



PART B: RECOMMENDATIONS TO COUNCIL

REPORT TO: POLICY AND RESOURCES COMMITTEE

DATE: 27 MAY 2021

**REPORT OF THE: PROGRAMME DIRECTOR – ECONOMIC DEVELOPMENT,
BUSINESS AND PARTNERSHIPS
PHILLIP SPURR**

**TITLE OF REPORT: REVIEW OF THE PROVISION OF THREE HOURS FREE CAR
PARKING FOLLOWING MEMBER MOTION IN APRIL 2021**

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To provide a review of free car parking provision following the Motion approved at Council on 15 April 2021 and to secure a decision on whether to introduce an offer of three hours free car parking on 31 May as an interim position prior to further consideration of the issue by full Council on 24 June 2021.

2.0 RECOMMENDATION(S)

- 2.1 It is recommended that:
- (i) Members decide on whether to introduce free three hour car parking on 31 May as an interim position prior to further consideration of this issue by full Council on 24 June 2021. In making a decision Members should pay due regard to officer advice and guidance with respect to the Council's agreed budget for 2021/22; the logistical implications and costs of introducing and potentially withdrawing free three hour parking; the potential reputational impact; the potential for car park user confusion; and the decision of full Council in respect of this issue on 15 April 2021.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 Based on lead-in times of the external contractor for the re-programming of ticket machines, and the will of Council through the approved Motion on 15 April 2021, a start date of 31 May 2021 for the introduction of free three hour parking has been provisionally agreed with the contractor completing the reprogramming works.

4.0 SIGNIFICANT RISKS

- 4.1 Financial risk through additional expenditure required to implement the offer of free car parking, the costs associated with extending the scheme both through lost revenue and the costs of refunding permit holders and the costs of implementing a new permit system are significant. Based on the anticipated increase in footfall and visitor numbers through an increase in staycations as a result of reduced ability to travel outside the UK, it is forecast that the revenue figures generated in previous years and cited below in sections 6.5 and 7.1 will be achieved.
- 4.2 The reintroduction of charges from 1 April 2021 did bring the risk that visitors and residents may be deterred from returning to our market towns and car parks, however there is little evidence to suggest this has occurred. Since charging was reintroduced on 1 April, there have been no complaints received by RDC in relation to this. Furthermore, no complaints have been received questioning the implementation of three hours free car parking following the Council Motion on 15 April 2021.
- 4.3 With numerous changes of policy and provision within a short time frame, RDC is at serious risk of reputational damage and of negative publicity. Providing clarity on tariffs will provide a period of consistency and stability for members of the public and will allow officers the time needed to implement a more efficient, effective and customer focused system for permit holders.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The Car Parking Strategy approved by Members in February 2021 has a number of key themes relevant to the consideration of the offer of three hours of free car parking. Most notably this is through Theme 6 which relates to Free Parking. This states that:

“Any extended period of free car parking, for example in the month of December to support retailers and hospitality businesses during the run up to Christmas, would be in addition to the year round offer but should be limited in frequency and subject to the agreement of the appropriate Council Committee before becoming operational. Whilst extended periods of free car parking are agreed to be valuable to local businesses and residents, there are significant financial and administrative issues as a result of such action, and this needs to be fully planned and accounted for in advance”

- 5.2 Secondly, Theme 5 advocates a review of the permit system as the current mode of operation is complicated to administer – this is relatable to the challenges around existing permits and the opportunity to review the permit system.

6.0 REPORT DETAILS

- 6.1 A Motion approved by Council on 10 December 2020 declared car parking to be provided free of charge until 31 March 2021 to support local residents and businesses following the November 2020 National Lockdown. Parking charges and therefore enforcement activities in line with this decision were suspended. Permit holders were also invited to apply directly to RDC for an extension to their permit for a corresponding period of time. Car parking charges were reinstated on 1 April 2021.
- 6.2 A second Motion approved by Elected Members at Council on 15 April 2021 provided up to three hours free car parking in all RDC car parks from as soon as practically

possible until 27 May 2021, when P&R would review the offer.

- 6.3 Members approved a third Motion at Council on 20 May 2021 deferring the implementation of the decision to offer three hours free car parking to the Policy and Resources Committee on 27 May 2021. The decision taken by P&R will provide an interim position in advance of further consideration by Council on 24 June 2021.
- 6.4 Implementing the decision to provide free three hour car parking requires operational action around car park ticket machines, enforcement activities, car parking permits and communications to be undertaken. As a result of this and the Motion referenced above in 6.3, if Members agree to introduce free three hour car parking this will be implemented from 31 May 2021.
- 6.5 **Operational Requirements**
- 6.5.1 In order to apply three hour free parking provision, all car parking machines require re-programming. Re-programming is undertaken by a private contractor and through Scarborough Borough Council (SBC) who have provided assistance in this process. Reprogramming requires a new set of automated charges to be created and is a process which has a significant lead in time and a cost to RDC of £1,263 for all 17 machines to be reprogrammed. If Members agree to introduce free three hour parking this will be implemented on 31 May.
- 6.5.2 With no clear end date for the offer being agreed through the Motion agreed on 15 April, the process of any reprogramming of the machines (with the required lead in time) and the cost implications of this will need to be repeated.
- 6.5.3 It was felt by Officers that the reprogramming of the machines was the most viable and suitable option to allow for delivery of the Council decision of 15 April 2021. Currently short stay car parks offer a maximum stay of two hours, and long stay car parks offer payment options of 1 hour, 2 hours, 3 hours, 4 hours, 6 hours and 24 hours. This meant that simply installing signage and / or covering machines would not allow for either charges beyond 3 hours to be taken, or would not allow the enforcement of time limited stays in the short stay car parks.
- 6.5.4 Requiring car park users to still collect and display a ticket will allow for enforcement to take place but will also provide valuable data on ticket sales and lost revenue generation. With the system currently in operation, we have no way of identifying how much revenue through the car parking machines is generated by visitors or residents.
- 6.5.5 The Motion agreed by Members was to offer up to three hours of free car parking, and as outlined above in section 6.5.3 short stay car parks are currently limited to a maximum stay of 2 hours. The maximum length of stay in short stay car parks will be increased from two hours to three hours for the period of time this offer will be made available. This would avoid the need for confusing and misleading communications and signage, and will reduce to potential for complaints and challenges as a result.
- 6.5.6 Enforcement activities will still be undertaken during any period of free car parking and Enforcement Officers will still monitor car parks. This will therefore result in a cost to RDC but with limited income through ticket and permit sales being generated to offset this. If the ticket machines are simply covered over and taken out of use, this would mean car parking would be unenforceable and enforcement activities would be reduced to just cover dangerous parking, incorrect usage of blue badge holder bays etc. On previous occasions, taking this approach and not being able to enforce length

of stays in short stay car parks has been a source of discontent within local business communities.

- 6.5.7 Cash Collection services will continue to be required if free three hour parking is implemented, although this requirement will be reduced to solely collecting from the long stay car parks.

6.6 Financial Impact

- 6.6.1 In order to provide an indication of lost revenue as a result of offering three hours free car parking, based on income figures from 2019 as the last year of non-Covid operations for ticket sales of 3 hours or less, it is estimated that by applying the offer of three hours of free car parking in June that lost revenue will be £57,029.

- 6.6.2 If the scheme were to be extended until 30 September this would result in estimated lost revenue of £42,718 in July, £49,586 in August and £38,275 in September – a estimated total loss of income for four months (including June) of £187,579.

6.7 Permits

- 6.7.1 There are currently estimated to be approximately 1240 live parking permits with the majority of these being short stay permits. During the previous extended periods of both National Lockdown and RDC determined free car parking, all permit holders were invited to apply for an extension to their permits to recompense them for the period of time car park charging had been suspended and their permits were not required.

- 6.7.2 The vast majority of permits are sold through four external retailers, along with a smaller number sold directly by RDC. The data collected by retailers during a permit sale does not contain customer contact details and therefore means that to provide any extension scheme for permit holders, customers are required to apply directly to RDC. Whilst this process removes the risk associated with retailers holding personal data, it does mean we are reliant on customers seeing RDC communications inviting them to apply for an extension.

- 6.7.3 As a result of two previous periods of free car parking (summer 2020 and December 2020 to March 2021) customers were invited to apply for an extension to their permits. The administrative implications of this process are significant and should not be underestimated. To administer this offer, officer time is required to create and upload an online application form which customers are required to complete. Each form is then individually processed by the Customer Service team and a new permit issued. Understanding this process needs to take into account the complex and time consuming situation of a large number of permit holders having permits which have already received two previous extensions. By way of comparison, the December 2020 to March 2021 extension scheme has to date since January required on average 14 hours of officer time per week to administer, and it has been calculated to have cost the Authority approximately. £9,100 in permit extensions, production and postage costs.

- 6.7.4 Regardless of the length of time a free car parking offer is provided for, this is still a period of time in which permit holders have paid for a service which they do not require. If reimbursement in some way were not to be made available, this would undoubtedly result in complaints and negative publicity.

- 6.7.5 To offer and deliver an extension scheme is a time consuming and labour intensive

process. It is felt that to effectively and efficiently administer another extension scheme in relation to the offer of three hours free car parking, dedicated officer resource would be required for 6 weeks at an approximate cost of £2,486 of officer time in addition to the costs of implementing and providing the extensions.

6.7.6 Given the complexity of the current permit system, the need to develop a new system which embraces online and virtual technology is appealing, particularly for short stay permits which are the most popular. The process has been started with the support of the Transformation team.

6.7.7 There will clearly be significant financial and officer resource implications to deliver a further permit extension scheme. It is estimated that there are currently 1032 live short stay permits in circulation with customers having the opportunity to purchase short stay permits for 6 or 12 months. The agreed end date of any free three hour parking will define how many additional days will need to be given for each extension, and what the lost revenue implications of this are. For example, based on the cost of a 6 month short stay permit of £31.00, a one month extension will have a value of approximately £5.16 per month. This figure multiplied by 1032, the estimated number of short stay permits in circulation, results in lost revenue of approximately £5,325/month to RDC.

6.8 **Communications**

6.8.1 Communication is a significant consideration in the provision of free car parking. Signage has had to be designed and will be displayed in all car parks along with the preparation of press releases and social media content in advance of 31 May 2021. To give an indication of the cost implications, based on the December 2020 to March 2021 period of free car parking, in total, these actions took 1 day of officer time.

6.8.2 The Motion to provide three hours of free car parking presents an additional Communication challenge and will require additional signage for car parks given the existing permanent signage states a maximum stay of two hours in short stay car parks and this has the potential to cause confusion.

6.8.3 With frequent changes in provision and the need to communicate these changes comes the risk of confusion for users. With this brings an increased risk of Penalty Charge Notices (PCN's) being issued where users have not realised a change has occurred. In turn this means the possibility of an increased number of challenges/complaints which Officer time will be required to respond to and resolve, and negative publicity for RDC in the press and local social media channels.

7.0 **IMPLICATIONS**

7.1 The following implications have been identified:
a) Financial

The most significant financial implication of introducing free parking will be the loss of revenue generated through ticket sales of 3 hours or less. It is estimated that by applying the offer of three hours of free car parking in June lost revenue will be £57,029.

If the scheme were to be extended until 30 September this would result in estimated lost revenue of £42,718 in July, £49,586 in August and £38,275 in September – a estimated total loss of income for four months of £187,579.

The cost of facilitating the required changes to the ticket machines is £1,263, and a further payment of £1,263 will be required to reintroduce charges from 30 June 2021 or later if subsequently agreed by Council.

As outlined in section 6.5 above, there are estimated officer costs of around £2,486 to implement an extension scheme in addition to officer costs within the Communications, Finance and Economic Development teams.

It should be noted that based on the approved budget for 2021/22, the revenue generation target for car parking through both ticket and permit sales for the financial year is approximately £673,000.

b) Legal

As a result of several changes with parking charges over the last year, there may be some confusion for some car park users. This could result in additional challenges to and refusals to pay PCN's issued. The increased number of appeals and challenges may also increase officer time required at Scarborough Borough Council.

c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)

The impact on staffing and officer resource will be significant. Teams from across the Authority including Customer Service, Finance, Communications and Economic Development will be impacted in terms of additional demands on the resources available.

Each change to car parking charges requires a new round of communications to be issued for day-to-day car park users, permit holders, retailers, local communities and businesses. Should free parking continue to be offered for an extended period, if insufficient time is given to notify users of a reversal to the original tariffs, or if any further periods of free car parking are offered, levels of confusion will only escalate.

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Background Papers:

None

Background Papers are available for inspection at:

None