



**Prosperous Communities
Committee**

Date 23rd October 2018

Subject: Market Rasen Parking Charges – 12 month Review

Report by:

Executive Director of Economic & Commercial
Growth
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Purpose / Summary:

To determine the Market Rasen Car Parking
Policy following a consultation exercise on the
first 2 hours free period currently in force and to
determine the level of permit prices.

RECOMMENDATION(S):

1. That members note the results of the consultation exercise
2. Members approve the Market Rasen Car Parking Policy
3. Members agree the 2 stage pricing increase of Permits and recommend to Corporate Policy and Resources Committee as part of the Fees and Charges setting process. (Table at 3.1 of this report).

IMPLICATIONS

Legal: The implementation of the amended Car Parking regime will require a variation to the Parking Order.

Financial : FIN/124/19/TJB

The ongoing cost of the 2 hour free period is estimated to total £9.6k in lost revenue.

The Council's fees and charges policy is based on a full cost recovery model with the cost of the service for Market Rasen being circa £43k per annum. income generated in 2018/19 is forecast to total £27k.

The funding of the income foregone is currently estimated to be £9.6k and is being met from Gainsborough Car Park income.

It was intended that the reduction in income from providing a 2 hour free period would be met from the proposed permit increases at Market Rasen.

The proposed permit charge rates are detailed in the table at 3.1 below and the impact these charges would have on income levels at 3.2

Based on the current level of permits (111) and after taking a prudent approach to the risk of a reduction in sales due to higher charges, the additional income generated would be circa £5.5k for 2019/20 and £8.7k for 2020/21. Whilst a prudent approach has been made these amounts are estimates and are unlikely to match the actual income generated. However based on these amounts there is a shortfall in cost recovery of £5.8k and £3.2k respectively (see paragraph 7 below).

Future rates will be incorporated into the Fee and Charge setting process.

Excluding bank holidays, the annual cost of parking for 6 days @ £2 per day would total £608 which compares to the proposed cost of a permit for 2020/21 of £306 resulting in a discount of 50%

Discounts on these prices are proposed for those who pay by Direct Debit.

Staffing : There are no staffing implications

Equality and Diversity including Human Rights : This proposal does not have any implications affecting equality, diversity or human rights

Risk Assessment :

Increasing the permit prices as proposed presents the following risk:

- That permit sales are adversely affected to the extent that the increased income does not cover the cost of the 2 hour free period. However previous experience of permit price increases has shown that numbers in permit sales have *not* fallen following a similarly proportioned price increase. Furthermore, the financial modelling to establish the proposed new permit prices was based upon earlier permit numbers. Since this time and there has been additional sales, which would accommodate some drop-off in sales if it were to occur.

Climate Related Risks and Opportunities :

Continuation with this policy of an initial free 2 hour period will assist in securing a new regeneration plan for the town to enhance its vibrancy and improve the environmental conditions of the high street encouraging access on foot, specifically from the new residential developments.

Title and Location of any Background Papers used in the preparation of this report:

None.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

x

1 Introduction

- 1.1 In November 2017 members of the Corporate Policy & Resources Committee considered a report on the review of the impact of car parking charges in Market Rasen, in terms of ease of car parking and town centre viability over the preceding 8 months.
- 1.2 The Executive Director for Economic and Commercial Growth highlighted that there had been a perception locally in Market Rasen that car parking charges had been detrimental to the town centre, but that the evidence had been inconclusive on this point.
- 1.3 In order to address these concerns members resolved to;
 - (1) Agree to amend the car parking charging regime as follows:
 - a. Cessation of the free after 3pm, in favour of the introduction of a free two hours, at any time;
 - b. Maintain car parking charges between the hours of 8am and 6pm Monday to Saturday, and;
 - c. Continuation of the no charge policy for Blue Badge holders;
 - (2) Agree that the loss of revenue arising from the above is regarded as 'match funding' to support the evolving regeneration plans for the town over a 12 month period;
 - (3) Agree that this amendment to the car parking charging regime is reviewed in 12 months and options to secure cost recovery are developed and consulted on in October 2018, for implementation in April 2019.
- 1.4 To ensure that the options achieved the required cost recovery, financial calculations were carried out and it was established that the cost of providing the 2 hour free period could be covered by an increase to permits.

2. Consultation Exercise

- 2.1 A consultation exercise was carried out to seek views on three options (see appendix 1). The paper includes tables to show the proposed permit increases under each option.
- 2.2 1,175 responses were received to the questionnaire; 330 of which had additional comments. The comments are summarised at appendix 2. These fell mainly into the following categories;
 - (1) Comments specific to the 2 hour free parking period

- (2) Comments about free parking
 - (3) Comments in support of the charges
 - (4) Miscellaneous comments not fitting any of the other headings
- 2.3 The responses in favour of the 3 options were as follows;
- 740 (66.8%) Percentage increase over 2 years as is happening in Gainsborough (see option 1)
 - 22 (2.0%) Increase to the full permit cost in April 2019 (see option 2)
 - 346 (31.2%) Withdraw the free 2 hour car parking (see option 3)
- 2.4 There is a clear majority in favour of retaining the current practice of offering an initial 2 hour free period. Use of the free period is exercised by car park customers displaying a free ticket from the ticket machine in their vehicle.
- 2.5 The daily tariffs would remain un-changed, chargeable hours would remain as Mon –Sat, 8am – 6pm and free bank holidays
- 2.6 Blue badge parking would remain free.

3. Proposed Permit Charges

- 3.1 The table below shows a comparison of the daily ticket charge and the proposed permit charges, tabulated to show per annum and per month costs:

Permit Type	Current charge		New charge		New charge	
	2018/19		2019/20		2020/21	
	Per annum	Per month	Per annum	Per month	Per annum	Per month
Daily ticket for 6 days	£608.00	£50.67	£608.00	£50.67	Fee not set	Fee not set
Daily ticket for 5 days	£504.00	£42.00	£504.00	£42.00	Fee not set	Fee not set
6 day permit non-DD	£106.42	£8.87	£216.00	£18.00	£306.00	£25.50
6 day permit DD	£92.02	£7.67	£180.00	£15.00	£264.00	£22.00
5 day permit non-DD	£90.52	£7.54	£174.00	£14.50	£258.00	£21.50
5 day permit DD	£74.62	£6.22	£144.00	£12.00	£210.00	£17.50

- 3.2 With regard to the availability of parking spaces – there are 209 parking spaces across the 3 Market Rasen car parks. Currently there are 111 permits issued which equates to 53% of the total spaces.
- 3.3 The table below details the effect of the proposed increases on income which is utilised to support the first 2 free hours.

Permit Type	Permits No	2018/19 £	2019/12 £	2020/21 £
6 days	6	639	1,296	1,836
6 days DD	65	5,981	11,700	17,160
5 days	0	0	0	0
5 Days DD	40	2,985	5,760	8,400
Full Year Income (Gross)	111	9,605	18,756	27,396
Full Year Income (excl VAT)		7,684	15,005	21,917
After risk adjustment			13,129	16,438
Gain from increase			5,446	8,754
Cost of 2 hours free				9,600
Shortfall				846

3.4 Whilst there is a small shortfall in funding for the 2 hours free scheme, income levels can only be estimated at this time.

4. Market Rasen Car Parking Policy

- 4.1 Based on the above information Members are requested to approve the Market Rasen Car Parking Policy;
- 4.2 Charges will be set on a cost recovery basis;
- 4.3 The first 2 hour free parking period will be free;
- 4.4 Permit charges will be increased in stages over a 2 year period;
- 4.5 Permit charges will fund the continuation of the 2 hour free period;
- 4.6 The maximum discount for permits will be restricted to 50% of day rates.

Charges from 2020/21 will be reviewed as part of the annual Fees and Charge setting process.

5. Tariffs

The following details the tariff of charges applicable to the end of March 2020.

Daily tariff

Mon – Sat 8am – 6pm

0-2 hours – free

2-3 hours - £0.80

3-4 hours - £1.00

4-6 hours - £1.70

6+ hours - £2.00

Sundays and bank holidays free parking

Blue badge holders free parking

Permit prices to be increased wef 1 April 2019 and 1 April 2020 as follows;

Permit Type	2018/19	2019/12	2020/21
6 days	106.42	216.00	306.00
6 days DD	92.02	180.00	264.00
5 days	90.52	174.00	258.00
5 Days DD	74.62	144.00	210.00

7. Overall Impact on Financial Implications

The cost and anticipated income from Market Rasen Car Parks are detailed below.

Note: Permits include a risk factor of 12.5% for 2019/20 and 25% for 2020/21 to reflect a prudent impact of pricing increases on the level of demand for permits.

Forecasts Budgets Market Rasen Car Parks		
	2019-20	2020/21
Costs	42,600	43,420
Permits	-13,700	-17,100
Tickets	-23,042	-23,042
TOTAL NET COST	5,858	3,278

Appendices

1. Consultation questionnaire
2. Summary of comments received