

Report to: Cabinet
Date of Meeting: 2 January 2019
Public Document: Yes
Exemption: None

Review date for release None



Agenda item: 21

Subject: Honiton Dowell Street car park

Purpose of report: The purpose of this report is to request Members' authority to enter into an agreement with Honiton Town Council to manage the Dowell Street car park as a public car park for the town and to include it in the East Devon (off street) Parking Places Order.

Recommendation:

1. To include Honiton Dowell Street Car Park in East Devon District Council's Off-street Parking Places Order (subject to there being in place a lease in favour of East Devon District Council).
2. That EDDC enters into a ten year full repairing and insuring lease of 'Dowell Street' car park,
3. To delegate to the Chief Executive in consultation with the Portfolio Holder for Environment, the authority to enter into a detailed agreement with Honiton Town Council to provide car park management services on terms to be agreed.

Reason for recommendation: There is demand for additional public car parking in the town and at present the use of the car park is unrestricted.

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Financial implications: No financial implications have been identified, however in the event that any financial costs should arise, then those costs would need to be met by existing resources within those Services.

Legal implications: Dowell Street car park should only remain in the Council's Parking Places Order ('PPO') for the duration of this arrangement or any extension of the same. Therefore, if there is provision for early determination in the proposed lease which is exercised or the lease is not 'held over' or renewed, then Parking Services should instruct Legal Services to seek removal of this parking place from the PPO. Under relevant legislation, Honiton Town Council can then look to Devon County Council to include it within their Town & Parish Council's Parking Places Order (if Honiton Town Council still wish to use it as a public car park).

The wording of the proposed new lease to be agreed between Legal Services and Property Services. The wording of the proposed commercial agreement to be agreed between Legal Services and Parking Services.

It is noted that each party is to be responsible for their own legal costs in documenting this arrangement.

Equalities impact: Low Impact

Risk: Low Risk

Links to background information: None

Link to Council Plan: This report helps to address the four Council priorities:
Encouraging communities to be outstanding
Developing an outstanding local economy
Continuously improving to be an outstanding council.

Honiton Dowell Street

1. Introduction

Further to a request from Honiton Town Council for a proposal from East Devon District Council's car parks' management team to manage the Dowell Street car park in Honiton on a pay and display tariff, we have now agreed in principle detailed arrangements that will form the basis of a service level agreement between the Town Council and EDDC subject to Members' approval.

2. EDDC's Car Parks' team

- a. This Council currently manages over 5000 car parking spaces in fifty three car parks around East Devon. This already includes almost 500 pay and display spaces in Honiton (New Street, King Street, Lace Walk (long and short stay) and Silver Street). The Council's car park payment machines and pay by phone system are now electronically connected to our back office so rapid response to problems and timely reporting on activity and trends is straightforward.
- b. Our team comprises a Team Leader with 4 full time equivalent qualified and experienced Civil Enforcement Officers and we manage all our car parks in accordance with Civil Parking Enforcement Procedures. Our back office also includes two appropriately qualified and experienced officers who independently deal with challenges and provide a range of administrative functions including permit sales and renewals, refunds, tariff updates, cash collections, card and pay by phone payment systems etc.
- c. Our policy on car parks management remains one of flexibility and response to local need. Our busy car parks do bring in significant revenue that enables this Council to realise the value of its assets and the money goes into our general fund to enable us to continue to deliver our core services in a climate of diminishing central government support. Many of our other car parks are recognised as important

community assets that support the needs of both local economies and local residents and in these cases our expectation is only that the assets get as close as possible to generating sufficient revenue to enable us to maintain and manage them responsibly.

3. The Challenge

- a. I have been informed that whilst the Town Council recognises its duty to manage the Dowell Street car park asset responsibly and to realise its income generating potential to ensure that management and future maintenance costs will be met. For example, the cost of future works such as resurfacing of even a small car park like this will run into many tens of thousands of pounds. This aspiration is especially pertinent recognising the level of demand that now exists because of the activities now taking place within the popular and successful Honiton Community Complex on the ground floor of the Beehive building and the observation that the car park is well used and often full to capacity at peak times. However the Town Council also recognises the importance of the car park facility in supporting the activities within the Community Complex and has asked us to be careful to balance these two elements within our proposal.

4. EDDC's proposal

- a. Honiton TC will enter into an agreement to lease the car park back to EDDC to enable EDDC to manage it as an EDDC branded pay and display car park enabling EDDC to assimilate it within our existing team and infrastructure at minimal cost.
- b. EDDC will include the car park within its Parking Places Order with a charging tariff for private / light goods vehicle to mirror Lace Walk Short Stay car park (50p minimum, £1 per hour, maximum charge £10, charges apply only between 08:00 and 18:00h Monday to Saturday, free of charge overnight and on bank holidays. There will be a non-charging tariff, maximum stay 4 hours, for coaches and "non PLG" trucks and large delivery vans using the marked coach bays.
- c. EDDC will provide and install "welcome" signage and explanatory "tariff boards" along with a pay machine that accepts contactless card payments as well as chip and pin and coin transactions. All of our car parks have a pay by phone option and our current provider is Parkmobile.
- d. Disabled blue badge holders are NOT exempt from charges in EDDC car parks. However, the Town Council have agreed that if a blue badge holder is parked in a designated disabled bay then the vehicle can park for 3 hours without making the necessary payment.
- e. Our current range of EDDC parking permits will not be valid here. However in consultation with the Town Council we will be able to offer a regular visitor permit for this car park, terms and conditions to be agreed.
- f. Honiton Town Council will have an express option with our agreement to request parking charge dispensations or concessions or the reservation of parking bays for specific purposes at their discretion and those requests will not be unreasonably denied by EDDC.

- g. A specified area of the car park capable of accommodating a maximum of 3 cars will be reserved solely for the use of Honiton Town Council and vehicles in this area will need to display a valid HTC permit issued by HTC. Those permits will not be valid within the pay and display area of the car park.
- h. Any vehicle left within the car park during charging hours without a valid permit, dispensation or "paid for" parking session is liable to be served with a penalty charge notice in accordance with civil parking enforcement rules.
- i. We have agreed that the overriding principles in our agreement will be that both HTC and EDDC would benefit financially from the relationship and that neither Council wishes to see either an unreasonable charging regime or unfair enforcement practices.

5. Financial considerations

- a. The cost of inclusion of the car park in our off street parking places order (legal costs, advertising costs, public consultation) plus legal costs in arranging an initial lease back and service level agreement – I would estimate a one off cost in the region of £1,500 to £2,500.
- b. Provision of a pay machine (with the latest contactless card payment technology, networked to EDDC 's back office) plus establishing a pay by mobile phone option for this car park plus design, production and installation of appropriate signage – I would estimate a cost in the region of £5,000.
- c. Operating costs will be minimal and will comprise the time spent by Civil Enforcement Officers, back office staff, cash collection and charges associated with card and mobile phone payments.
- d. I would anticipate that Civil Enforcement Officers will visit the site twice daily, six days per week spending an average of 15 minutes in the car park on each occasion, checking (and attending to as necessary) the pay machine and ensuring all vehicles present are compliant and of course dealing with any that are not. I have estimated that this will amount to approximately £2,500 annually.
- e. The other significant operating costs include a pay machine maintenance contract (now around £500 per year per machine), cash collections are "per collection" and "per £1000 banked". Card and phone payment charges are a small percentage of the amount being processed.

I am suggesting that we could absorb both our back office and management charges within our existing budgets.

6. Lease

We are proposing a new lease arrangement that will provide that the costs to EDDC in repairing and insuring the car park will be off set against any gross profits derived from EDDC managing the car park, with the remaining shared between the two Councils on a 50:50 basis. The rent for the lease, payable to the Town Council, to be a share of the net profit

7. Discussion

In summary EDDC would invest something of the order of say £7,500 to set this up with first year operating costs of around £3,000. I would propose that EDDC seek to recover some of its initial investment from revenue income over a 5 year lease period and that it would also seek to reimburse its own running costs annually. The pay machine itself would remain the property of EDDC

We have predicted that this car park is capable of yielding around £10,000 per annum comfortably so assuming:

Per year: total income = £10,000

Less EDDC initial investment repayment of £1,500 per year and estimated operating costs of £3,000 =£5,500

After deduction of all running costs (including business rates) the residual income would be subject to an open book profit sharing arrangement between the two Councils on a proposed 50:50 apportionment. It is estimated that this will generate revenue for each Council of around £13,750 over five years.

There is clearly the potential for this car park to generate significantly higher revenues based on the success of attractions at the Community Complex on the ground floor of the Beehive but fettered of course by any charging dispensations that we decide are appropriate.