

Bath & North East Somerset Council

MEETING:	Planning, Transport & Environment Panel
MEETING DATE:	26 th July 2012
TITLE:	Update on Parking Charges
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report: Appendix 1 - List of current charges	

1 THE ISSUE

1.1 This paper provides an update on the current position in regard to the agreed 3 year plan for parking charge increases. It also sets out the actions proposed or being undertaken to ensure that the service continues to provide value for money whilst supporting the council's wider transport policies.

2 RECOMMENDATION

The Planning, Transport & Environment Panel is asked to:

2.1 Note the decision of Full Council on 14th February 2012 that the parking charges in Bath & North East Somerset should not be increased in line with year 3 of the 3 year plan at this time for the reasons set out below.

2.2 Identify any issues arising from the decision it wishes to refer to the Cabinet Member for Service Delivery for further consideration.

3 FINANCIAL IMPLICATIONS

3.1 Over the last 3 year period, income from off street car parks has failed to meet budget expectations (fig1 below). However, overall levels of income have stayed relatively steady year on year.

Financial Year	Budgeted Income (net) £'000	Actual Income (net) £'000	Variance £'000
2009 / 2010	5,332	5,346	14
2010 / 2011	6,244	5,102	-1,142 (18% lower than budget)
2011 / 2012	5,800	5,075	-726 (13% lower than budget)
2012 / 2013	5,550	-	-

Fig 1

3.2 The budget for 2012/13 provides for £250K budget reduction in off-street income as part of the MTSRP growth. However, we are still forecasting a deficit of between £400k and £500k against the revised budget in this financial year due to reasons as set out within this report.

3.3 In 2009/10 and 2010/11 the on street budget included income from on street permits and Christmas Markets so it is not directly comparable with the actual pay & display income (Fig 2) and therefore variances cannot be given. In 2011/12 income showed a 9% variance due to a drop in vehicles parking towards the end of the financial year.

Financial Year	Budgeted Income (net) £'000	Actual Income from pay & display (net) £'000	Variance £'000
2009 / 2010	1,315 (includes on street permits and Xmas markets)	1,018	n/a
2010 / 2011	1,401 (includes on street permits and Xmas markets)	930	n/a
2011 / 2012	990	896	-94 (9% lower than budget)
2012 / 2013	990	-	-

Fig 2

4 THE REPORT

4.1 In June 2009 the Council's Strategic Director for Customer Services consulted on a range of proposals for 2009/10 and the need for further changes in future. He set out proposals for increased parking charges across the 3 years from 2009/10 to 2011/12 inclusive and these indicated that changes in year 1 (2009/10) would be modest but that increases in later years would be more pronounced.

4.2 In July 2010 a report was presented to the Safer and Stronger Communities Overview & Scrutiny Panel setting out the proposals for the implementation of the second year of the 3 year plan on parking charges. After consideration the changes were implemented by Single Member Decision in September 2010. Since the implementation of the plan the income forecast by the report has not been realised due to a number of factors. Therefore an update on the position is required.

4.3 It is considered that the unit costs for on-street city centre parking should be at a premium over off street parking and that the Park & Ride service should be the most financially attractive travel option for the travelling public as this hierarchy of charging supports the Council's wider transport objectives.

The charges for the Park & Ride service attempt to recover the full cost of providing the services so that there is no burden on Council Tax payers whilst keeping Park & Ride as the most financially attractive option for most car driving commuters and visitors to the city.

4.4 The price rises in September 2010 as year 2 of the plan were an average of 7% across all tariff bands and expected to increase income. However, this did not happen and income has flat lined. Occupancy has fallen for two main reasons - recessionary impact (typically reducing activity by up to 10% across authorities nationally) and increased competition (the new Southgate car park, refurbished Podium car park and the opening of the Tesco store in Keynsham offering 2 hours of free parking.). Particularly affected has been Avon St car park as some shoppers have favoured Southgate due to quality and location and marketing offers. Additional pressure has been placed on income by changes in shopping habits and the significant growth of internet shopping (latest figures suggest year on year growth of over 18%) as well as the cost of car ownership and motoring increasing significantly. Changes to VAT rates from 15% to 17.5% and subsequently 20% have also reduced net income. This is because car parking charges are inclusive of VAT: if the VAT element increases, the income element decreases. VAT contributions increased by an additional £90,000 in 2010/11 compared to the previous year and an additional £95,500 in 2011/12, masking the increase in gross revenue seen in 2011/12.

4.5 When dealing with a subject such as parking, increasing charges does not guarantee an increase in income due to many factors. People do not visit with only the purpose of purchasing parking, the act is linked to other activities. Some journeys are through choice and others are necessary but all can be either undertaken in another way such as public transport or alternative free parking areas or cancelled completely such as deciding not to visit or choosing an alternative destination. The levels of charges currently in place and the occupancies in the car park suggest that we are at the optimum charging levels and further blanket increases may result in a more significant decline in income. It should also be noted that the Council is not a monopoly supplier in the city therefore whilst our off street pricing no doubt influences the charges made at other car parks, the authority has no control over this and their actions (e.g. discounts, cheap parking on Sundays) can have a significant impact on traffic and our income.

4.6 Outside of Bath, the charges for parking are significantly lower or free. One of the reasons for this anomaly is due to pressure placed on the council to keep low cost or free parking to ensure the competitiveness of the town centres. However, it is generally accepted that the reason for visits to town centres are rarely if ever

affected by parking charges and the retail or facilities on offer the biggest issue for the public choosing to or not to visit.

Additionally, free unrestricted parking generally is filled by those who are staying for long periods reducing the opportunity for visitors to park, damaging trade. Therefore consideration will be given to all free parking areas to ensure that the management regime is appropriate for the location with the option of implementing charges where necessary to resolve this issue at a level that is appropriate for the location.

4.7 A range of service developments are being undertaken to improve services to the public. These actions aim to ensure an appropriate balance is struck between the needs of businesses and wishes of residents (by ensuring that parking is still competitively priced against other similar destinations) whilst meeting the Council's budget requirements.

4.8 The planned actions will help regain some lost income over time but it is considered that, over the shorter term, they actions may only slow the rate at which income is declining in the current climate. Of further concern is that a number of other events in future years that are likely to have an adverse impact on parking income. In particular:

- *Award of new Park & Ride contract - will effect Parking Services income from 2012 with Sunday opening and an on-going year on year revenue implication if less vehicles park in the chargeable car parks on Sundays*
- *Expansion of Park & Ride sites - will reduce number of cars parked in city centre*
- *City centre development sites - will reduce revenue as car parks are developed.*

4.9 It is therefore concluded that at this time it would not be advisable to further increase all charges as the impacts on visitor numbers, car park occupancy, income streams and hard pressed local families would be detrimental except when used to achieve the desired outcome of moving vehicles from on street parking to off street car parks. However, the situation will be monitored on-going to ensure that if any of the factors change significantly a further review can be undertaken to find the most appropriate actions.

5 RISK MANAGEMENT

5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

6 EQUALITIES

6.1 An EqIA has been completed. No adverse or other significant issues were found.

7 CONSULTATION

7.1 Overview & Scrutiny Panel; Section 151 Finance Officer; Monitoring Officer

7.2 Under legislation, once a Traffic Regulation Order is made, parking charges contained within can be reviewed by notice without any further need to consult.

8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 Select from: *Social Inclusion; Customer Focus; Sustainability; Corporate; Other Legal Considerations*

9 ADVICE SOUGHT

9.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	
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