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Car Parks Tariff Review

Report summary:

In our service plan for 2019/20 we set out proposals to engage with the public on proposals to introduce changes to our car parking tariffs in some of our car parks. This report follows consideration of some of the issues by Members of the Car Parks' Task and Finish Forum. It asks Members of the Council's Scrutiny Committee to consider recommendations for the better management of some of our car parking assets and in turn to recommend that the Council should now authorise Officers to carry out the required statutory advertisement and consultation on these proposals.

Recommendation:

That Cabinet recommend to Council the approval of the following proposals:

- 1. TAFF Members propose the introduction of a new tariff of £1.20 per hour in East Devon District Council's category 1 (prime location) car parks effective from 1 April 2021.**
- 2. TAFF Members also propose the introduction of a revised pricing structure for car parking permits with a £120 per annum for a single town (and an additional £24 per each town added) up to a maximum annual permit charge of £240 to cover all towns. To provide a "pay monthly" scheme for all regular customers starting with a single town permit for just £10 per month.**
- 3. To request Officers to prepare a revised policy for campervans and motorhomes for further consideration by the TAFF.**
- 4. To repurpose the Car Parks' Task and Finish Forum to report back to Scrutiny Committee in the Spring of 2021:**
 - a. To consider in more detail the options for supporting the Council's Climate Emergency Action Plan,**
 - b. To develop a range of options for the future management of the Council's category 2 car parks,**
 - c. To consider any other measures including the possibility of introducing evening charges in certain car parks.**

Reason for recommendation:

To introduce more efficient operational management options for our busiest car parks including revised tariffs in the context of a strategic objective to maximise the value of our car parking assets whilst introducing a revised pricing structure for car parking permit to support our communities and local economies.

Officer: Andrew Ennis

Portfolio(s) (check which apply):

- Climate Action
- Coast, Country and Environment
- Corporate Services and COVID-19 Response and Recovery
- Democracy and Transparency
- Economy and Assets
- Finance
- Policy Co-ordination and Regional Engagement
- Strategic Planning
- Sustainable Homes and Communities

Financial implications:

Recommendations to increase the hourly rate on certain car parks and the permit charge is in line with the Financial Plan to assist the Council to balance its budget and continue to deliver existing service in 2021/22. The report and debate at the TAFF was clear in terms of the rationale of these proposed increases which were two fold in terms improved car park management in prime locations where charges had not been increased in the last 10 years and the additional income raised plays a key factor in the Council's assumption in helping to fund services. The estimated additional income will be in the order of £300k.

Legal implications:

It is for the Council to determine what appropriate charges should be in place. It will be necessary to ensure that any statutory procedures required to put in place any revisions are adhered to. Otherwise there are no specific legal implications requiring comment.

Equalities impact Low Impact

Climate change Medium Impact

The provision of plentiful affordable car parking is still important for our town centre economies and local communities. However the present climate emergency recognises the significant contribution that the exhaust emissions from petrol, diesel and LPG fuelled private motor cars add to our towns' carbon footprint. Over time we may want to consider incentives and initiatives to encourage alternatives and by inference to discourage the parking of private fossil fuel driven motor cars within our town centres.

Risk: Medium Risk; There is a clear risk that in the short term any increases in our car parking tariffs will be unpopular especially if considered in isolation outside of this Council's transformation and evolving commercialisation strategy and our Careful Choices programme

Links to background information

<https://democracy.eastdevon.gov.uk/ieListMeetings.aspx?Committeed=245>

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

Report in full

Section 1. Introduction

This Council currently owns and manages 57* public car park sites across the district.

**There are a number of other areas that are used for parking in connection with other sites and buildings that the Council owns and manages (these include car parking for certain parks and playing fields, local nature reserves, housing estates, Council depots and industrial estates). These are not currently managed by the car parks team and have not been included within the scope of this discussion paper.*

We operate 45 of these public car park sites on a pay and display tariff. Almost the entire pay and display portfolio is now being managed on one of our standard £1 per hour tariffs from 1 April until 31 October each year. During the period 1 November to 31 March we operate our popular and successful winter offer (pay just £2 and park all day – you pay only once because that ticket is then valid in all of our pay and display car parks for the rest of that day – until midnight).

There are still local exceptions but most of our car parks now fall into one of these three categories:

- (a) coastal long stay (maximum £6 for 24 hours)
- (b) inland long stay (maximum £3 for 24 hours) and
- (c) short stay (maximum £3 for 4 hours)

One of our pay and display car parks (Mill Street in Sidmouth) also offers some reserved parking spaces on short term leases).

Of the remaining 12 sites:

1. Holmdale (in Sidmouth town centre) and Helena Place (in Exmouth) are currently available exclusively for reserved parking on short term leases,
2. Exmouth lorry park is currently in use free of charge as the main compound for the Exmouth tidal defence contract works (part of this council's contribution to the scheme),
3. Upper Station car park is currently being leased to Budleigh Salterton Town Council for £500 per annum and is then made available for unrestricted parking free of charge at the point of use,
4. Blackmore Gardens in Sidmouth is currently leased to NHS Property Services for £126 per annum and is then made available for unrestricted parking free of charge at the point of use,

5. Seaton Jurassic Coach Park is currently available for coach and bus parking free of charge to help promote Seaton as a Coach friendly town,

6. Temple Street in Sidmouth offers a combination of short term free of charge parking and reserved parking spaces on short term leases and

7. the remaining 5 sites (The Green in Broadclyst, Brook Road in Budleigh Salterton, Jarvis Close in Littleham, School Land in Newton Poppleford and Manor Farm Estate in Sidbury) continue to offer public car parking free of charge and therefore the council incurs a net cost (including maintenance and business rates) in operating them.

The £1 per hour tariff has been in place now since 2010 and we have consistently resisted increasing it to ensure that we continue to provide the best possible support for our town centre economies. However, we are under increasing pressure to review our activities and move to a position where we are managing all of our car parking assets responsibly and transparently.

Officers have identified a number of opportunities for consideration here that we believe reflect current good management practice in the car parking sector and will assist us in better strategic management of our off-street parking assets. In consequence of these changes we anticipate that some modest increases in charges will deliver a significant increase in the contribution that car parking fees and charges make to our general fund. For the avoidance of doubt, this relates to increases in income from paid for parking sessions and NOT to any predicted increase in penalty charges.

Through discussions with Members in our ongoing car parks Task and Finish Forum (TAFF) we have identified a number of areas for review. Certain of these will be brought forward for further consideration at a later date but for the time being, we need to focus on circumstances that have arisen due to the financial and social consequences of the Covid-19 pandemic and in particular we are going to focus on a review in three key areas:

Section 2 Asset Management and Revenue Generation

It remains a reality that our car parks property portfolio currently turns over around £4m annually contributing a net surplus of £2.3m to the Council's general fund. This is clearly a significant amount of money and in order to replace it with for example council tax revenue would amount to around a 26% increase for an average band D resident in East Devon. An expectation has been outlined in our Budget Strategy for the coming year that car parking revenue could deliver a further £425,000 revenue in 2021/22 with some adjustments to our current charging tariffs.

Category 1 Car Parks (I am defining them as those in prime areas where demand is high, parking spaces are at a premium). I feel that a price increase would assist us in better managing this high demand by displacing some customers to other means of travel or in some cases to a lower tariff car park in a slightly less convenient location nearby.

Category 2 Car Parks are those where there is either no income whatsoever, or where such income does not meet the operating costs of that car park and that are therefore currently operating at a net cost to East Devon District Council. In most cases these are car parks that are available for public parking free of charge. We are now open to suggestions that some of the car parks in category 2 may be suitable for an asset transfer to a Town or Parish Council and that would of course be subject to the usual considerations set out in our asset transfer policy.

Category 1 Car Parks

We manage a number of car parking assets in prime locations that are extremely popular with our customers with consequent congestion as motorists drive around looking for (and waiting for) a parking space. London Inn short stay car park in Exmouth is a good example of this. In some, but not all cases we have other less popular car parks in the vicinity that will usually have spaces available.

We are currently giving serious consideration to the challenge of providing suitable and sufficient electric vehicle charging infrastructure around East Devon to support what we believe will become an increasing number of visitors and residents who will be choosing to drive electric (or plug-in hybrid) vehicles over the next few years. At present, charging infrastructure requires a significant investment.

Our proposal is therefore to introduce a tariff increase (suggested range 10% to 50% increase) in these most popular car park locations. We anticipate that the higher tariff will encourage some customers to switch to our less popular (and less expensive) car parks thereby alleviating some of the parking stress at the most popular locations. Experience tells us that others will choose their preferred location and pay the difference. The additional revenue generated can help fund our commitment to carbon reduction and investment into our proposed programme of delivering charging infrastructure locally.

We propose to increase the hourly charge in our busiest car parks to between £1.10 and £1.50 per hour. A review of both the turnover of spaces and average income per parking space clearly places the following car parks in category 1:

Sidmouth

Roxburgh, Ham (East and West), Manor Road, Mill Street and Manor Pavilion

Exmouth

Imperial Road, Imperial Recreation Ground, London Inn, Beach Gardens, Queens Drive, Queens Drive and Queens Drive Echelon,

Honiton

Lace Walk, King Street and New Street (North and South),

Beer

Central and Fore Street

Budleigh Salterton

Rolle Mews and Lime Kiln

Category 2 Car Parks

Each of our car parking assets incurs a range of direct and other costs associated with ownership, maintenance and management including business rates, electricity charges, boundary and surface maintenance, tree and landscaping maintenance and insurance liability.

It is suggested that we should now consider the potential for each of the following assets to generate revenue to recover some of these ongoing costs and in some cases to fund overdue repairs and to carry out improvements that will enable us to maximise the potential of each asset. In addition a number of our other car parks have ongoing costs that exceed the revenue they generate. The following “category 2” list in table 1 sets out the position for each of these car parks and each one of them now merits further scrutiny including consideration of an asset transfer in appropriate cases.

Table 1 – car parks in category 2

	Gross income	Operating costs	Net cost in 2019/20
Town Hall Seaton	£2,481.80	£3,720	-£1,238
Jarvis Close car park Littleham	£0.00	£1,250	-£1,250
Estuary Lorry Park Exmouth	£2,520.20	£3,830	-£1,310
Dolphin Street Colyton	£9,881.95	£11,255	-£1,373
Brook Street Ottery St Mary	£4,988.60	£6,812	-£1,823
Blackmore Gardens car park Sidmouth	£126.00	£2,083	-£1,957
Underhill Lympstone	£12,356.35	£14,432	-£2,075
Seaton Jurassic Coach Park, Seaton	£222.00	£2,366	-£2,144
Manor Farm Estate car park Sidbury	£0.00	£2,495	-£2,495
The Green car park Broadclyst	£0.00	£4,271	-£4,271

School Lane car park Newton Poppleford	£0.00	£4,385	-£4,385
Brook Road car park Budleigh Salterton	£0.00	£5,930	-£5,930
Upper Station car park Budleigh Salterton	£500.00	£11,354	-£10,854
Maer Road L/S, Exmouth	£22,571.60	£34,866	-£12,294
Cliff Top L/S, Beer	£15,422.81	£44,874	-£29,451

Section3 – Mitigation of impact

Car Parking Permits

The Council anticipates that an increasing number of visitors will choose UK and southwest holiday destinations again in 2021 and possibly beyond that. With the prospect of East Devon's car parking and public realm services generally coming under immense pressure again due to unprecedented footfall this year, we feel it is fair and proportionate to increase car parking charges as introduced above.

However we do recognise that the introduction of a more expensive car parking tariff could potentially have a disproportionate impact on our less well-off residents and in consequence on our local businesses.

We are therefore minded to redesign our car parking permit scheme so that continues to recognise the financial value of our car parking assets but that is also affordable.

In order to balance the impact of those price increases I propose the following scheme for local residents, businesses and workers to retain a balanced and resilient local economy:

Permit Type	Current annual cost	Revised annual cost	Monthly payment
Single town	£100	£120	£10
Additional town (add)	+£20	+£24	£2 per extra town
All Towns (add)	+£100	£120	£20

Section 4 Revised policy for Campervans and Motorhomes

We continue to see increasing numbers of campervans and motorhomes on our highways and in our public car parks. Our policy is, in my view in need of a revision to recognise both the demand for short term overnight pitches for campervans and motorhomes – and to acknowledge that measures to carefully and sensitively fulfil this demand (rather than continuing to treat overnight

parking as a “parking contravention” or some form of “anti-social behaviour”) may well have benefits for both our town economies and for our own revenue. It is also the case that our own residents are choosing small and medium sized camper vans as either their main or second vehicle and in some cases our own policy currently prevents them from parking overnight in public car parks close to their own homes.

Some years ago we used to have simple rule in our Parking Places Order that specified “no overnight sleeping”, and that has widely been acknowledged in the industry as being almost impossible to enforce. In more recent years we have seen a new problem emerge – with our inexpensive permit tariffs (just £100 per year) we were inadvertently encouraging local motorhome and campervan owners to use some of our car parks as a cheap storage facility for their vehicles – with consequent lack of parking availability for visitors and town centre shoppers. Accordingly Cabinet considered papers that I had prepared and made decisions that this Council:

- (a) wished to encourage day visitors in motorhomes and campervans – so these vehicles are currently allowed to use any car park on any day but only between 08:00h and 22:00h daily)
- (b) was interested in a pilot scheme whereby we would consider the impact of allowing overnight “camping” for up to 3 consecutive nights in specified car parks in Exmouth (this pilot is about to enter its third season at the request of Exmouth Town Council) and
- (c) that overnight parking of any campervan or motorhome would not be allowed in any other car park (to prevent both storage and overnight camping).

The Exmouth pilot has been interesting and I would ask Members to endorse the following principles and to allow the detailed policy to be developed by Officers in consultation with the Leader and Deputy Leader.

1. The Exmouth pilot has been broadly successful and there is a significant and growing demand from our visitors for short duration “aire” style facilities throughout East Devon. The Council will in consultation with Ward Members seek to introduce a revised policy that welcomes over-night stays in specified car parks across East Devon unless there are local circumstances that would mean that there would be an unacceptable negative impact in the vicinity.
2. Motorhome and campervan customers will NOT be eligible for purchasing our standard car park permits and will only be permitted to use our pay and display car parks on a “pay as you use” basis. The hourly, daily, 3 day, 5 day, weekly and overnight tariffs will be reviewed and will recognise the value of the car parking asset alongside other facilities available locally and will ensure that larger vehicles pay for the number of parking bays that they occupy (including any spaces that they prevent other vehicles from occupying (due to their size).
3. The tariff will allow an overnight stay in approved car parks (where no other facilities are provided) of one, two or three consecutive nights only (with no return permitted within 24 hours).
4. Residents will still be unable to purchase a parking permit to use our public car parks for long term storage of motorhomes and campervans when they are not in use. However, we will on a case by case basis consider “exemption” permits for residents who can demonstrate that they rely on a small campervan as their regular daily transport and that they do not have suitable alternative off-street parking facilities available elsewhere. One safeguard that we can introduce is to make it a condition that the exemption will only apply in areas where the resident lives in close proximity to the car park in question and where the vehicle is registered and insured in their name at that home address.
5. Finally Officers would also like to explore the possibility of creating dedicated motorhome / campervan pitches within a site with appropriate facilities to allow longer stays and for which a premium overnight rate of say £30 per night could be expected.

We would propose beginning a formal consultation process with local Members and Natural England this winter to consider the impact of such a development on the site of Exmouth's former lorry park adjacent to the Estuary. The implementation of this would be subject to further consideration by Members in due course in terms of financial investment decisions and may also need to be the subject of a planning application depending on the exact details of the change from "lorry park" to "camp site"

Section 5 Revenue Implications:

Category 1 car parks

The proposals set out above will assist Officers in the more efficient day to day management of our car parking assets. The additional revenue arising from these changes will pass into the general fund and will be available for allocation to providing essential services and supporting the carbon reduction program

The scale of revenue that is likely to arise from category 1 price increases is of course subject to existing customers responding in a negative way and avoiding price increases.

The reality is likely to be that since we have in fact held our current £1 per hour tariff now for ten years, most of our visitors over the coming year will not be surprised and may well find that our tariffs remain entirely affordable and even good value for money. There is no evidence that I have seen to suggest that visitors are discouraged from visiting the places they choose to visit by car parking charges provided that those tariffs are reasonable and proportionate to the quality of their visitor experience. Sufficient parking availability at a chosen destination is in fact a more important consideration for most visitors.

Using our most recent complete data from 2018/19, our nineteen category 1 car park locations contributed a "net" surplus to our general fund in the amount £1.4m. An increase in our hourly rate to £1.10, £1.20 and £1.50 respectively would generate the following, assuming transaction numbers remain the same and assuming that each additional 10p comprises 8p for EDDC and 2p in VAT.

Rate per hour:	Revenue:	Increase:
£1.00	£1,412,863	
£1.10	£1,525,892	£113,029
£1.20	£1,638,921	£226,058
£1.30	£1,751,950	£339,087
£1.40	£1,864,979	£452,116
£1.50	£1,978,008	£565,145

Category 2 car parks

The costs associated with our category 2 car parks are set out below. The time needed to find the right solution from a range of options to ensure that each of these car parks are at "zero" cost to EDDC is unlikely to be available to the TAFF prior to the target 10 December Scrutiny Committee.

Car Parking Permit Review

The introduction of a monthly payment option for our permit customers has previously been dismissed as financially not viable.

Our permit prices are already remarkably affordable compared to other providers in the region with the result that a permit that allows parking all day in the car parks in one town currently costs less than £2 per week. For comparison during the season, visitors will be charged £6 per day or £25 per week for the use of one of our long stay car parks, rising to £7.20 for a category 1 car park under the revised tariff proposal (I have chosen the 20p increase option for illustration purposes). It does therefore seem reasonable to propose an equivalent 20% price increase to reflect some of the value of the parking asset that is being made available but also to help us absorb the cost of administering the affordable monthly payment option of between £10 and £20 per month.

A 20% across the board increase in our car parking permit prices could potentially increase our car parking permit revenue from £470,000 to £545,00 – an increase of £75,000 (less the additional administration costs within our finance and car parks back office team of administering a monthly payment scheme).

Motorhome and Campervan Policy

The Exmouth pilot has to date not yielded a significant income due in part to limited enforcement and an apparent misunderstanding of the tariff structure by customers. However we can see that there were well over 100 £11 overnight transactions totalling around £1300 in the year. With the obvious popularity of these vehicles in our area it is reasonable to predict that with a higher overnight tariff combined with a more robust enforcement presence this could grow significantly under a revised policy to somewhere in the region of £15,000 from say just 1000 £15 transactions in a season.