REPORT NO. 1

REPORT TO THE SCRUTINY TASK GROUP

Meeting: Scrutiny Task Group

Date: 3rd September 2013

Subject: Review of Car Parking Strategy

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Version: 1

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Appendices:

Background Information

During 2007 external consultants URS Corporation Ltd (URS) were commissioned by the Council in partnership with Leicestershire County Council to develop a Parking Strategy covering the period up to 2016. The consultants undertook a comprehensive study of the car parks and parking related issues to develop a baseline situation to develop the Strategy and Action Plan. The initial strategy was developed in line with the National, Regional and Local strategic priorities at the time. However as things change it is necessary to review the strategy to ensure it reflects the current strategic objectives. A copy of the Strategy can be found in Appendix A.

An Action Plan was developed which set out a number of potential initiatives that could be implements over the short, medium and long term to develop the parking arrangements within the district. A review of the progression of the various actions was undertaken in 2012 however a further review is required to ensure that the actions identified are still relevant and applicable. A copy of the Action Plan, including the progress and revised priories can be found in Appendix B.

A car parking strategy can not be seen as a stand alone document but must be viewed in conjunction with the Councils approach to retail planning and transport mitigation in town centres which will be undertaken as a result of local development.

Market Harborough policy CS13 in the Core Strategy states "Management of parking and loading facilities to respond to an increased use of Market Harborough town centre by shoppers, traders and visitors and managing provision of on street parking for residents in or near the town centre where needed, whilst at the same time recognising in some case that amounts and types of parking availability can encourage people to travel by car rather than to walk, cycle or use public transport".

Areas for Consideration.

1. Use of Car Parks

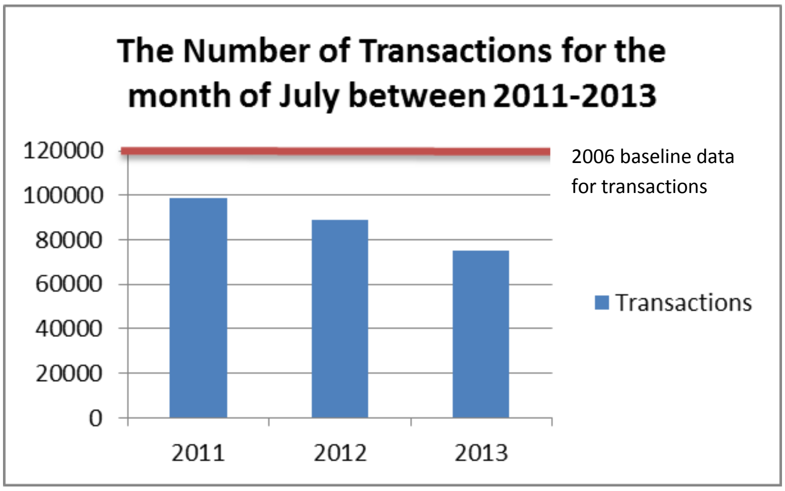
The initial survey concluded that whilst there are some car parks in Market Harborough and Lutterworth that were close to practical car park capacity there are also car parks where occupancy levels were low. The survey work showed that, at that time, in Market Harborough and Lutterworth the total car park provision was adequate for the demand based on the notional operating capacity figure of 85%. Table 3 below sets out in more detail the results of the survey for Market Harborough.

The initial survey work was carried out before the Decriminalisation of Parking Enforcement (DPE) was introduced in 2007. The data identified that due to insufficient levels of enforcement at the time there was both, a high level of illegal on-street parking and a high number of users of the car parks that were either not paying or staying for longer periods than they paid for. Improved enforcement for both on-street and off-street parking would ensure better compliance with parking restrictions, potentially displace illegal on-street park vehicles into either car parks or other non-controlled roads and facilitate a higher turnover of vehicles parked, creating more opportunity for people wanting to park in the town centres.

The original strategy looked at car park capacity and predicted that the demand for parking would increase over the years, highlighting potential capacity issues. This would require the management of supply and demand through charging and/or capacity. However monitoring the number of parking transactions over recent years shows a steady decline in number of users of the car parks. In 2006 the ticket sales for car parks in July only was in excess of 120,000, in comparison the same month in 2013 shows ticket sales were approximately 75,000.

Over the past few years there has been a steady decline in the total number of parking transactions as set out in Graph 1 which shows the number of transactions for all car parks in the month of July against the baseline figure of 120,000 transactions in July 2006. The increased car park charges were introduced in April 2012 so the graph shows that the number of transactions was decreasing before the new charges were introduced.

Graph 1



There are a number of contributing factors which may account for the reduction of transactions including the economic climate, massive growth in internet shopping since the original survey, the opening of large retail developments such as Highcross in Leicester and Willow Place in Corby. In addition retail units such as Waitrose, Aldi and Lidl have all opened up in Market Harborough offering free parking to their users which may displace some of the previous users of the Council's car parks. The increase in Sunday opening of shops may also have an influence on the use as car parks as the Council does not charge for parking on a Sunday. Another factor may be that more people are using alternative means to get into the town centre such as walking or cycling rather than taking the car. The Council will shortly be undertaking a retail study into our major retail centres. This will provide a 2013 snapshot of town centre activity. We are commissioning a householder survey in the retail catchment area which will provide really useful information on shopping patterns and show how these patterns have changed. It will look at the impact of these changes on both Market Harborough and Lutterworth and will provide data on where and how people are shopping. Car parking data will feed into this work and it is anticipated that the report will be completed October 2013

Information below in Table 1 sets out the revenue received from car park tickets for the previous three year period compared to the expenditure required to maintain the service.

Table 1

Car Park Analysis				
Parking Fees				
		2010/11	2011/12	2012/13
		£	£	£
Angel Street	Mkt H	(48,675.00)	(53,122.34)	(52,424.67)
Commons	Mkt H	(177,094.93)	(171,756.15)	(206,410.36)
Doddridge Road	Mkt H	(50,176.25)	(53,826.77)	(54,506.15)
Kings Head Place	Mkt H	(18,743.42)	(18,260.48)	(20,079.02)
Market Hall	Mkt H	(35,502.73)	(37,191.26)	(40,488.38)
Mill Hill	Mkt H	(2,622.63)	(2,980.19)	(3,306.00)
Sainsburys	Mkt H	(94,520.49)	(95,494.80)	(106,516.27)
Springfield Street	Mkt H	(4,997.47)	(4,166.55)	(6,899.45)
St Mary's East	Mkt H	(21,408.37)	(20,813.07)	(20,825.48)
St Mary's West	Mkt H	(26,833.15)	(26,642.03)	(31,137.36)
Stamford Close	Mkt H	(14.09)	0.00	0.00
Symington Way	Mkt H	(46,036.78)	(44,085.72)	(43,226.86)
MJMAPP	Mkt H	(43,172.70)	(45,227.20)	(50,013.50)
Chapel Street	Lutt	(13,042.60)	(15,095.88)	(15,065.74)
Church Close	Lutt	(2,767.55)	(3,310.65)	(3,699.41)
George Street	Lutt	(11,350.29)	(13,776.23)	(12,041.03)
Station Road	Lutt	(14,486.49)	(15,223.73)	(16,188.15)
		(611,444.94)	**(620,973.05)**	**(682,827.83)**
Permits		(8,569.90)	(7,275.08)	(10,182.95)
Rent etc		(2,735.00)	(35,095.50)	4,351.00
Contrib from Sains/MAPP		(15,000.00)	(15,000.00)	(15,000.00)
Total Income		**(637,749.84)**	**(678,343.63)**	**(703,659.78)**
Expenditure		134,959.28	209,321.42	251,436.03
Contrib to Harb Improve Team		15,000.00	15,000.00	15,000.00
Total Expenditure		**149,959.28**	**224,321.42**	**266,436.03**
Net Surplus		**(487,790.56)**	**(454,022.21)**	**(437,223.75)**
Notes:				
2011/12 Rent etc line includes £25k compensation from Anglian Water				
2012/13 Rent etc line includes £5,546 re pre CPE parking fines written off.				

The car parks currently deliver a surplus income which supports the overall Council Budget. For clarity the 2010-11 expenditure is low due to a capital financing audit adjustment. The increase in the expenditure for 2012-13 relates to the reallocation of overheads for parking / car park enforcement to more appropriate budget codes.

The car parking tariffs were increased in April 2012 however the predicted budget income from the increased tariffs was not realised due to the reduction in the number of transactions made in the car park as set out in table 2.

Table 2

Year	Total No. of Transactions	Income from parking transactions	Average Value of Transaction
2011/12	1,157,666	£620,973	53 pence per transaction
2012/13	1,000,003	£682,827	68 pence per transaction

Transaction data is not available for the whole of 2010/11 so not included in this table.

In Market Harborough there are 6 short stay car parks providing 1200 spaces and 4 long stay car parks providing 223 spaces. Doddridge Road car park provides a mix of long and short stay with a further 143 spaces. In Lutterworth there are 3 short stay car park providing 187 spaces and 1 long stay with 18 spaces. There are also a number of private car parks in Lutterworth which do not charge. The Strategy looks at the predicted future demand for parking provision based on the 2007 survey of car park usage. The base line survey predicated the future demands on the car parks as per Table 3

Table 3

Car Park	**Capacity**	**Observed**		**2016**		**2026**	
		No	**%**	**No**	**%**	**No**	**%**
The Commons	341	284	83	380	111	461	135
Springfield Retail	630	444	70	594	94	721	114
Doddridge Road	143	73	51	98	68	119	83
Kings Head Place	26	25	96	33	129	41	156
Symington Way	98	56	57	75	76	91	93
Market Hall	75	74	99	99	132	120	160
St May’s Rd West	30	28	93	37	125	45	152
TOTAL SHORT STAY	**1343**	**984**	**73**	**1315**	**98**	**1598**	**119**

Angel Street	94	75	80	100	107	122	130
St Mary's Rd East	54	39	72	52	97	63	117
Springfield Street	40	4	10	5	13	6	16
Stamford Close	35	12	34	16	46	19	56
LONG STAY TOTAL	**223**	**130**	**58**	**174**	**78**	**211**	**95**

85% is deemed to be the notional operating capacity figure and based on the 2007 data whilst there is an uneven distribution of use/capacity over time more car park in Harborough will exceed the capacity issue. Where the number of car parks exceeds the capacity levels there is the potential for local congestion and dissatisfaction issues related to parking.

A similar exercise was undertaken in Lutterworth which also demonstrated that over time the number of car parks exceeding the 85% capacity threshold would increase.

As highlighted earlier in this report the actual number of transactions undertaken in the car parks has decreased over recent years and whilst this information alone is not conclusive that the capacity issue with the car park remains the same, it does suggest that further research and modelling is required to verify that the predictions are still relevant today.

There are a number of on-street parking spaces available in Market Harborough and Lutterworth. In Market Harborough there are approximately 220 spaces. The demand for on street parking exceeds the provision and the predictions show that this will get worse over the years. The provision of on-street parking is the responsibility of the County Council and the district council has little control over this area. There are no known plans for the County to increase the amount of on-street parking provision.

Question: Should the predicted demands for car parks be re-examined to reflect the growth demands set out in the Local development Plan and the impact of other local influences?

Data shows that in 2012-13 73% of all parking transactions in Market Harborough were within the 0 to 2hr time bracket with the Springfield Retail Park (Sainsbury's and MJMAPP) and the Commons car parks being the most frequently used with 86% of the transactions for this time bracket. 2013-13 transaction data for all car parks in available in Appendix C.

Question: Would a review of the number/location of long and short stay car parks provide a better match of use and demand and increase the number of car parking transactions?

Question: Should some or all of the Short Stay Car parks have a maximum stay of 2 hours to provide a greater turn over of spaces available for users?

2. Charging Structure

There is a significant amount of anecdotal evidence, opinion and speculation over the relationship between car parking provision and town centre prosperity. The Association of Town & City Management (ATCM) the British Parking Association (BPA), Springboard Research Ltd and Parking Data & Research International (PDRI) have recently undertook a research project to determine what evidence can be collated and what can be learned regarding the relationship between car parking provision and town centre prosperity. The research looked at 90 locations across the country and used data on footfall, spend and centre quality to group these locations and assess their relationship to the quantity of spaces and the cost of parking for the first two hours.

This analysis produced the following findings:

- Parking operators are providing parking provision which equates to the footfall levels achieved by their location.
- There is no clear relationship between car parking charges (set by parking owners/operators) and the amenities on offer in a location with some mid-range and smaller centres charging more than what is consistent with the national average.
- The mid-range and smaller groupings of centres that charge more than the national average in accordance with their offer, suffered a higher than average decline in footfall for 2011.

The full report "Re-Think Parking on the High Street" can be found on the British Parking Association website www.britishparking.co.uk

In summary, there is no simple formula that can be given on determining the right kind of tariff to be introduced nationally because every location is exposed to an individual set of dynamics and factors.

This is reflected within Harborough District where the charging structure varies across the district and throughout other Leicestershire Authorities.

In Market Harborough there are tariffs for long and short stay car parks and also a number of free 30 minute bays at various locations. In Lutterworth, due to the number of free private car parks in the area, the first hour in the Council's pay and display car parks are free. All the rural car parks in the district are currently free. The Council's current tariff banding charges can be found in Appendix D.

By comparison a snapshot of some of the other Leicestershire Authorities shows considerable variation in the charging structure used. Using the 0 to 2 hour banding as a comparable the following variations have been found:

Authority	Tariff
Harborough District Council - short stay	2hrs 70p Lutterworth has 1hr free parking
Melton Borough Council – short stay	1hr 70p 2hr £1.40p The prices for short stay parking increases on a Tuesday to reflect Market Day
Blaby District Council	First 2 hours free
Hinckley Borough Council	1hr 50p 2hrs 90p
Oadby and Wigston Borough Council	Majority of the car parks offer 3 hours free parking
Rutland	30 min. 30p or 40p depending on car park 1hr 60p or 70p depending on car park 2hr £1.30 or £ 1.50 depending on car park

Question: Is the existing charging structure and variations across the District balancing the needs of the Council, Businesses and the Local Population?

There is the potential to review the existing parking tariffs. Any change to the charging structure will have an impact on the Council's income and needs to be evaluated against the Operating Model principle of 'expecting those who are able to do so, to pay for services that the Council provides.

Appendix E provides more information on the options for free parking in Market Harborough. The information sets out a number of options along with potential cost implications that should be considered with regards to the current parking tariffs.

- Introduction of permanent free parking for certain time bandings
- Increase the number of free 30 minute bays
- Introduction of temporary free parking to cover specific events within the district

In considering the above issues it is worth considering one of the key findings of the Portas Review "An Independent Review into the Future of our High Streets" looked at what was required to promote healthy and attractive town centres. To enable local businesses to flourish one of the recommendations of this report was that local areas should implement free controlled parking schemes that work for their town centres. Short term free parking could encourage shoppers into town centres whist still maintaining sufficient turn over of parking spaces to enable the demand to be met.

One case study from the Portas Review related to the introduction of reduced short stay parking charges.

<u>Changes to car parking charges in Swindon</u>. In response to a concern from retailers, the Council took decisive action and reduced short stay car parking charges in the three premium rate ‘pay on foot multi-storey car parks and all car parks in Old Town for a fixed period of time. The revised charging structure encouraged a four hour stay. Feedback from both retailers and customers was overwhelmingly positive with many people reporting longer stays and more spend in town. The Council also reported that interest in letting units was on the increase.

It is clear from this review and case study that encouraging people to use the town centres for business and pleasure purposes through an effective car parking charging structure supports the Council’s priorities to “encourage a vibrant and sustainable business community, intent on wealth creation” and to “develop places in which to live and be happy”.

Unlike the County Council the District Council has the discretion to use any surplus income from the parking service (including income from Penalty Charge Notices) on what it chooses. Currently the surplus parking income supports the General Budget. Any change to ring-fence car parking income for specific areas of work will have a significant impact on the Council’s Medium Term Financial Strategy MTFS.

Similarly the removal of all car park charges in the district would have a significant impact on the Council’s MTFS

Question: Should the Council consider the introduction of free parking in Market Harborough through either the introduction of a new tariff banding in line with Lutterworth or by increasing the number of 30 minutes free bays within the town?

Question: Should the Council introduce free parking for specific events throughout the district to encourage people to the town centres?

Question: Should the Council consider ring-fencing surplus parking revenue to support town centre initiatives?

3. Alternative payment methods

In recent years there has been developments in car parking technology which allows customers to pay more easily for car parking, reduce the overheads of cash collection and enforcement and provide improved intelligence around customer and usage. This section of the report considers alternative payment methods.

A number of payment systems are now available which can now provide cashless payment for car parking through mobile phones and debit and credit cards.

The benefits for the customer of such systems include:

- No need for correct change
- Extend stay in the car park without having to return to car
- Text reminders when their parking is due to run out
- Ability to mange parking payment on line

Potential savings/benefits for the Council with the introduction of cashless payments include:

- Reduced/ cease cash collections current cost is £18K per annum
- A reduction in the amount of cash held within the pay and display machines will reduce the risk of theft
- A reduction in the maintenance of Pay and display machines
- More accurate data on car park usage

The development of alternative methods of payment options would need to be viewed as an invest to save bid as there would be the need for new machines and/or barrier technology.

A number of authorities have now adopted cashless payment for car parks and a testimonies/ evaluation reports setting out the advantages and cash savings associated with this can be found in Appendix F.

One of the main challenges for the introduction of cashless payment of parking is the need to ensure that the ability to pay for parking is provided for users who are unable to use alternative methods of payment. Cashless payments rely on the fact that users of the service have either a debit or credit card or access to a mobile phone which may not be available to all service users. An equality impact assessment would be required before cashless payments could be fully implemented in the Council car parks.

One supplier is potentially able to provide a free trial on cashless payments in one or more of the Council's car park. A pilot scheme could be developed for one car park with a gradual shift to cashless payments depending on results of the pilot.

Question: Should the Council undertake a pilot study for cashless payment in one or more of the car parks?

Question: How would the Council ensure that residents are not excluded through introduction of new technology?

4. Operational Asset Management

The baseline parking data from the initial survey indicated that in both Market Harborough and Lutterworth some car parks were operating either at or over capacity whilst others were operating under capacity. Whilst the number of transactions since this survey was undertaken has decreased over all analysis of the car park ticket transaction data for 2012-13 for all car parks (Appendix C) clearly demonstrates that there is still an uneven mix of use of the car parks.

The Council's Asset Review stipulates that all the current car parks should be subject to review. It is recognised that car parks in town centre locations have potential capital value albeit that they also generate a revenue income.

With the exception of the Springfield Retail Park all the car parks are currently owned, maintained and enforced by the Council. Some Councils have transferred their car parks and their ownership and management to a third party operators. This remains an option for the Council.

Question: Should the Council be considering other options regarding the management of Council owned Car Parks?

5. Enforcement

On Street Parking is a County function and includes the transfer of parking regulation and enforcement from the police to the County Council. The County Council can only legal spend any surplus from the on-street parking operation on highway or transportation related works or operations, as per section 55 of the Road Traffic Regulation Act 1984.

This approach was challenged by a recent legal case against Barnet Council with regards to its on-street parking charges. The judge ruled Barnet Council acted unlawfully when it increased the cost of residents' parking permits and visitor vouchers in controlled parking zones (CPZs) to raise revenue. The judge ruled that the council did not have the power under the 1984 Road Traffic Regulation Act "to charge local residents for parking in order to raise surplus revenue for other transport purposes".

Following the introduction of Decriminalised Parking Enforcement in 2007, the Council entered into Service Level agreement with the County Council and 4 neighbouring authorities to undertake both on-street and off-street enforcement. The Council re-reimburses the actual cost of providing this service to the partner agencies so the provision of this service is at nil cost to the Council.

The Council can retain any income received from the service of Penalty Charge Notices (PCN) and there are no restrictions on how this can be used.

There are 2.3FTE Civil Enforcement Officers undertaking off-street enforcement for Harborough District Council. Suitable and sufficient enforcement provision ensures better compliance with parking restrictions which will in turn facilitate a higher turnover of vehicles parked, creating more opportunity for people wanting to park in the town centres.

Based on 2012-13 figures the cost of providing off street enforcement in Harborough is £80,285 however this is partially off set by the income received through the service of Penalty Charge Notices (PCN). In 2012-13 the revenue from PCN issued was £31,086 making the net cost of providing the off street enforcement service £49,199. The revenue received through the purchase of car parking tickets for the same year was £682,827. Any surplus income from this service is used to support the Council budget.

Question: Is the current level of enforcement for off street parking adequate to ensure effective use of the car parks within the town centres?

6. **Walk and cycle improvements**

Analysis of the original parking data demonstrated that over 94% of those parking in Lutterworth came from the immediate local area and 52% in Market Harborough. Both urban areas are all within 1.5km of their town centres. With such high numbers of very local trips and compact towns there is the strong potential to increase the amount of walking and cycling.

The development of cycling initiatives would support Leicestershire County Council in the delivery of the LTP3 through encouraging active and sustainable travel.

A Department for Transport Briefing Paper “Briefing on the Government’s ambition for cycling” has recently been published. A copy of the paper can be found on the Department for transport website.

https://www.gov.uk/government/organisations/department-for-transport

Question: Should the Council work with partner organisations to review the current provision for cycling in Market Harborough and other larger rural settlements and develop an action plan in line with the national policy?

Summary

The existing car parking strategy was published in 2007 to cover the period up to 2016 and included baseline data on car park usage and capacity based on 2006 data. This strategy identified a number of actions to be implemented over the lifetime of the strategy some of which have been completed. Over the years there have been a number of changes and developments both locally and nationally, as highlighted in this report, which would have an impact on the findings and outcomes and subsequent actions set out in the Strategy. In view of these changes should the existing Strategy and Action Plan be reviewed to reflect the current needs and priorities of the Council and local community?