

<u>REPORT TITLE</u>	Town Centre Car Parking
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<u>Portfolio:</u>	Economic Development, Regeneration and Town Centres and; Environment & Recycling
<u>Ward(s) affected:</u>	Town

Purpose of the Report

To inform Cabinet of the outcome of a scrutiny review process and subsequent member discussions that considered a range of options to introduce changes to the car parking fees and charges regime in an attempt to generate greater footfall in the town centre with the express aim of improving its economic fortunes.

Recommendations:

- a) That Members approve the proposals set out in the report and authorise officers to take the necessary steps to implement:
 - i) initiatives 2, 3 and 4 on a six-month trial basis commencing 1 October 2013, including liaison with the Town Centre Partnership, and;
 - ii) initiative 1 in consultation with the County Council, as soon as practically possible.
- b) That Members note the decision taken to accept the proposals from Bemrose Booth Mobile to implement on a 12-month trial basis the three initiatives described in the report and to accept the related Grant offer.
- c) That the financial implications of the trial upon the Council's revenue and capital budgets be met from the Bemrose Booth Mobile grant offer, as set out in the report.
- d) That the balance of the Bemrose Booth Mobile grant offer be retained to support any ongoing urgent repair/maintenance works of the former St. Giles and St. Georges School Building.
- e) That in respect of initiative 2 the trial be established with the understanding that the Town Centre Partnership would work with local businesses to develop the refund element of the double ticketing scheme.
- f) That Members urge the Town Centre Partnership to establish a retail index scheme to monitor trade in order to evaluate any improvements in, and/or displacement of, trade.
- g) That officers report back to Cabinet with an evaluation of the trial as soon as practically possible after the end of the 6-month trial period.
- h) That officers seek to agree with Cabinet Members the most appropriate approach to consulting stakeholders on the matters referred to in this report.

Reasons

To enable members to make a balanced response to the Town Centre Partnership which is seeking changes to the car park management regime with the aim of increasing footfall in the town centre for reasons of economic well-being.

1. Background

1.1 Over the past year the Council has received a number of approaches from the business community (via the Town Centre Partnership) to review its town centre parking charges in the hope that concessions may help to generate greater footfall with the consequent benefit to businesses and the overall town centre economy. Cabinet asked that the Economic Development and Enterprise Overview and Scrutiny Committee (EDEOSC) undertake a review balancing the wishes of the Town Centre Partnership with the likely impact of any concessions upon the Council's revenue budget. Prior to Christmas the Committee resolved to set up a task and finish group to address the task set by Cabinet. The task and finish group members consisted of Cllrs Baker, Studd and Peers, the Town Centre Manager and the Roebuck Centre Manager. The recommendations of the EDEOSC were as follows:

1. That cashless parking be introduced.
2. Whilst Members support the introduction of a Pay on Foot system, they acknowledged the significant capital cost required and therefore recommend the scheme be implemented should capital funding become available.
3. That free parking should be introduced after 2.00pm on Thursdays in the Midway Car Park

2. Issues

2.1 As a result of both general economic conditions and changes in shopping habits the town centre has suffered a reduction in footfall which, in turn, has worsened trading conditions. The business community has requested that the management of parking be reviewed in the hope that concessions would encourage additional visitors to the town centre and/or to increase the length of time that customers stay in the town.

2.2 There have been a few studies which investigated the relationship between parking and its effect on the footfall in town centres. The studies have generally shown that there is no clear relationship between parking charges and footfall in a town centre. Nevertheless the Council is seeking to respond to the Town Centre Partnership's request for reasons of the economic well-being of the town centre. It is considered appropriate to review options that strike a balance between the potentially adverse impact upon the Council's revenue budget and the expectation of direct benefit being achieved by town centre businesses.

3. Options Considered

3.1 As indicated above EDEOSC recommended three initiatives for Cabinet to consider and these are reviewed first:

a) Cashless Parking

A growing number of local authorities have opted to introduce an additional method of payment which uses mobile phone technology to pay for parking; this allows for the customer to extend their payment period whilst away from the car park. The customer would incur an additional charge, over and above the normal parking tariff, of 20p per visit. The Borough Council would lose income due to the debit and credit card charges.

The cost for introducing such a system comprises £950.00 for the alterations to the hand-held devices used by the civil enforcement officers and approximately £1000 for the signage.

The loss of income would be in the order of £1100 per 1% of the tickets issued (based on an average debit/credit card charge of 15p). Where similar systems have been introduced at other Staffordshire authorities, approx. 1% of customers have chosen to use this method of payment. Of course if there was an increase in patronage as a result of introducing cashless parking then there would be a subsequent increase in income.

In view of the relatively low cost impact upon the Council and the fact that this payment method has the advantage of allowing users to extend their stay without returning to their vehicle, officers consider this to be a viable option.

b) Pay-on-foot system

A number of interested parties believe that such systems encourage longer dwell time for users (because they are not having to worry about the expiration of their pay-and-display ticket). The obvious preferred location to introduce such a scheme would be on the Midway Multi-Storey car park (because it is the centre's main car park) and officers have estimated that there would be a likely capital cost to the Council of about £125,000. Whilst the Council may be prepared to support such a scheme as a matter of principle, in view of other competing demands upon the Council's capital programme over the next few years, this option is not recommended at this time. Additionally, from a value-for-money perspective, it could be argued that the introduction of the Cashless Parking scheme would achieve a similar outcome at a fraction of the cost.

c) Free parking after 2.00pm on Thursdays

Following consultation with the Town Centre Partnership's representative EDEOSC was persuaded that this initiative may help to stimulate new footfall on one of the quieter days of the week. The estimated lost revenue income to the Council would be about £25,000 p.a.

In considering this option officers felt that Members should take into account the fact that another local authority in Staffordshire introduced such a scheme on a 6-month trial basis and found that it simply displaced local shoppers from another time during the week (resulting in no net increase in footfall).

In view of the above and the significant adverse financial consequence to the Council (including other pressures upon the wider revenue budget) officers feel unable to recommend this initiative at this time.

3.2 Since receiving the EDEOSC report officers have discussed the potential scope for introducing other car parking-related initiatives and these are set out below:-

a) Nipper Parking

Nipper parking is normally 30 minutes free parking, generally near to the centre of the town centre which allows customers to "nip" in and out of town to make a short targeted visit.

The area road in front of the old police station has 3 parking bays, sufficient for at least 8 cars, specifically for marked police vehicles. Due to the relocation of the police into the civic offices these bays could be used for an alternative use. Subject to the County Council agreeing, these spaces may be used for nipper parking (max stay 30 mins).

An estimated cost to carry out this change in the traffic regulation order is £3,750.

Officers would recommend that the County Council be asked to priorities this low-cost option to add this dimension to customer choice.

b) Double Ticketing Scheme

This is a scheme where the customer purchases a parking ticket as normal; the ticket machine would issue an additional ticket that can be redeemed either full or in part by a retail member of the scheme. This option would require the Town Centre Partnership working with local businesses to establish and manage the process of the refund scheme.

To alter the tickets machines on the Midway and Goose Street car parks to enable double ticketing would cost approximately £1,200 and the additional cost for the tickets is estimated to be up to £2,000 per year.

In view of the relatively modest up front and ongoing cost to the Council this option would allow the town centre business community to work with the Authority on a joint initiative for the direct benefit of the customer

c) Enhanced Free parking Days

It has become customary in recent years that the council offers free parking on the five weeks leading up to Christmas from 2pm on Tuesday, Wednesday, Thursday and Saturday.

To encourage visitors to the town centre on special event days it is considered that the Council could increase the number of days by 5, (in addition to the days currently given leading up to Christmas). The allocation of these days would be determined in liaison with the Town Centre Partnership.

The additional loss of income due to the extra days is estimated to be £15,000.

Evidence from other towns (and our own) indicates the growing value and importance of promoting events in town centres to draw people in with the consequent benefit for food and drink establishments and increasing the likelihood of expenditure on other foods/services. Consequently officers consider that the potential revenue consequences to the Council can be offset by the likely significant benefit to the town centre economy.

3.3 The other notable initiative that has come to light in recent weeks is an offer from a national supplier of car park management systems along the lines described below.

3.4 In short the offer made to the Council is for the supplier to install, as a 12-month trial, cashless parking, virtual permits and an ANPR (automatic number plate recognition) systems at no cost to the Council.

- The cashless parking system is described in the previous section, whereby the potential cost to the Council would be met by the company.
- A virtual permits system where our customers can purchase a parking permit on line; no paper ticket is produced as the details are communicated to the civil enforcement officers using mobile phone technology.
- ANPR (automatic number plate recognition) is used to record when a vehicle arrives and

departs from a car park. This could be linked to a payment system where a customer pays for the length they have stayed at a payment station, on the return to their vehicle. Currently, the legislation under which we operate our car parks does not allow this system for payment. However the data collected would be invaluable in the future management of a car park. It is worth noting that, subject to legislative changes, this technology has the potential to provide a cost-effective alternative to Pay on Foot in the longer term.

3.5 The offer described in sections 3.3/3.4 was linked to the offer of two grants to the Council:

- £10,000 in relation to the Permits system and;
- £50,000 in relation to ANPR

These grant offers were time-limited, requiring a decision by 28 June 2013. Officers reviewed the offers in consultation with key Members and considered that the trial would provide an opportunity to both review the effectiveness of such systems and provide the Council with a great deal of fine-grain management information (the latter would be of benefit to the Council in considering the risks and/or opportunities of implementing other car park-related initiatives in the future). So the company's proposals for a 12-month trial of the above three systems, along with the grant offer, has been accepted. This report seeks to bring this information to the attention of elected members given the direct implications for the delivery of Cashless Parking initiative and in view of the fact that the grant offer could be used to offset the likely adverse financial implications of the wider package of initiatives.

3.6 Evaluation

The effect of the loss of income from our car parks is information which could be secured from our ticket machines, however without additional utilisation counts we would not know whether this is due to new customers or our existing customers visiting at different times.

The Town Centre Partnership in conjunction with its members have committed to set up a 'retail index scheme' this would give a good indication of the effect initiative would have on the retailers in the town centre. This would involve the Town Centre Partnership working with local businesses to monitor trade to evaluate any improvements in trade and displacement of trade between days. Your officers would recommend that this initiative is encouraged.

3.7 In taking forward any of the initiatives listed above it is considered appropriate to consult interested parties. At this stage the details of any such consultation have not been determined but Members may wish to agree to the principle of this, subject to further consultation with officers.

4. Proposal

4.1 The proposal is to implement the range of initiatives set out in the recommendations section of this report.

5. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

- creating a cleaner, safer and sustainable Borough
- creating a Borough of opportunity

6. Legal and Statutory Implications

- 6.1 Any changes to the parking regime require a modification to the Off Street Parking Order.
- 6.2 With regard to procurement issues the Council is entitled to proceed with the proposed trial described at paragraphs 3.4 and 3.5 without the Council entering into a competitive procurement process. Clearly any longer term initiative of the nature referred to would require the latter.

7. **Financial and Resource Implications**

- 7.1 There is no capital (£6,850) or revenue (£18,100) provision made for any of these initiatives in either of the approved capital or revenue budgets.
- 7.2 The supplier of the system trials as described in section 3.5 has offered the Council a grant of £60,000 to enable the trials of their systems to take place and this has been accepted.
- 7.3 In view of the point made at paragraph 7.1, it would be appropriate to earmark £30K of the latter grant offer to cover the anticipated cost to the Council of implementing the initiatives set out in Section 3 of this report (including a contingency of £5K to cover the cost of any enabling works).
- 7.4 On a related note it would be prudent to earmark the £30K balance of the grant offer (referred to above) to support the Town Centre Works project; in particular the funds should be made available to support the carrying out of any urgent repair or maintenance works to the former St. Giles and St. Georges School building.

8. **Major Risks**

Failure to implement some parking concessions could contribute to the demise of the town centre economy. Equally the implementation of some initiatives may result in a higher than anticipated loss of income to the Council thereby jeopardising delivery of a balanced revenue budget.