

Agenda Item No: 7

Report To: Cabinet

Date of Meeting: 27th January 2022

Report Title: **Parking charges for Edinburgh Road car park and Park Mall car park**

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Portfolio Holder: Cllr. Peter Feacey

Portfolio Holder for: Community Safety and Wellbeing



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Summary:

The purpose of this report is to seek agreement on new parking charges for Edinburgh Road and Park Mall car parks.

A reduction in the basic parking charges is proposed to promote use of the car parks and thus support the vitality of our town centre. A revision to the minimum parking period is recommended.

The changes include absorbing the Pay by Phone convenience fee into the basic parking charge, rather than there being an additional cost for using this service.

Key Decision: NO

Significantly Affected Wards: NO

Recommendations: **The Cabinet is recommended to:-**

- I. Approve reduced parking charges for both Edinburgh Road and Park Mall car parks incorporating the Pay by Phone convenience fee that will be absorbed by the Borough Council.**
- II. Approve a minimum parking payment of one hour at Edinburgh Road and Park Mall car parks.**
- III. Authorise the Head of Community Safety and Wellbeing, in consultation with the Portfolio Holder for Community Safety and Wellbeing, to implement changes to the proposals contained in this report, including amendments to the Off Street Parking Places Order, undertaking the statutory public**

notices, consultation and dealing with any responses.

Policy Overview:

The Council's Corporate Plan identifies Targeted Growth, (stimulating economic investment and growth), as a key priority. Ensuring our car parks are attractive to customers will ensure they are fully utilised and thus contribute positively to the council's economic position. Reviewing parking charges is an important part of this.

The council's aim is to set a level of parking charges that supports the needs of businesses, workers, shoppers and commuters, whilst looking to optimise yield from parking.

Financial Implications:

Parking is an essential service that the council provides to the town centre. It is also an important service in terms of enabling the council to achieve a balanced budget.

Edinburgh Road car park is currently underutilised. Making the hourly rates more attractive should entice more motorists to use the car park, especially as it is part of the Park Mall shopping complex and only a short walk from Ashford High Street. Based on average monthly takings this financial year, the income for Edinburgh Road car park is cautiously estimated at £150,000. Pre COVID-19 in 2019 the end of year income for this car park was £234,000.

It is estimated that the proposals will be cost neutral on the basis that usage is increased when charges are reduced. The overall aspiration is recover pre pandemic income levels whilst at the same time giving customers the opportunity to park more cheaply. Further financial information is provided within the body of this report.

When Edinburgh Road car park is open 24/7 (minute CA 171220/195 refers) sales of residential season tickets, usage and income are all expected to increase.

Edinburgh Road car park currently offers free parking from 1500 hours to its closing time on Monday to Saturday and is free all day on Sundays and Bank Holidays. This incentive was implemented in 2015 to increase usage and encourage visitors to the town centre businesses. The free parking arrangements will continue, however an overnight charge will be introduced to prevent misuse of the facility. This will start at 1800 hours. Users can be assured that the car park is monitored by the council's CCTV team and extra CCTV cameras are being installed into the stairwells utilising the Safer Streets funding.

When Park Mall car park was under previous ownership, the hourly charge rate was more expensive. We wish to align the charges in both car parks as detailed in this report.

The adjustment of car park charges will require existing terminal re-programming, revised signage, website adjustment and advertising. The cost of these works will be covered by current resources.

Legal Implications:

*Text agreed by
Simon Talijancic on
18 January 2022*

The applicable legislation under the provisions of the Road Traffic Regulation Act 1984 requires a public notice to describe the Off Street Parking Places Order and provide details of the effect of the Order. The public notices must be placed in all the car parks effected by the changes.

The legal process for any changes to the off street parking places order are clearly defined including timescales and the consultation period.

Equalities Impact Assessment:

Not required. There are no anticipated negative impacts.

Data Protection Impact Assessment:

Not required. There are no data protection implications.

Risk Assessment (Risk Appetite Statement):

Risks are low risk in relation to Edinburgh Road car park in that it is an established facility and the proposals should encourage increased usage.

There is risk that our usage estimates for Park Mall car park may be incorrect as this car park is newly under the control of the borough council. We will encourage use of the car park through active marketing. The price reduction is also likely to encourage usage, especially for those who previously used it and paid higher charges.

The proposal contained in this report will require changes to the council's parking fees and charges. To monitor the impact of the proposed changes there will be monthly monitoring and review of income targets, and an ongoing evaluation of any impact throughout the financial year.

It is essential that parking charges cover the cost of providing and running our car parks, including resurfacing, patrolling, and the maintenance of payment facilities.

There is a risk that the changes will not drive the expected increase in usage and therefore so that that reducing charges further exacerbate the council's weakened financial position due to Covid. Being flexible to changing customer demand is crucial and the proposals implemented will be carefully monitored.

Changing social behaviour could see a shift from car usage that again results in less demand for public parking.

Sustainability Implications:

Research has shown that reducing the number of cars on the road helps the climate by reducing harmful emissions. Locations that see a decrease in parking charges may show positive climate impact, as drivers will drive directly to those car parks rather than searching for a cheaper space, causing less pollution.

Other Material Implications:

Reduced tariffs will be well received by customers. Good communication and signage changes will run hand-in-hand with any associated town developments to encourage potential car park users into desired car park locations. Ongoing promotion of our parking offer is critical to maintaining and increasing business.

The greatest staffing impact on implementing the changes will be on the Team Leader for Parking, Highways & Transportation and the Senior Operations Officer. The changes can be accommodated within existing resources.

Exempt from Publication:

No

Background Papers:

None

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Report Title: **Parking charges for Edinburgh Road and Park Mall car parks**

Introduction and Background

1. Our aim is to set parking charges that balance demand and supply for parking spaces across the town. Differential charging can be used in a way that supports the needs of businesses, workers, shoppers and commuters, whilst looking to optimise yield from our parking assets.
2. By monitoring parking trends and adapting our parking charges in response to what those trends tell us, we are able to tailor our offer to better meet the needs of our customers. Customers expect to pay for parking in a town centre as these places offer a variety of shopping, cultural and leisure experiences. Car park users choose to park taking account of location, personal safety and tariffs applied. Our aim is to ensure that we deliver a constantly improving and fair parking service to users.
3. The council's parking offer, and therefore its approach to parking fees, is an important part of supporting growth and encouraging viability and vibrancy of town centres. An important aspect is enabling visitors to stay for longer in our town than they originally planned, as well as reduce the likelihood that they will receive a parking enforcement ticket when delayed returning to their vehicle.
4. It is important the council's car parking provision supports the economic prosperity of the town centre. The parking tariffs must be fit for purpose, reflect market forces and be in line with regional pricing.
5. The council is mindful of future planned developments within and around the town centre whilst ensuring its parking provision continues to meet the current needs of local businesses, residents and visitors to Ashford Borough.
6. The Parking Service regularly reviews its parking-related fees and charges to ensure they continue to support the council's wider traffic management objectives and obligations. By doing this we are able to:
 - Ensure our short-term parking charges in town centre car parks facilitate a turnover of car parking spaces, thus enabling more visitors/shoppers to visit and easily park within the town centre.
 - Establish demand for car parking, as evidenced by occupancy rates at different time and date points and thus tailor our payment structures and marketing strategies.
 - Manage increasing demands for parking and thus reduce on-street parking pressure.
 - Support continued growth and development of the town centre by encouraging safe and efficient traffic movement.
 - Increase and improve our off-street parking facilities for all users.

Proposal

Base charges

7. The proposal is to amend the parking charges in Edinburgh Road car park and to introduce the same charges in the newly acquired Park Mall car park. The new charges are suggested as follow:

Charges (Maximum stay 24hr)
DAY (6am to 3pm)
£1.00 per hour up to 4 hours
£5.00 over 4 hours
FREE Monday to Saturday 3pm to 6pm, Sundays and Bank Holidays all day
NIGHT (6pm to 6am)
£1.50 Monday to Saturday
FREE Sundays and Bank Holidays
LONG STAY (any period up to 24 hours)
£10.00 Monday to Saturday
FREE Sundays and Bank Holidays
When parking for over 5 hours, the motorists must park on floors 3 and 4 in Edinburgh Road car park and on floor 1 only in Park Mall car park

8. Note that a minimum payment of one hour is introduced, plus charges after 6pm. The current free after 3 pm is retained but becomes 3pm to 6pm to reflect the opening of the car parks in the evenings and overnight.
9. By way of comparison, the current charge in Edinburgh Road car park is £1.20 per hour. A minimum payment of 60p (30 minutes) currently applies and stays of over 4 hours are charged at £5.50. The charges within Park Mall were considerably higher when operated by NCP.

Pay by Phone

10. It is also suggested that the council absorbs the 20p Pay by Phone convenience fee rather than it being paid as a supplementary charge by the customer. Any other additional text messaging that the motorist wishes to request when using pay by phone would be payable by the motorist i.e. optional SMS texts.
11. Pay by Phone offers a number of benefits, one of the most significant being the facility for motorists to top up their parking time by phone should they wish to extend the time they wish to park (subject to some minor conditions). With the council absorbing the 20p transaction charge this effectively makes the Pay by Phone service free to customers. The motorist, however, remains responsible for their mobile phone network charge and for any optional text messages they elect to receive e.g. texts to confirm transactions and alerts shortly before paid for time is due to expire. Each alert currently costs the user 10p.
12. There is little doubt, that Pay by Phone is becoming increasingly popular with our customers. Between April and the end of December 2021 almost 250,000 transactions were via this service. Month on month we are seeing this figure

grow and the proposal for the council to incorporate the costs in its base charges will, we believe, further encourage uptake.

Implications and Risk Assessment

13. Parking income has been difficult to predict recently due to the pandemic and the consequential increase in home working which has reduced the demand for season tickets. Recent fuel restrictions also had an impact.
14. Maintaining the current tariff could result in fewer motorists using Edinburgh Road and Park Mall car parks and seeking alternative parking arrangements such as Vicarage Lane, Elwick Place or other car parks not in the council's ownership.
15. By decreasing parking charges, it is anticipated that usage will increase. While it is difficult to gauge the effect on demand, the intention of the tariff decrease is to shift demand away from our prime location car parks such as Vicarage Lane and Elwick Place.
16. Whilst the income generated by the parking service continues to be marginally higher than expenditure, overall income generation is significantly below pre-pandemic levels. However, we are encouraged that the income will increase as the economy recovers.
17. An economic downturn could affect income streams if demand for parking drops. This is, however, a risk relevant to all of our car parks. These proposals are designed specifically to help cushion such effects by making our car parks as cost effective as possible for our customers.
18. The proposal to reduce the hourly rates by 20p will see an annual reduction in income for Edinburgh Road car park of approximately £37,724. This estimate is based on the number of transactions (average two hour stay) within Edinburgh Road between April 2019 and March 2020 (the last 12 months prior to the pandemic).
19. The proposal for the council to accommodate the Pay by Phone convenience fee for both Edinburgh Road car park and Park Mall car park would be an additional cost to the council. The estimated annual cost will be in the region £6,240 for Edinburgh Road Car Park. This figure is based on an average number of Pay by Phone transactions in Edinburgh Road car park for October/November 2021 (selected as these months have yielded the greatest number of Pay by Phone transactions to date). As car park usage naturally fluctuates across the year, some months will result in more payments to our service provider, and some less.
20. There would need to be a 23% increase in usage of this car park to offset the reduction in income detailed in paragraph 18 and the additional Pay by Phone costs detailed in paragraph 19.
21. It is however estimated that income could increase by around 15% to 20% as a consequence of absorbing the Pay by Phone service charge which we would market strongly. There will also be additional income from increasing the

minimum payment charge to 1 hour and from introducing charges to operating the car park 24/7.

22. We do not have data for Park Mall car park as it has not been under our management in previous years so it is challenging to predict the impact of the charging proposals. The price reduction is, however, likely to be very well received by users of that car park and attract new customers.
23. It is proposed that a financial review be conducted once the tariff changes have been in place for six months and any resulting impacts be incorporated into future budgets.

Equalities Impact Assessment

24. There are no anticipated negative equality impacts. Ongoing monitoring for the project will be carried out by the Project Manager.

Consultation Planned or Undertaken

25. Amendments to the parking tariffs will require amendments to the Traffic Management Orders and Parking Orders. This involves a statutory consultation period in which representations can be formally lodged.

Other Options Considered

26. We could leave the charges for Edinburgh Road car park as currently set and introduce the same charges for Park Mall car park, but this does not address currently underutilisation. Our aim is to set parking charges that balance demand across all our car parks and by adjusting prices, we are able to do this. Therefore, it is not an option to do nothing as we need to attract more customers. By reducing charges, we believe we are better able to support the needs of town centre businesses, workers, shoppers and commuters, and optimise yield from our parking assets.
27. We could reduce the base charges but leave customers paying the Pay by Phone charge. As previously stated the Pay by Phone system offers many benefits to customers and is also beneficial in avoiding the costs associated with cash handling/management. By supporting the cost of Pay by Phone we believe that more users will pay in this way. This also supports the introduction of cashless parking which is being proposed as a pilot in Park Mall upon installing an ANPR system.
28. The proposal is to reduce the base charges by 20p. This could be adjusted to, for example, to 10p therefore reducing the impact on our income (i.e. in the event that the price reduction does not encourage more customers or lengthen parking stays). A figure of 10p might not, however, be enough of a reduction to attract more customers as is desired.

Reasons for Supporting Option Recommended

29. There are numerous charging structures could be adopted with varying advantages or disadvantages for either customers or the council. The option recommended, however, has many benefits for a wide range of stakeholders.
30. The reduction in charges is significant and is likely to prove popular with existing customers and, most importantly, attract new customers. This is an advantage financially to the council and businesses that benefit from increased visitor numbers. It will encourage customers to stay longer as it is cheaper for them to park. Many of those customers will be town centre employees so the reduction is particularly beneficial to them.
31. Attracting more visitors to these currently under-used car parks will free up some capacity in our more popular and convenient car parks.
32. It will generate income from stays under 30 minutes thus increasing our income and help offset the potential loss of revenue should we not attract new customers as anticipated. It ensures a suitable charge is applied for 24 hour parking but avoids punitive charges for those wishing to use the car park in the evening especially if parked there during the day.
33. The proposal protects the 'free after 3' parking scheme thus still encouraging people into the town at the end of the day to support the high street shops. But, if someone stays beyond 6pm or enters the car park after 6pm the £1.50 fixed charge is applied until 6am the following morning. If visitors wish to stay after 6am they can but an additional charge applies. This ensures that those still parked the next morning are paying an appropriate extra charge. Finally, the charges do not conflict with our season ticket prices.
34. There is a disadvantage to this proposal in that applying a charge after 6pm will discourage the car park from being used by those visiting the town for the evening. Also, those who have parked in these car parks during the day may move at 6pm to a free car park. We are conscious that until such time as an overnight charge is introduced in all our car parks, people will choose to park where it is free.

Next Steps in Process

35. The council will advertise the proposed changes in accordance with the legislative requirements. The aim is for these charges to be introduced in both car parks at the same time, namely 1 April 2022.
36. Working with our Communications and Marketing Team we can encourage, promote and influence users through signage, communications and social media to use both car park and be aware of the changes that are being made.

Conclusion

37. Parking plays a crucial part in ensuring the vitality of our high streets and town centre. The proposals within this report aim to provide a fair deal for our

customers, encouraging visitor to our town and supporting our local businesses. The effect of these tariff changes will need to be carefully monitored taking into account feedback of our customers so as we know they are right for our high street and support the council's wider economic development aspirations.

Portfolio Holder's Views

38. We have taken this decision to help residents and visitors of our town centre, especially as we recover from the pandemic. Parking is a crucial part of our transport infrastructure. Promoting full use of our assets is very much in line with the council's aspiration to Build Back Better High Streets and the Town Centre Reset. There is a need to promote and support our businesses and stimulate growth to ensure we have a vibrant and dynamic town centre we can all be proud of.

Cllr Peter Feacey, Portfolio Holder for Community Safety and Wellbeing

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