parking sales, as observed at the end of 2020/21 and 2021/22 as a result of the pandemic. In particular with regard to the sale of Season Tickets. 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, season tickets in long stay car parks, 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 paragraph 8.1.6 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, undertaking the necessary amendments to the Traffic Regulation Orders, preparing the business case for alternative methods of payment alongside appointed consultants as well as progressing with the permit review project.

16. APPENDICES

- 16.1 Appendix A: Proposed 2022/2023 Inflationary Tariff Increases for NHC Off-Street Managed Car Parks

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1 North Hertfordshire District Council Parking Strategy 2019 - 2031(adopted January 2019)
<https://www.north-herts.gov.uk/home/parking/parking-strategy>
- 17.2 Cabinet Report 16 March 2021 – Proposed Increase in Car Parking Tariffs 2021-22 Item Ref 112
[Agenda for Cabinet on Tuesday, 16th March, 2021, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#)

17.3 Appendix A – North Herts Council Climate Change Strategy: Proposed Actions 2021-2026 (adopted March 2021) [NHDC-294 NHDC Climate change Strategy 21-26 Appendix A.pdf \(north-herts.gov.uk\)](#)