

## **BOROUGH OF POOLE**

### **TRANSPORTATION ADVISORY GROUP – THURSDAY 26 NOVEMBER 2009**

#### **REPORT OF HEAD OF TRANSPORTATION SERVICES**

##### **CAR PARKING CHARGES FOR 2010/11**

### **1 PURPOSE AND POLICY CONTEXT**

- 1.1 This report considers car parking charges for 2010/11.
- 1.2 The Council's Medium Term Financial Plan aims to direct resources towards the Council's priorities providing an appropriate financial framework over a rolling three-year period. In line with that established last year this requires an additional 5% ( £250,000 ) per annum for 2010/11. The overall requirement for 2010/11 is for an additional £297,000, as set out in item 5.
- 1.3 This Plan has been developed on the basis that income from users of car parks form an important part of the overall Council finances, offsetting as it does further increases in Council Tax or reduction in services.
- 1.4 The three year Strategy for car parking was discussed at the Overview and Scrutiny Committee on 16July and then approved at its' next meeting on 24 September 2009
- 1.5 These car parking charges have been developed in line with the approved strategy and also as far as possible taking on board the points made through the extensive consultation undertaken.

### **2 DECISION REQUIRED.**

That the Portfolio Holder recommends to Cabinet for approval:

- 2.1 Daily fees for 2010/11 as shown in Appendix A
- 2.2 Permits and season ticket charges for 2010/11 as shown in Appendix B

### **3 BACKGROUND**

- 3.1 The proposal to develop a three-year car parking strategy, of which parking charges are a key tool, was approved at Transportation Advisory Group meeting on 8 January 2009. Principles and considerations of this strategy were subsequently considered at Economy Overview and Scrutiny meetings held on 16 July 2009 and agreed on 24 September 2009.

3.2 For the first time the summary proposals for changes to parking charges have been devised in the context of a three-year time-scale taking into account the following key Corporate Objectives:

- a) Revitalising Town Centre
- b) Reducing Poole's Carbon Footprint
- c) Meeting the Needs of the Ageing Population
- d) Improving Efficiency and Effectiveness

3.3 Extensive consultation on the proposals has taken place with key stakeholders:

- (a) Town Centre Manager;
- (b) Dolphin Shopping Centre Manager,
- (c) Town Centre Management Board
- (d) Tourism Management Board
- (e) Poole and District Chamber of Trade
- (f) Head of Leisure Services.
- (g) Season ticket, permit holders and users of the car parks (consulted through a series of focus groups and Poole Opinion Panel )

Where the views and comments of these stakeholders relate to the 2010/11 charges these are listed in the report.

3.4 The original proposals have been modified as a result of this consultation in the following way :

- a) Smaller increases for Town Centre season tickets – now proposed at a nominal 2.5% increase
- b) A tariff linked to a standard hourly rate of 80p. As can be seen in Appendix A while proposed rates for 2,3 and 4 hours may have increased by a nominal 10p, proposed rates for 5,6 and 7 hours are actually less than those currently charged. This represents a balanced approach to charges while still raising the necessary additional finance.
- c) Smaller increases in the cost of a resident parking permits. In comparison with neighbouring authorities residents permits could be increased significantly. However taking on board concerns expressed at the Economy Overview & Scrutiny Committee increases were limited to £2 on the current £40 permit
- e) No new charges or increase in existing for coach parking following representations from the Tourism Management Board

## 4 **PROPOSALS AND COMMENTS**

Proposals for 2010/11 parking charges are shown below, together with comments from stakeholders relating to the original suggested increases.

### 4.1 **DAILY FEES**

#### 4.1.1 **Proposals**

It is proposed to replace the current tariff with a new tariff structure based on a fixed hourly rate, as detailed in **Appendix A**. The main principles of this are :

- (a) affords greater flexibility for customers and is easier to understand than the existing format.
- (b) will particularly benefit part-time workers as they will be able to purchase the exact amount of parking time that they need. This provides a more flexible payment system, particularly with the use of the Ringo mobile phone technology already in place and proving very popular.
- (c) While there are no changes to the principles of the transferrable ticket arrangement, it is recommended that this concession only applies between 1 May and 30 September.
- (d) To support Poole's tourism economy, increase in charges or introduction of new charges are not proposed for coach parking.
- (e) Linking daily car parking fees to vehicle emissions with higher charges applying to higher polluting vehicles has been considered. The London Borough of Richmond are introducing such a scheme, but it is evident that the cost of introducing such a charging mechanism in car parks requires considerable investment. ANPR (Automatic Number Plate Recognition) and IT development (to link to DVLA records) are required and the cost of this is in excess of £40,000. In this respect it is recommended to not proceed with these proposals at this stage.

#### 4.1.2 **Comments**

##### ***Focus Groups***

- *There was general support for paying for parking by the hour because the 2 hours to 10 hour tariff was "intensely disliked" although the preference for District car parks was for the current tariff because it was cheaper for longer stays, but it was acknowledged that visits to District car parks were likely to be short. [ no major evidence that car parks are filling with all day parkers to the dis-benefit of shoppers ]*
- *More should be done to encourage people to the town and introducing higher changes will "drive people away".*

- *£8 a day for beach car parks was considered reasonable as the use of the beach and amenities was essentially included in the price, there was the view that there was scope to increase charges in this area. It was also felt that higher charges for boat launching would be reasonable as this was regarded as a “luxury” leisure activity. [ it should be noted that the all day fee was £10 in 2007/08 ]*
- *A charge of £15 a day for beach car parks was considered too much and might price tourists out of the area. [ while the proposed longer stay rates are higher – in line with the requirement for raising additional income - the rate for five hour at £7.50 is actually less than at present ]*
- *Increasing parking charges was likely to impact on behaviour in that visits to the beach would be restricted to winter months, and alternatives would be considered such as dropping off the family at the beach and picking them up later or park in a residential street where parking was free. It was also said that visits to the town centre might be restricted to Sundays or shorter visits to the town to do their shopping. Some indicated that they would increase the use of their free Connect bus pass where bus routes permitted rather than pay to park.*
- *On the whole, the current car park tariffs offered reasonable value for money and in the District car parks – good value for money. Being happy with the current charges meant that generally stakeholders did not want to see significant increases. [ The proposed charges are unchanged for 2 hours and actually offer a new lower rate of 20p for one hour ]*
- *The hourly rate tariff in the District car parks makes it expensive to park all day and this might be unfair on people who are working in the district areas.*

### **Head of Tourism / Leisure**

- *Welcome the freeze on coach parking charges.*
- *Poole businesses would like to see people stay longer and do not support the quick turn around in car parks. The same will apply for retailers who think longer stays are better. On this basis the current fee structure is supported.*
- *Would like to see a promotional all day parking fee introduced.*
- *The beaches are prime importance to tourism and there is a preference that there should be no increases in parking charges.*
- *Increase in beach winter charges is too high.*
- *Would like to retain the transferrable ticket throughout the year since the abuse is likely to be minimal.*

- *Complaints are increasing about the Council increasing both cost of beach huts and the car parking charges to use them.*

### **Town Centre Management Board**

- *The board agreed that shoppers and visitors to the town should be encouraged to stay as long as possible and the proposal to introduce higher increases over 4 hours would have a detrimental affect on this aim. As there is no issue with capacity within town centre car-parks, people staying for longer would not impact on usage and stop people from parking.*
- *If parking were priced for short term shoppers and visitors it would also have an impact on full-time workers who need to park all day. It was also suggested that the discounts available for part-time workers be made available to full-time as well.*
- *It was highlighted that Bournemouth Town Centre has 2 district car parks but Poole Town Centre does not have any. It was suggested by board that the car parks in Bowling Green Alley and Prosper street be considered for conversion to district car parks to try and benefit the shops in the lower High Street from local shoppers and to help compensate for the lost on-street spaces to allow for Route 1 bus service.*
- *The board supported the maintenance of evening charge time period but asked that consideration be given to including this charge within the 'All Day' fee and not an extra charge if people stay in town for the evening*

### **Tourism Management Board**

- *The board agreed that visitors to the town and Quay areas should be encouraged to stay for as long as possible (to encourage multiple use of attractions and restaurants/bars etc) and the proposal to introduce higher increases over 4 hours would then encourage shorter stays. It was felt that overall spending patterns would be affected and therefore reduced, thereby having an impact on the economic well-being of the town. There are currently no capacity issues within the Quay/Harbourside Park/town centre car-parks so no issue of denying people from finding parking spaces.*
- *The board also asked whether there would be any opportunities of tactical pricing on particularly quiet periods to try to increased demand.*
- *The maintenance of price differential at Beach Road car-park was welcomed, although greater communication of this is required.*
- *The board supported the maintenance of evening charge time period but asked that consideration be given to including this charge within the 'All Day' fee and not an extra charge if people stay in town for the evening.*

- *The Board warmly welcomed the proposal to continue with free parking for coaches. There is much work being undertaken to build this trade back to its original position at the end of the 90's and the clear strapline of 'Free Coach Parking' is a very strong message.*

## **Future Considerations**

- A replacement programme for pay and display machines is planned for 2010/11. The new machines will be able to offer greater flexibility in terms of payment options and varied tariffs. In this respect it is proposed to consider the introduction of different charges for specific purposes, eg market days, events on the Quay or beaches. Proposals will be brought to a future meeting of this Group.

## **4.2 SEASON TICKETS**

### **4.2.1 Proposals**

Season tickets are available for specified off street car parks – for some there is a waiting list, others there is availability. The cost of a Town Centre season ticket offers exceptionally good value compared with the all day charge and could justifiably be increased quite considerably. However the views of the Economy Overview and Scrutiny committee and stakeholders were that due to the current economic climate significant increases should not be made at this time. The proposed charges detailed in **Appendix B** represent a nominal 2.5% increase.

Members of the Economy Overview and Scrutiny also suggested that cost of season tickets be linked to vehicle emissions. However, unlike resident parking or beach permits there is no current requirement to submit vehicle details when applying for a season ticket. If the cost of season tickets were linked to vehicle emissions, then this would require a new system which would involve increased administration, delay in processing times and extra costs. It is possible to check a vehicle's emission ratings on exiting the car park using ANPR which could be linked to DVLA records. However the costs of such a system would be in excess of £40,000 and it is therefore suggested not to proceed with this.

### **4.2.2 Comments**

#### ***Focus Groups***

- *Substantial increase in town centre season ticket charges was strongly opposed.*
- *More should be done to promote season tickets and beach permits and arrangements should be put in place to pay for season tickets by direct debit.*

### **Head of Leisure / Tourism**

- *Season tickets are purchased by businesses for their employees. The current economic climate means that businesses are struggling so increasing season tickets will be seen as a “stealth tax”. There is a need support local business and these increases would be announced during the winter when town centre/Quay is quiet and increasing season tickets would go against this message.*
- *Increases in season tickets and part time worker permits should be considered when the economy is stronger.*

### **Town Centre Management Board**

- *There was consensus against this proposal. The word ‘significant’ indicated a far greater increase than inflation and whilst it was acknowledged that parking permits offer good value for money compared to daily tariffs the board felt that vast majority of season tickets are purchased by businesses for their employees. The current economic climate means businesses are really struggling with their costs so additional costs would be unwelcome (especially as most businesses would have a number of passes), and could lead to withdrawing because of affordability, which then means the employee having to pay for own parking which then has negative impact.*
- *It was pointed out that the town centre already lacks businesses working here and this move may act as a deterrent from attracting inward investment, as it is more attractive for business to work outside the town where free parking is available The board felt the Council needed to be seen to be supporting local businesses and this would go against that.*
- *The Board concurred with the view contained in the report that in respect of charges linked to vehicle emissions it would be too difficult to administer and manage for non-residents*

### **Tourism Management Board**

- *The board felt this would have a major impact on costs of local businesses. It was felt that by greatly increasing these costs (as implied by the word significant) it could be seen as a stealth tax. It was believed that the majority of passes would be purchased by businesses for their employees, and as these would be in batches the rises could become unacceptable. This could then mean businesses withdrawing these passes and therefore costs passing directly onto individual workers. The feeling was that under current economic climate the Council should be supporting businesses wherever possible and this would be at odds with that aim.*

- *This proposal could also be seen as a disincentive to attract new business to the town, whose numbers have been reducing in past years.*

*Beach and Boat Launch Fees:*

- *There was concern over the word significant. The beaches are one of the town's primary tourism assets and wouldn't want their popularity damaged by unaffordable tariffs. There is also the PR aspect to be considered as the Sandbanks area is already seen as an exclusive area, so very high beach charges will only add to this perception.*
- *With reference to launch fees there was also concern over the word significant. It was agreed that the current prices are very competitive, but as waters sports is another of Poole's primary tourism products (and currently being the focus of a major promotional campaign) large increases could have a negative impact on the town's attractiveness at getting onto the water and actually turn people away*
- *It was suggested that the benchmarking exercise already discussed incorporate launch fees to ascertain what neighbouring areas are charging and then consider future charges.*

## **4.3 RESIDENTS PARKING PERMITS**

### **4.3.1 Proposals**

Suggestions have been made to introduce a resident permit scheme linked to vehicle emissions, which would encourage residents to purchase smaller more "environmentally friendly" vehicles. However from the limited evidence available so far it is not at all clear that this has been effective, as the amount of take up of the cheaper permits has been minimal. Therefore it is suggested that no proposals are adopted in this area at present, but instead further monitoring of other schemes take place with a view to incorporating proposals in the future three year strategy.

It is proposed that the current residents permit charge of £40 be increased to £42. This is still considerably cheaper than permits from neighbouring authorities, as illustrated below:

- Bournemouth £50
- Weymouth £49.50
- Dorset £60

Restricting the number of permits per household or introducing a surcharge for second or subsequent permits was considered, but due to the complexities of

administration and the perceived unfairness by residents and permit holders, such a scheme is not recommended.

#### **4.3.2 Comments**

##### **Focus Groups**

- *The cost of resident parking permit was not considered to be an issue. The concern centred around timing of restrictions to make it easier for residents to park in the evening.*
- *Proposals to set permit charges based on vehicle emissions were met with derision. It was felt that it would have little impact on people's decision to buy a cheaper car, and that those who could least afford to change their vehicle, such as the elderly, would be penalised.*

## **5. FINANCIAL IMPLICATIONS**

5.1 Parking Charges for 2010/11 are required to address the following financial considerations :

- a) The Council's Medium Term Financial Plan (MTFP) requires an additional £250,000 increase (5%) in income from parking fees for each of the three years commencing 2010/11.
- b) Assuming VAT rates revert back to 17.5% on 31 December 2009, then the then the estimated windfall for 2009/10 as a result of the reduction in the taxable rate announced last year will not be achieved. This will create a further pressure on the base budget of £47,000.
- c) The total amount required from the above amounts to £297,000 for 2010/11. The proposed increase in charges, as set out in Appendices A and B, equates to this.

5.2 Previous considerations in respect of VAT changes :

- a) As a result of the 2.5 point cut in VAT liability on 1 December 2008, there was a £46,500 VAT windfall on car parking income in 2009/2010. This was taken into account when car parking charges were set for 2009/2010 with the increase in car parking charges being £195,500 rather than £242,000 thereby passing the benefit of the tax cut onto the public.
- b) It was impractical to reflect the reduction in VAT in parking charges for financial year 2008/2009 because of statutory requirements in relation to changes to regulation orders and cost of amendment. Under powers of

delegation, the Head of Transportation approved two extra free days parking on the Sundays of 4 January and 11 January 2009.

- 5.3 Actual car parking income against budget is reported throughout the year as part of the Transportation budget monitoring process and managed accordingly. It is affected by variable factors such as overall economic activity and the weather. The forecast shortfall on the income budget in the current year is being offset against a forecast under spend on the Concessionary fares budget. For the purposes of the 2010/11 budget build it has been assumed that this year's forecast shortfall is due to one off factors that will not re-occur next year.

## **6 LEGAL IMPLICATIONS**

- a) Car park, permit and season tickets charges are covered by Traffic Regulation Orders, for which there is a 28 day statutory period for notification when changes are required. The whole process, including placing of the advertisement, advertising and changing the payment boards takes approximately 6 weeks.

## **7 RISK MANAGEMENT**

- a) In calculating additional income derived from increasing parking charges it is standard practice to allow a 20% reduction which reflects the fact that the full amount is rarely achieved. This is due to a number of factors including the fact that some drivers will chose to park elsewhere, basing projections on historical data, and the difficulty in accurate prediction as to how long drivers will actually stay when time bands or changeover dates are proposed.
- b) Car parking income is significantly affected by external factors such as local economic activity and particularly in a place like Poole the weather and associated visitor patterns

## **8 EQUALITIES IMPLICATIONS**

- a) Extensive consultation has been undertaken with stakeholders from all backgrounds in devising these proposals. Free parking for Blue Badge holders in surface off street car parks will provide an additional benefit for those with disabilities.
- b) An Equalities Impact Assessment ( EQIA ) of parking policies was undertaken in January 2009

**Julian McLaughlin  
Head of Transportation Services**

**Appendix A – Daily Fees**

**Appendix B – Permit and Season tickets**

**Name and Telephone Number of Officer Contact**

**Steve Tite (01202 262020)**

**Background Papers – TAG 8 January 2009**

**Economy Overview & Scrutiny 16 July and 24 September 2009**

**TAG261109T3A**