

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 8 FEBRUARY 2021

PUBLIC REPORT: Y

EXEMPT REPORT: N

Report Title	Car parking charges review
KEY DECISION	Y
Report Author	Elaine Bird Regulatory Services Manager
Purpose of Report	To consider the appropriate level of increase in car parking charges.
Reason for Decision	Car parking charges should be reviewed on a periodic basis to ensure they meet the needs of the Council's priorities.
Portfolio (holder)	Cllr Paul Dann
Corporate Priorities	The Place – a safe, enterprising and vibrant place Your Council – creative, proactive and efficient
Financial Implications	As set out in the body of the report
Risk Management Implications	As set out in the body of the report
Environmental Implications	As set out in the body of the report
Legal Implications	As set out in the body of this report
Equality Implications	There are no proposed changes to disabled parking and Disabled Blue Badge Holders would still be able to park for up to 3 hours free.
Data Protection Implications	N/A
Consultation	The informal car parking working group
Options	To not increase the car parking charges would have implications for the Council's budget planning.
Background Papers	N/A
Recommendation	<ul style="list-style-type: none"> • That the tariff structure set out in Option 3 is approved; and • Subject to the above being approved that the agreed tariff is incorporated into the 2021/22 Budget.

1 Introduction

1.1 The car parking charges were last increased in 2017 and local authorities should review charges periodically to demonstrate they still reflect the aims and objectives of the parking policy and to support meeting the needs of the Councils priorities.

- 1.2 Car parking charges should not be a local tax or general revenue generating opportunity. However, income provided from the car parking charges should cover the cost of the provision of the service, including enforcement costs and support other operational areas.
- 1.3. The income derived from the car parks in the district contributes to achieving the Council's priorities. The provision of adequate parking facilities is considered an important aspect of promoting and maintaining a thriving and diverse local economy supporting businesses, shoppers, workers, visitors and recreational users alike. There are considerable costs associated with this parking provision and the parking income contributes to these costs.

2. **Key Facts**

- 2.1 It is accepted that the car parks need to portray a positive image of the district and reflect the desirability of the facilities on offer to its residents and visitors. They need to be clean, attractive, well managed and above all, be perceived as safe to visit.
- 2.2 As previously mentioned the income from car parking charges contributes to the provision and delivery of a number of services within the Council. Some examples of which are set out below.
- 2.3 We have purchased new parking machines which has improved the payment options for car parking charges. All machines offer contactless and card payment facilities and we have introduced Pay by Phone option, which gives greater flexibility to the service user on how they make their payments. It also enables users to extend their stay without having to return to their vehicles.

We have also introduced e-permits for parking which once again gives the permit holder much more flexibility to self-serve at their convenience such as being able to amend their vehicle details without the need to contact the Council.
- 2.4 The Council also works hard to assist in resolving wider community safety issues and significant efforts have been and continue to be made in tackling incidents of anti-social behaviour throughout the district and within some the car parks.
- 2.5 The Council has widened its air quality monitoring regime over recent years. We have increased the diffusion tube monitoring network across the district and now have 34 tubes monitoring the annual average levels of Nitrogen Dioxide in the district. This is an increase of 13 additional tubes since 2015.

In addition we have purchased a real time air quality monitor which measures Nitrogen Dioxide levels in the Air Quality Management Area along the A6 through The Kibworths which requires on going costs for annual maintenance and back office support to the data collection and analysis.

Recently we have purchased a more portable air quality monitor called a Zephyr for £4,000 which enables us to monitor hot spot areas in response to air quality queries or areas of concern. The monitor measures Nitrogen Dioxide and Particulates.

- 2.6 There have been several positive outcomes from new campaigns we have been running through Environmental Crime Enforcement, these cover areas such as litter, dog fouling, duty of care documentation, fly tipping etc. The campaigns include a radio advert, signage and in some cases equipment for volunteers for litter picking.
- 2.7 The Council has installed several electric vehicles charging points at various locations across the district. We are also seeking further funding to increase this network in our car parks and to develop a charging hub within Market Harborough.
- 2.8 All these activities are, in part, supported by the income from car park charges. In 2019-20. The table below sets out the 19-20 costs for delivering some of these services.

Table 1

Service	2019-20 costs £000s
Environmental Protection	£42
Off street Parking and Enviro-crime enforcement	£146
Car park expenditure	£294
Street cleaning	£882
Street furniture	£15
Open spaces and amenity areas	£203
Annual air quality monitoring costs	£9.5

- 2.9 The need to raise income also creates an incentive for car drivers to find alternative modes of transport. If charges are pitched too low, demand for parking could outstrip supply, causing increased congestion, pollution levels and other associated environmental problems.
- 2.10 All car parking charges should be set at levels that encourage compliance with parking restrictions. If charges are set too high, they could encourage drivers to risk non-compliance or to park in unsuitable areas, possibly in contravention of parking restrictions.
- 2.11 The right parking tariff is important in managing parking provision. It is generally acknowledged that charging for car parking is accepted by motorist and is not the main criteria for the decision to visit a particular town.
- 2.12 As part of the current review, benchmarking data on comparator towns was collated in September 2020. Generally, Harborough District Council's parking charges are comparable or less than neighbouring authorities.

Benchmarking data shows the current charging structure is generally comparable or less than neighbouring authorities. The short stay off-street parking charges in Market Harborough and Lutterworth are less than those charged in the comparator towns) except Daventry where parking is free. The long stay off-street parking charges in Market Harborough and Lutterworth are less than those charged in the comparator towns except for Daventry where parking is free and Corby which is set at £3.50 per day. A full breakdown of the benchmarking data can be found in Appendix 1.

- 2.13 The pandemic has had an impact on the car parking service. Charging was suspended during the initial local down and Since the reintroduction of the parking charges, whilst the number of parking transactions is lower than the previous year, the numbers have steadily increased and at the end of Oct 2020 the service was operating at approximately 74% of the previous years rate. The number of transactions significantly decreased again during the second national lock down in November 2020. It is current too early to show the impact of the third national lockdown on the car park transactions.
- 2.14 The table below shows the change in the number of transactions and revenue from the car park charges between 2018 and 2020 to date, which clearly shows the impact that the pandemic has had on the car parking service.

Table 2

	2018		2019		2020	
Harborough	Transactions	Revenue	Transactions	Revenue	Transactions	Revenue
Short stay	766,940	£1,001,236	829,806	£1,022,071	388196	£ 487,542
Long stay	95,178	£ 249,071	101,924	£ 282,515	44303	£ 110,690
Lutterworth						
All	113,576	£ 89,999	79,752	£ 106,323	44102	£ 60,374
Total	975,694	£1,340,306	1,011,482	£1,410,909	476,601	£ 658,806

- 2.15 At present it is not possible to predict any longer-term reduction in the use of the car parks following the pandemic, as people's working pattern and shopping behaviour may change. However, prior to the November national lockdown we did see a steady increase in the number of parking transactions each month. It is anticipated that once the current national restrictions are lifted confidence will start to improve.
- 2.16 As previously stated the last car parking tariff review was implemented in 2017 therefore, notwithstanding the Council's budget pressures it is an appropriate time to review the charges again. As previously highlighted the income from the parking charges supports the delivery of several services and activities across the Council. Failure to review and increase the current

parking tariff will, in line with the BC25 process, have implications for the ongoing delivery of these services as savings and efficiencies will have to be met by other means. Appendix 2 provides further detail on the budget implications and impact on the MTFS.

2.17 Several options have been considered with regards potential tariff structures. A full breakdown of the tariff structure considered are set out in Table 3.

Table 3

Proposed Car park charges (Harborough District Council)

Car park Market	Up to 1 hour	Up to 2 hours	Up to 3 hours	Up to 4 hours	Over 4 hours
Harborough					
Current Short-stay	N/A	£1.00	£1.50	£2.50	£6.00
Option 1 Short stay	N/A	£1.10	£1.60	£2.60	£6.50
Option 2 Short-stay	N/A	£1.20	£1.70	£2.70	£7.00
Option 3 Short stay	N/A	£1.50	£2.00	£3.00	£7:50
Car Park Lutterworth					
Current	60p	£1.00	£1.50	£2.50	£4.00
Option 1	70p	£1.10	£1.60	£2.60	£4.10
Option 2	80p	£1.20	£1.70	£2.70	£4.20
Option 3	£1.00	£1.50	£2.00	£3.00	£5.00
Current Long-stay	£2.00				£4.00
Option 1 long stay	£2.10				£4.10
Option 2 Long-stay	£2.20				£4.20
Option 3 long stay	£2.50				£5.00

2.18 The predicted additional income for each option is:
 Option 1 £91,000 per annum
 Option 2 £195,500 per annum
 Option 3 £500,000 per annum

- 2.19 However, it must be noted that the predicted income figures are based on the transaction rates for 2019 and does not take into consideration any potential long-term reduction in the use of car parks following the pandemic.
- 2.20 The proposed tariff increases would still mean that charges for the district would still generally in line with the comparator districts and option 3 is the preferred option to maintain service delivery.
- 2.21 Section 35c of the Road Traffic Regulation Act 1984 and Regulation 25 of the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996, determine the methods that should be followed to enable car park charges to be varied.
- 2.22 Section 35c of the Road Traffic Regulation Act 1984 provides that where the charges to be paid in connection with an off-street parking place are to be varied, they can be varied by a Notice of Variation. The Notice of Variation is to be published at least once in a newspaper circulating in the area at least 21 days before the variation comes into force.

3. Financial Implications

- 3.1 The Final 2021/22 Budget & Medium-Term Financial Strategy (2022/23 to 2024/25) is discussed elsewhere on the agenda and this shows that the Council is currently facing a significant budget gap over the medium-term exceeding £11.8m. For 2021/22, although there is an estimated net contribution from reserves of £242k, on a gross basis this includes a contribution from reserves of £2.4m to support ongoing service expenditure.
- 3.2 The potential income generation opportunity from increasing Car Parking will significantly help towards closing the budget gap (a detailed commentary is attached at **Appendix 2**). For 2021/22, additional income of £500k will reduce the gap to £1.9m and over the MTFs, if the same level of income were achieved, the cumulative gap would reduce to £9.9m – this is a 40% reduction when compared to the £16.6m cumulative gap highlighted to with members in the summer of 2020.
- 3.3 With regard to the impact on reserves, the Final Budget and MTFs elsewhere on the agenda was showing that by the end of the MTFs the Council would hold reserves of only £800k – this means that the Council will have gone significantly below its 20% Minimum Level of Reserves. However, by increasing Car Parking charges by £500k, the compounded impact of this would be that the Council will maintain:
- the General Fund (Unallocated) Reserve at 20% of net expenditure.
 - Earmarked Reserves of £100k.
- 3.4 This is a significantly better position than reported to Cabinet elsewhere on this agenda. However, the Council cannot be considered as self-financing as it continues to need to use reserves for each year of the MTFs to deliver services.

- 3.5 The Council has to continue with its budget review process (Budget Challenge 2025); the aim of which is to close the gap by reviewing and proposing transformational change.
- 3.6 The above financial commentary does assume that demand for car parking is at pre-pandemic levels. However, the Council may be able to mitigate some lost income due to the governments Sales, Fees & Charges Compensation Scheme. Further, by increasing car parking income, assuming the government does not amend its scheme conditions, an increase in charges will mitigate losses further.