

## **Review of town centre car parks**

In October 2018 Cabinet considered a report on the management and operation of the Council's town centre car parks with the aim of increasing utilisation thereby increasing footfall to improve the town centre economy and stabilising income for the Council.

The proposals sought to achieve a reasonable balance between the Council's ongoing need for income generation (noting the responsibility for management, maintenance and repair) and making the town centre more accessible and affordable thereby supporting the town centre economy.

### **Cabinet approved:**

(a) That officers be authorised to take all the necessary steps to introduce a flat rate charge of £1 for all town centre car parks after 3pm at the earliest opportunity (by no later than 1 December 2018)

(b) That officers be authorised to take all necessary steps to implement a variation to the current Traffic Regulation Order to establish short stay pay and display in respect of the spaces on the former Civic Offices forecourt (Merrial Street) at the earliest opportunity (by no later than 1 March 2019)

(c) That officers, in liaison with the relevant Cabinet Member, be authorised to engage with the Newcastle Business Improvement District with a view to implementing the following:

(i) A BID supported Permit parking arrangement targeted at BID members on the basis described in the report.

(ii) To enable discounted town centre parking on up to five occasions in any financial year on the basis described in the report and;

(iii) To facilitate free parking on all town centre car parks from noon to 8pm on the 2018 Christmas lights switch-on.

(iv) To give free parking on all town centre car parks from 3pm to 8pm on up to five late night pre-Christmas shopping events.

(d) That officers take steps to promote the sale of Permits to medium to large size businesses and organisation (minimum 20 employees)

(e) That officers be authorised to take all necessary steps to introduce parking charges on the town centre car parks on Bank Holidays at a flat rate of £1 with effect from no later than 1 April 2019.

(f) That officers continue to promote "Pay by phone" on all appropriate town centre car parks.

(g) That officers be authorised to explore through consultation with local partners the potential for establishing Pay on Exit arrangements on key town centre car parks (particularly The Midway MSCP, Goose Street and King Street) and to report back the outcome at the earliest opportunity.

(h) That officers be requested to monitor the impact of the above proposals (particularly (a) to (f)), and be asked to report back by no later than 1 February 2020 so that Members can review future approaches.

(i) That officers, in consultation with the relevant Portfolio Holder(s) report back by no later than summer 2019 with a 10 Year Parking Strategy for the town centre, taking account of any comments or suggestions made by the Economy, Environment and Place Scrutiny Committee and including the following matters within the Strategy (not an exhaustive list):

- To engage with the Highway Authority to explore the potential for enabling greater traffic movement within the town centre and provision of short term parking
- To review options for introducing more convenient (cashless) payment methods for car parking charges and
- To explore the potential for collaboration with University Hospital North Midlands with a view to achieving accessible and affordable parking to serve the needs of the hospital (staff and visitors) and minimise the adverse impact of on-street parking on local communities.

(j) That this matter be referred to the Economy, Environment and Place Scrutiny Committee for its comments and any suggestions to inform the proposed 10-year Strategy.

### Scrutiny Role

It is appropriate that this Scrutiny Committee consider the Council's charging policy and review the progress in implementing the above Cabinet recommendations as well as responding to Cabinet resolution (j) above – i.e. whether Members have any alternative proposals or suggestions for inclusion in the proposed 10-year Strategy.

Scrutiny Committee Members may wish to consider if the changes above will or have supported the town centre and if alternative options would be appropriate.

The following financial information provides Members with the income and expenditure for Council car parks as at 31/10/2018. A summary of the income and expenditure for each of the cost centres is as follows:

#### F101 – Parking Services (Operational Budget)

	<b>Annual Budget (£)</b>	<b>Budget to Date (£)</b>	<b>Actual to Date (£)</b>	<b>Variance to Date (£)</b>	<b>Variance (£)</b>
Expenditure	475,370	357,620	322,437	35,183	152,933
Income	-1,150,800	-625,448	-541,988	-83,460	-608,812
Net	-675,430	-267,828	-219,550	-48,278	-455,880

At the end of period 7 the Council's income from off street parking totalled £77,800 (18%) less than the profiled budget. In comparison 2018/19's income from off street parking to date is £48,000 less than the same period in 2017/18. Income and expenditure for the Ex Sainsburys Site / Ryecroft is excluded from these figures, but they are as follows:

E118 / E120 – Ex Sainsburys Site / Ryecroft

	<b>Annual Budget (£)</b>	<b>Actual to Date (£)</b>	<b>Variance (£)</b>
Expenditure	0	11,494	-11,494
Income	0	-17,530	17,530
Net	0	-6,036	6,036

The Ryecroft income and expenditure is shown as 25% of what has been received / spent, due to the ownership share with Staffordshire County Council, where they own 75% of the site.

F450 – R&R Fund (for repairs to Car Parks)

	<b>Annual Budget (£)</b>	<b>Budget to Date (£)</b>	<b>Actual to Date (£)</b>	<b>Variance to Date (£)</b>	<b>Variance (£)</b>
Expenditure	2,200	1,288	15,276	-13,988	-13,076

All of the figures above exclude any year end recharges, depreciation and impairment budgets.

In order to consider the options to alter car parking charges the following information is provided to illustrate potential financial implications on the Council's budget.

For the purposes of budget setting the Council's savings assume that a 2.99% Council Tax rise equates to £211k. This means that 1% would equal approximately £70,500. Therefore for every £70,500 of service demand or reduced income, there would be a 1% levy on the Borough Council's Council Tax, £141,000 would be 2%, £705,000 would be 10% etc. So in this case on the basis of the roughly £1m reduction in income from offering completely free car parking it would represent a 14.2% increase in Council Tax. Council Tax is capped such that any increase above the 2.99% would be subject to a referendum (which would bring substantial costs in itself).