

**ENVIRONMENT COMMITTEE  
21 JANUARY 2016**

**CAR PARKING FEES AND CHARGES**

Report of the: Head of Customer Services & Business Support

Contact: Joy Stevens

Urgent Decision?(yes/no) no

If yes, reason urgent decision required:

Annexes/Appendices (attached): Annexe 1 - 4

Other available papers (not attached): Notes of Working Group Meetings

**REPORT SUMMARY**

**This report recommends off street parking fees and charges for 2016 -17.**

**RECOMMENDATION (S)**

- (1) That the Committee approves the amendments to car park fees proposed by the cross party Car Parking Working Group, as set out in paragraph 4.4.**
- (2) That, as determined by the cross party Car Parking Working Group, a consultation programme is undertaken to inform the six month review of future car park fees and charges setting.**
- (3) That the Committee approves the study on validators by officers for consideration by members at Environment Committee October 2016.**
- (4) That the Committee notes the current consultation around car park permits in Hudson House and agrees to ring fence the additional income of £12k per annum for the next two years to fund improvements and to agree to the use of future revenue for ongoing maintenance and car parks.**

*Notes*

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**1. Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1 The Council needs to strike a balance between the effective management of parking spaces, economic vitality and its medium term financial strategy.

**2 Background**

- 2.1 On 27 October 2015 the proposed Fees and Charges for incorporation into the 2016/17 budget for car parks were approved. At the meeting it was also agreed to constitute a Car Park Working Group (CPWG). The inaugural meeting of the car park working group included a review of the fees and charges that were proposed. Some changes to the fees and charges have been proposed and are included in Annexe 1 and summarised in section 4.4
- 2.2 At a recent Business Breakfast meeting in Epsom parking charges were discussed in an informal basis with many different views being expressed. There have also been informal discussions with some shop managers and councillors and the Ashley Centre manager. All have different views on car park pricing in Epsom, particularly around the Ashley Centre. Given the differing views a full consultation will take place by October 2016.
- 2.3 The demand for the Ashley Centre car park is still rising. Up to 13 December 2015 the Ashley Centre hit capacity on 118 separate days. By comparison it hit capacity on 82 separate days over the same period in 2014.
- 2.4 The British Parking Association and the Association of Town & City Centre Managers note that town and village centre vitality results from a combination of factors: access by public transport as well as car, attractiveness of the physical environment, ease of movement around the centre, composition and quality of the retail and leisure offer, the closeness of alternative centres, and consumer demographics..
- 2.5 In Epsom & Ewell the Retail Study 2009 suggests in fact that it is by far the choice of shops that would encourage more visits (30%) rather than cheaper and easier parking (7%)
- 2.6 Car Parking charges represent a substantial source of income to the Council with an average of £2.82m (excluding PCN income) per year over the last 4 years, which helps the council provide much needed services. However, inevitably there are also significant costs attached to running and maintaining our car parks.

**3 Investment in car parks**

- 3.1 In the last 4 financial years the Council has reinvested an average of 67% of the total income back into our car parks through revenue and capital expenditure. This expenditure is crucial to continue running the overall car park service and undertaking essential repairs and remedial works. The table below summarises the income and expenditure:

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<b>Revenue and Capital Costs and Income</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>
Total Expenditure	<b>1,926</b>	<b>1,715</b>	<b>1,973</b>	<b>1,904</b>
Direct Car Park Income	<b>(2,631)</b>	<b>(2,801)</b>	<b>(2,790)</b>	<b>(3,069)</b>
<b>Net income</b>	<b>(704)</b>	<b>(1,086)</b>	<b>(816)</b>	<b>(1,164)</b>
<i>% income reinvested as expenditure</i>	73.22%	61.23%	70.73%	62.06%

- 3.2 In the Ashley Centre the council has repaired the parapet by capping to prevent frost damage and carried out relining works on some levels. Minor concrete repairs and surface repairs have been carried out to prevent trips hazards and to keep car park maintained to a high level. LED lighting has been installed in the office to reduce energy consumption.
- 3.3 Bourne Hall car park has also benefitted from repairs to defective surfacing and relining works creating larger bays for more ease of use. LED lighting has been installed to reduce energy and additional lighting put in for the safety of customers. There are now also more loading bays, and the pay machines have been relocated to allow for additional spaces. All these works have been carried out without impacting significantly on the character of the car park or the planting.
- 3.4 In Hook Road car park the council has installed LED lighting to make it more energy efficient; increased the width of the bays and brought in additional spaces to increase its capacity. The council has refurbished level five with fencing for health and safety reasons, installed new CCTV cameras and new LED lighting, and remarked to match lower levels of the car park.
- 3.5 The rear of Town Hall car park has been completely resurfaced and relined, with wider bays throughout and a more defined, safer walkway for pedestrians. A new bicycle shelter has also been put in place. At the front of the Town Hall the block paving has been re-laid and the area re-lined to address the damage caused by tree roots.
- 3.6 On 1 December 2015 the rear of the Town Hall and Hope Lodge car parks were converted to barrier control. The new system will give customers the flexibility to park in the town centre for either short or longer stays because the maximum stay of 2 hours will no longer apply. Payment at the new pay machines can be made using debit or credit card and if using cash, the machines will give change. The machines are protected from the weather by canopies which will help prevent the mechanical failures and reduce maintenance.

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- 3.7 Officers are currently updating the asset management plan for all Council owned buildings which will include car parks. It is envisaged that the percentage of income received from our car parks which is then reinvested will not fall below 67% but is likely to increase as the infrastructure ages and either needs repairing or replacing.
- 3.8 For 2016/2017 the impact of the changes in fees and charges proposed has been estimated and incorporated in the Committee's budget estimates for 2016/17. If lower charges are agreed the Committee will be required to identify cost savings to enable the Council to meet its overall budget target.
- 3.9 The increased level of income has also been included in the medium term financial strategy to help towards the Council's overall deficit and the target of achieving a balanced budget over the next 4 years.

**4 Proposals**

- 4.1 The Car Parking Working Group recommends:-
- 4.2 A consultation and communication programme is undertaken to inform a six month review of future car park fees and charges setting.
- 4.3 Officers undertake a review of validators and present a report on their findings to the Environment Committee in October 2016. Individual shops or multiple shops could join together to offer customers time limited or reduced rate parking. Shops would operate this system with the use of a piece of hardware and software called a Validator. To obtain a discount the parker presents his or her token to the validator which then reduces the sum to be paid at the by the agreed sum.
- 4.4 The Committee is asked to approve the following amendments to fees and charges previously agreed at Environment Committee in October 2016. These changes are set out below.

<b>Car Park</b>	<b>Tariff Time</b>	<b>Price Change</b>
<b>Ashley Centre</b>	<b>Up to 6 hours</b>	<b>£10.00 to £12.00</b>
	<b>Over 6 hours</b>	<b>£17.50 to £20.00</b>
<b>Hook Road</b>	<b>Up to 3 hours</b>	<b>£2.30 to £2.50</b>
	<b>Up to 5 hours</b>	<b>£3.50 to £4.00</b>
<b>Depot Road/Upper High Street</b>	<b>Up to 1 hour</b>	<b>£1.20 to £1.00</b>

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<b>Rear of Town Hall/Hope Lodge</b>	<b>Up to 3 hours</b>	<b>£3.50 to £4.00</b>
	<b>Up to 5 hours</b>	<b>£5.00 to £6.00</b>
	<b>Up to 6 hours</b>	<b>£10.00 to £12.00</b>
	<b>Over 6 hours</b>	<b>£17.50 to £20.00</b>
	<b>Lost token charge</b>	<b>£20 to £23</b>

- 4.5 These changes are designed as part of a longer term strategy to promote Hook Road as a long term stay car park, Upper High Street and Depot Road as long to medium term parking options, Ashley Centre as a medium to short term car park and Town Hall and Hope Lodge as short term stay car parks.
- 4.6 It is proposed that Depot Road/Upper High Street tariff for up to 1 hour is not increased as part of a short term strategy to provide vehicles users with an alternative to using the premium short term car parks' of Town Hall and Hope Lodge. The Car Parking Working Group felt that this would encourage footfall at the Upper High Street end of the Town Centre.
- 4.7 The proposed increase in charges for maximum stay in rear of Town Hall/Hope Lodge and Ashley Centre car parks means that the lost token price needs to increase to £23.00 to reflect this. The token charge always needs to be a minimum of the maximum charge in a car park.
- 4.8 The Environment Committee is also requested to note, and approve a change to the proposed price of permits for Hudson House, subject to survey results.
- 4.9 Currently Hudson House car park has 41 people paying for permits, with 5 currently under offer. The car park requires a number of improvements to its overall infrastructure. The car parking working group requested that current permit holders were contacted to measure support for a proposal to increase permit prices to fund payment for the improvements.
- 4.10 The Committee is asked to note the current consultation regarding car park permits in Hudson House and allow the findings to inform the decision making process

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- 4.11 The Committee agree that, if results from the survey indicate current permit holders are in accord with the proposal to increase charges to fund additional infrastructure improvements, the permit prices will be increased to £1,200 for residents and £1,500 for businesses. If the survey indicates that current permit holders do not agree with the proposal, the permit prices are £850 for residents and £1,060 for businesses, as previously agreed by Environment Committee.
- 4.12 On current figures it is anticipated that the proposed increase of £1,200 for residents and £1,500 for businesses would increase income by an estimated £12,000 per annum. If the Committee decide to raise the charges to fund additional infrastructure improvements, the Committee is asked to agree to ring fence the additional income of £12k per annum for the next two years to fund improvements.
- 4.13 It is proposed that for 2106/17 work undertaken would include the Installation of LED lighting including emergency lighting at a cost of £7,900, installation of a height restriction barrier, which will still allow access by larger vehicles to the front section of the car park, but will prevent further damage to lighting once installed at a cost of £1,600. Also, the removal of fencing to allow access to rubbish behind the fencing at a cost of £600, a small amount of line remarking to create extra bays and remove defective markings for 3 additional bays at a cost of £650, and a small contingency fund.

**5 Financial and Manpower Implications**

**5.1 *Chief Finance Officer's comments:***

- 5.1.1 The fees and charges approved on 27 October 2015 at this Committee were incorporated into the Council's 4 year Medium Term Financial Strategy. The additional income, along with other service reviews, resulted in the Council projecting a balanced budget over the next 4 financial years.
- 5.1.2 Certain fees and charges across the organisation have been proposed at above the agreed minimum 6% yield. These charges have been proposed to reduce service subsidy levels or to enable the Council to achieve a balanced budget. If adverse changes to fees and charges were to be made this would create a funding gap where additional reviews and identification of efficiencies would be necessary.
- 5.1.3 The increases proposed to Hudson House will create an additional £12,000 per annum. This additional income will be set aside for the first 2 years for improvement works specifically to Hudson House. After the two years the £12,000 would be part of the overall income generated by car parks and therefore funding for general car park expenditure and services.
- 5.1.4 The fees and charges suggested for all car parks and permits will be subject to the annual fees and charges inflationary increase each year.

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5.1.5 Proposals from the Car Park Working Group will have a separate financial analysis and impact assessment prior to being brought to this Committee.

**6 Legal Implications (including implications for matters relating to equality)**

6.1 None for the purposes of the report.

6.2 ***Monitoring Officer's comments:*** None for the purposes of the report.

**7 Sustainability Policy and Community Safety Implications**

7.1 None for the purposes of the report.

**8 Partnerships**

8.1 None for the purposes of the report.

**9 Risk Assessment**

9.1 Parking income could be adversely affected by changes within the local community and economic factors.

**10 Conclusion and Recommendations**

10.1 The proposed changes to fees are designed to maintain car park infrastructure roles across Epsom & Ewell for short, medium and long term parking.

10.2 Continued and proportionate cost effective investment in car parks will help protect and grow income streams thereby helping to protect service provision during a time when other income streams are seriously at risk.

**WARD(S) AFFECTED: All**