

Car Parking Report to Overview & Scrutiny Committee

EXECUTIVE SUMMARY

At the Overview and Scrutiny Committee meeting of 11 September 2018, a request was made for further information with respect to shortfalls in income relating to off-street parking.

The under-recovery forecast for 2018/19 is in the region of £170k. In addition, there is also the pressure from business rates which are based on the rateable value of the off-street car parking assets. These equate to £295k whereas only £194k is earmarked for this cost within the budget which is not being update to reflect the changes in business rates. (Other factors are also involved and are set out in the report below.)

The consequence of this is that off-street parking has an effective overspend in the region of £270k.

BACKGROUND

In order to convey the various factors that influence off-street car parking income, please see the chart "Bury Town Centre - Off Street Parking Statistics" at Appendix 1. Although at first glance it may seem complicated, it does contain useful information as set out by the bullet pointed list below.

- The vertical yellow bars indicate the volumes of online retail in the UK which has more than doubled since 2012/13. This leads to less physical visits to retail outlets which, in turn, equates to less demand for retail parking.
- The red line shows the number of car parking spaces owned by the Council in Bury town centre. This dropped slightly after 2015/16 due to the reprovision of car parking spaces on Trinity Street. Total spaces now 1,511 (down from 1,569).
- The dashed blue line indicates the off-street car parking income target.
- The black line represents actual off-street car parking income.
- Due to the variance in the income and target data, the straight dotted lines illustrate the overall trend for the data.

What the chart makes clear is that despite burgeoning online retail shopping patterns and a slight drop in the number of car parking spaces available, the trend for actual car parking income (straight black dotted line) shows a modest but consistent increase year-on-year (£1.24m in 2011/12 to a projected £1.43m at end of 2018/19).

Furthermore, the chart indicates that the income target (straight blue dotted line) has also increased year-on-year but at a greater rate than actual income. The

consequence of this is that the gap between target income and actual income becomes greater every year.

In addition to the above, there are other factors that have also contributed to the overspend of £270k as listed below:-

- Suspension of car parks for events.
Parking Services have been instructed to absorb the costs associated with suspending car parks for events within the town centre. Whilst it is accepted that the events may have a positive outcome for the town and are for the Corporate good, there is a loss of income associated to this which is carried by Parking Services. This currently stands at around £25k per annum.
- An uptake in the staff permit scheme.
Staff previously paying to park on car parks have now purchased a staff permits at a considerably lower rate than the daily P&D charge. Figures show around 370 such permits have been issued. Exact figures about previous parking habits are not available without interviewing all 370, but some assumptions can be made (based on the average employee being remunerated at Grade 9). If 50% of these staff previously parked on Council long stay car parks and the other 50% did not (and are, therefore, new to parking in the town centre having been tempted by the scheme), it equates to around a £30k loss.
In summary;-
 - If 25% were previous parkers, this becomes a £60k gain.
 - If 50% were previous parkers, this becomes a £30k loss.
 - If 75% were previous parkers, this becomes a £122k loss.
- Number of spaces.
Not only has the number of the Council's off-street car parking spaces dropped but there has been an increase in privately operated car parks in the town centre. As a consequence, Bury Council no longer holds the majority of car parking spaces in the town centre.
- Leakage.
Availability of unrestricted road space on the outskirts of the town centre allows for pockets of free, on-street parking.
- Metrolink.
There is also the 'Metrolink solution' for commuters where a week's travel between Radcliffe and Bury costs £9.70 for an adult at peak travel times. Parking in Radcliffe is free whereas a week of parking in Bury would cost £25. Employing the 'Metrolink solution' can save a driver £15 a week (over £700 a year).
- Abandoning the virtual parking permit scheme.
Savings from this initiative would have not have been realized until year 2. As the scheme was aborted before this point. However the Council are still accountable for the set up costs and running costs to date.
- Asset condition.
Poor condition of lines and signs is preventing enforcement in some areas.
- Tariffs.
It is considered that the current long stay cost for parking (£5 per day) is at resistance level and any increase would lead to a fall in parking numbers. The last tariff change was in 2012. Increases are likely to drive parkers to seek alternative solutions e.g. private car parks or the 'Metrolink solution'.

- Private car parks.
Privately operated car parks in the town centre tend to cater for niche markets e.g. short stay for The Rock (as a turnover of spaces maximises shopping revenues). By contrast, the Council caters for all types of parking; short, medium and long.

POTENTIAL TO IMPROVE INCOME

Parking Enforcement.

A piece of work has recently been undertaken as part of the Public Protection Regulation and Enforcement Transformation Review to investigate bringing car parking enforcement in-house rather than utilising private contractors as is the current arrangement. The work concluded that it would be more expensive to deliver this service using an in-house arrangement.

Asset Renewals and Refreshes.

Investment in upgrading parking facilities and introducing easier (cashless) methods of payment such as card/contactless could attract more parkers.

Renewal of lining and other repairs (surfacing, barriers etc.) would also make the town centre car parks more attractive to potential parkers.

Variable message signs indicating how many spaces are available and where would also improve the parking experience but would require devices in the car parks to keep track of numbers.

Town Centre Car Parking Strategy.

A wholesale review of car parking in the town centre could look at various aspects that affect income. This could look at the viability of each individual car park with respect to which to keep and invest in versus which to let go (if any), town centre signage, leakage, tariffs, competitors etc. Such a review is a large endeavour and additional capacity within Engineering Services would be required in order to tackle it whilst maintaining existing service provision. This may mean enlisting the assistance of specialist consultants.

District Charging.

Recent studies into potential income generation from the introduction of car park charging in districts (principally Prestwich, Ramsbottom and Radcliffe) have indicated £275k to £725k is possible for a Monday to Saturday charging regime depending on take up and tariffs. The lower figure is based on car parks filled to 50% capacity with a £1 tariff and the higher figure is based on car parks filled to 75% capacity with a £2 tariff.

Whitefield and Tottington are excluded due to them having a relatively small amount of off-street car parking compared to the availability of on-street parking.

First year incomes would be lower due to setup costs (installing machines, signs, legal fees, advertising etc.).

Staff Parking Permits.

Investigate scope for marginally increasing costs.

