

CAR PARKING

1 SUMMARY

- 1.1 Members to consider the future charging strategy for car parks in the District, the type of ticket issuing machine and whether to continue to support the trader refund scheme.

2 INTRODUCTION

- 2.1 Traditionally, the Council has considered its charging strategy for car parks as part of the annual budget process. For the 2000/2001 Budget, this process started with a report to Transportation Sub-Committee in November 1999. There followed a series of supplementary reports and consultation exercises with the Chambers of Trade who operate in Hockley, Rayleigh and Rochford. At Council on 18 April 2000, it was agreed that the whole of the issues relating to car parking be deferred to a special Council Meeting to be held after the District Council elections in May. This report attempts to encapsulate all the principle issues raised at the earlier Meetings. Some of the statistical information has been updated with the latest figures available, particularly in the area of car park ticket sales. The following areas are under review:-

- Car parks, their designations and management.
- Trader Refund Scheme
- Pay and Display versus Pay on Exit
- Type of ticket-issuing machine
- Comparisons with other Local Authority charge structures
- Consultation with Chambers of Trade
- Ticket sales for 1999/2000
- Fee Structure

3 CAR PARKS, DESIGNATION AND MANAGEMENT

- 3.1 The Revenue and Housing Management Team has responsibility for seven fee-paying car parks across the District. They are:-

Car Park	Spaces	Machines	Designation
The Approach, Rayleigh	159	2	Long Stay
Back Lane, Rochford	182	3	Mixed Stay
Bellingham Lane, Rayleigh	112	2	Mixed Stay
Castle Road, Rayleigh	148	2	Mixed Stay
The Market, Rayleigh	65	1	Mixed Stay
Southend Road, Hockley	70	1	Mixed Stay
Websters Way, Rayleigh	<u>377</u>	5	Short Stay
	<u>1,113</u>		

- 3.2 In addition, the car park at the Civic Suite, Rayleigh operates on a Saturday only, providing a further 49 spaces. Motorists use the ticket issuing machine in The Market car park to obtain valid parking tickets.
- 3.3 In 2000/2001 the Council expects just over 1.3 million motorists to visit fee paying car parks generating income of around £461,800 net of income foregone as result of the free Saturday afternoon parking which was introduced in April 1998.
- 3.4 The Car Park Team also manage two non fee-paying car parks at:-
- | | |
|--------------------------------|-----------|
| Golden Cross Parade, Ashingdon | 16 spaces |
| Old Ship Lane, Rochford | 8 spaces |
- 3.5 No changes are recommended to the Council's policy in respect of non fee-paying car parks as the installation of ticket issuing machines and the introduction of further patrols would not be cost effective.
- 3.6 The Council exercise management by way of 'Pay and Display' and Patrol Officers who issue penalty notices to those who breach the Off-Street Parking places Order. Around £35,000 is generated as a result of the issue of Penalty Notices. Sales of season tickets account for around £40,000. The Council has an existing policy to achieve at least two ticket issuing machines in each fee-paying car park to safeguard income in case of machine failure. The acquisition programme which has currently been placed 'on hold' should have been completed in 2000/01. The Council's car parking budget can therefore be summarised as that currently shown in the Budget Book as follows:-
- | | |
|--------------------------------|-----------|
| Pay and Display income..... | £461,800 |
| Penalty Notices..... | £ 34,800 |
| Season Tickets..... | £. 40,000 |
| Rents..... | £ 4,500 |
| Other Miscellaneous items..... | £ 3,000 |
- 3.7 The total income for 2000/01 is projected to be £544,100. Running costs, including asset rentals amount to £331,000 leaving a net surplus of £213,100.

4 TRADER REFUND SCHEME

- 4.1 The Council pioneered the Trader Refund Scheme which was introduced in the District in December 1993. The initial scheme was wholly managed by the Council and required ticket issuing machines to provide 'double issue' tickets as the Chambers of Trade required the price of the ticket purchased to be shown on the refund voucher.
- 4.2 In January 1994 the Rayleigh Chamber of Trade took over publicity and administration of the scheme but the Council still "sponsored" the

scheme by providing car park tickets capable of sustaining the initiative. The Council also funded the purchase and erection of a noticeboard for Websters Way Car Park which displayed the names and addresses of those traders participating in the scheme. However, the scheme appears to have fallen into some disuse, the last survey revealing that only 9 traders across the whole of the District displaying the participation symbol. Somerfields Supermarket in Eastwood Road, Rayleigh appear to be the most active participant where the manager assesses the refund level in excess of £350 per week.

- 4.3 In 1995 in order to save costs on ticket purchases the Council moved to a single ticket “half and half” style which allowed traders to refund parking fees up to their own pre-determined levels.
- 4.4 Later in this report Members are asked to consider the type of ticket issuing machine for the future.
- 4.5 The Metric Accent ticket machines operate with a thermal tear-off printer which increases the clarity of printing, reduces ticket jams, obviates the need to replace ink rollers and gives an overall increase in the reliability of the printer function. Unfortunately this machine cannot be loaded with the “half and half” style ticket.
- 4.6 If the Trader Refund Scheme is to continue the options would be either for Motorists to surrender the ticket to Traders **on their next visit** to the town or to move back to a “double-issue” ticket style.
- 4.7 The first option would be relatively straightforward, **and cost free**, as an instruction could be printed on the ticket. However, some motorists wouldn’t benefit from this as they may be visiting the town once only. Confusion could also result in motorists taking the ticket to a shop and not displaying it on their vehicle.
- 4.8 The second option, as mentioned above, was in operation for the first 18 months of the Scheme and caused many problems with numerous reports that there was confusion in the minds of motorists as to which portion of the ticket to display. They were also attempting to take the ticket from the machine when only the first one had printed thus tearing the second (receipt) ticket resulting in ticket jams. There was also a problem of littering with discarded tickets.
- 4.9 If adopted, consideration should also be given to the reduction in machine life and increased ticket costs particularly as the advertising space cannot be sold on the receipt ticket.
- 4.10 At the Transportation Sub-Committee of 7 March, Members considered a detailed report on the continuation of the Trader Refund Scheme when it was generally agreed that the scheme should continue. Members now have a further opportunity to examine the best method of achieving this aim.

5 PAY AND DISPLAY -V- PAY ON EXIT

- 5.1 In the past this Sub-Committee have explored alternative methods of management of its car parks, principally 'Pay on Exit' or 'Pay on Foot' which is the type of pay on exit system currently employed at the Royals and Victoria Plaza car parks in Southend. These two methods change the emphasis of management away from officer patrols and place reliance on technology with raising arm barriers and electronic links to a central control. Two verbal quotations were received from contractors for the conversion of Websters Way car park to 'Pay on Foot'. The overall capital expenditure for a two entrance, three exit Computer Aided Parking System (CAPS) was £89,000 from one contractor and £102,000 from another. Civil engineering works of around £15,000 would also be needed.
- 5.2 It is generally felt that such installations are only economically viable in units of above 500 spaces, although examples do exist in smaller car parks where town centres have been redeveloped to include shopping precincts with 'premium rate' car parking such as:-
- | | |
|-------------------------------|------------|
| The Exchange, Putney | 360 spaces |
| Robin Hood Centre, Nottingham | 458 spaces |
- 5.3 The main criticism of Pay on Foot is that any form of barrier will impede the flow of vehicles in and out of the Car Park. Consideration must also be given to the cost of installation together with increased staffing levels required should problems arise. Pay on Foot systems also tend to work best when there is sufficient scope for multi- entrance/exit lanes and for these to be located on a service road thus not affecting traffic flow.
- 5.4 One Company contacted who, significantly, sells both Pay & Display and Pay on Foot systems advised that Pay on Foot is not a viable proposition in a car park with less than 150 bays. Clearly, Websters Way is the only Car Park where the system would work effectively. Members will be mindful of last year's redesign of the Websters Way Entrance/Exit which would need further extensive alteration to accommodate Pay on Foot.
- 5.5 Other factors to consider are that should a Pay Station or barrier malfunction lost revenue would inevitably result. Likewise, if a situation arose where all staff were either on leave or sick, Pay & Display would continue to function whereas Pay on Foot could not. Members would also need to review the policy for allowing disabled drivers to park free.
- 5.6 Balanced against this are the desirable attributes of motorists not being penalised for overstaying their time, increased vehicle security and up to a 5% increase in revenue due to the non-transferral of tickets between motorists.

- 5.7 The two most valid criticisms of Pay & Display as far as the motorist is concerned are its inability to give change and, most importantly, the need to know the length of stay in advance. As far as the change argument is concerned change-giving facilities cannot be provided without increasing size, price and security issues. With the aid of the British Parking Association Product & Service Guide, nine specialist contractors were contacted in respect of change machines in Car Parks. Without exception, this facility is only available in combination with a Pay on Foot/Pay on Exit machine. However if the Authority logically and fairly sets the tariff structure this need not be a problem. As Members are aware, our ticket machines also have "Overvend" facility to assist motorists who have the incorrect coinage.
- 5.8 Turning to the other criticism of needing to estimate the amount of parking time required, this could be resolved by introducing an initial fee of, say 50p which would allow the motorist up to 2 hours parking. In a small town such as Rayleigh, this would be ample time for the motorist to shop at leisure without fear of receiving a Penalty Notice. The negative side to this option would be the drop in Penalty Notice income and the high incidence of motorists transferring unexpired tickets to each other
- 5.9 A solution to the latter problem is the introduction of ticket machines with Vehicle Registration Identity on the tickets.
- 5.10 Research into the use of "registration number" Pay & Display machines has revealed reservations in the Parking industry about the increase in complexity of ticket machines. It is recognised that the introduction of this system would stop motorists transferring tickets and increase revenue by up to 5%. However, some motorists have difficulty using a basic Pay & Display machine and the aim must surely be to keep machines as simple as possible particularly as incorrect use could result in the issue of a Penalty Notice.

6 TICKET ISSUING MACHINES

- 6.1 The Council currently use the simplest form of Pay and Display ticket issuing machine. Earlier in the debate on the Car Parking Strategy, members considered upgrading the existing machines to those of a more modern style which permitted the vehicle registration identity to be entered on the ticket and made capital budget provision of £34,000 in 2000/2001.
- 6.2 At the Transportation Sub-Committee of 7 March 2000, Members agreed that with the exception of the two machines at the Approach Car Park, Rayleigh, all the remaining 14 machines across the District be upgraded. The period of the quotation for these machines has now expired but the Head of Service has been able to renegotiate the same

terms of purchase provided only that if a decision is made at this meeting an order be placed within seven days of decision.

- 6.3 The majority of our existing machines were replaced in 1995. These machines have a life expectancy of 10 – 12 years, sometimes longer, so the Council would not be expected to consider existing machine replacement until around 2006 to 2008. Three machines in Back Lane Car Park, Rochford were due for replacement in 2000/01, but this has been placed on hold. A schedule of machine locations and installation dates is given at Appendix 1.
- 6.4 Much of the debate regarding whether or not to replace existing machines will hinge upon the decision on the fee structure. If the Council were to introduce a long introductory band of parking, say 50p for two hours, then there is likely to be a high incidence of ticket swapping amongst motorists with the consequential loss of income to the Council. In this case the investment of £34,000 to secure new ticket issuing machines would eliminate ticket swapping and preserve income.
- 6.5 Members are asked to consider the need for machine replacement in the light of their decision on the fee structure.

7 OTHER LOCAL AUTHORITY CHARGE STRUCTURES

- 7.1 Although the charging structure for the Rochford District is unique to the area covered, Members often like to make comparisons with other Local Authorities in Essex.
- 7.2 Appendix 2 illustrates the charge structure for a range of parking periods from our five neighbouring Councils and compares this with the charge structure which is currently in force (not that agreed in January 2000 and which appears in the Council's Schedule of Charges)
- 7.3 For Castle Point and Chelmsford Borough Councils, in some charge bands two fees are shown. The lower fee reflects out of town car parks and the higher town centre car parks.

8 CONSULTATION

- 8.1 The Council have conducted a comprehensive consultation exercise with the Chambers of Trade which will form an integral part of future car park reviews.
- 8.2 The Hockley Chamber of Trade and Commerce made a submission earlier in the review process which found favour with Members and which is our currently approved fee structure although not yet implemented by Order. This is:-

Up to 2 hours	40p
2 – 3 hours	75p
3 – 4 hours	£1.00
4 – 5 hours	£1.25
All day	£2.00p

- 8.3 This had the effect of abolishing the short stay bands and replacing them with a minimum stay period of 40p which is, in fact, a reduction on the current two hour charge of 50p. All other charge bands remain unchanged.

- 8.4 The Rayleigh and District Chamber of Trade made a presentation at an earlier meeting. They reiterated their view that abolition of the half hour band would be detrimental to trade. They also drew Members' attention to the usage of the trader refund scheme, particularly at the Somerfield supermarket. In conclusion, they suggested implementing their original proposals in Rayleigh and Rochford with Hockley using the tariff set out at 8.2 above. Their proposed charge structure is as follows:-

Up to ½ hour	20p
½ to 2 hours	40p
2 to 3 hours	80p
3 to 4 hours	1.10p
4 to 5 hours	1.30p
Day Tickets (Approach)	1.80p
Day Tickets (Other)	2.20p
Weekly Tickets (Approach)	7.00p
Weekly Tickets (Other)	8.00p

- 8.5 Further correspondence from the Chamber has been received seeking ongoing consultation and discussion on car parking issues.
- 8.6 The Rochford and District Chamber of Trade restricted their comments principally to the Trader Refund Scheme which they wish to see continue. They also mentioned that they would not like to see charges increase.

9 TICKET SALES

- 9.1 One of the benefits in delaying the decision on the fee structure is that the Head of Service now has a comprehensive picture of tickets sales across all tariff bands now that the Rayleigh Town Centre improvements have been concluded; these are illustrated below together with the full year effect if the current fee structure (not that agreed in January 2000) is translated to monetary terms:-

Time Band	Sales	Charge	Income £
Up to ½ hour	389270	20p	77,854
½ to 1 hour	475978	30p	142,793
1 to 2 hours	303367	50p	151,684

2 to 3 hours	52098	75p	39,074
3 to 4 hours	28436	1.00p	28,436
4 to 5 hours	8248	1.25p	10,310
Daily	32441	2.00p	64,882
Weekly	1353	8.00p	10,824
Daily (Approach)	5586	1.75p	9,776
Weekly (Approach)	1944	7.00p	13,608
			<u>549,241</u>
		Less VAT	<u>81,802</u>
			<u><u>£467,439</u></u>

- 9.2 As illustrated above, when the Budget was constructed for 2000/01 the estimated income was £461,800. If the actual ticket sales for 1999/2000 were to be repeated for 2000/01 then unbudgeted income of £5,200 is likely to be generated.

10 FEE STRUCTURE AND FINANCIAL IMPLICATIONS

- 10.1 Based on the above model of ticket sales the Council now needs to consider several options for the future. It should be remembered, however, that the financial models only illustrate **full year effect** figures. Therefore, the only model that can be relied upon for proven results is the existing charge band illustrated above. Delays in the decision-making process and the need for statutory advertising of a revised charging order would cause further delays of around six weeks making the effective date of change around the end of July 2000. Income could be crudely projected for such a mid-year change but this would not take account of seasonal changes in parking patterns. The models on the following appendices (3 to 6) attempt such a split on a 34%/66% basis.

- 10.2 Council should now consider the following options:-

1) Do nothing (Appendix 3)

This would generate income of around £467,000; there would be no need to change ticket-issuing machines other than our planned programme of 3 units for Back Lane Car Park and substantial savings could be achieved on capital expenditure.

2) Adopt approved schedule (Appendix 4)

This would generate income of around £563,000 in a full year but would require capital expenditure of £34,000 on new ticket-issuing machines to avoid swapping.

3) Rayleigh Chamber of Trade Proposal (Appendix 5)

This would generate income of around £493,000 in a full year and would not require machines to be changed, only display backboards and machine tariff charges of around £3,500.

4) Fourth Option (Appendix 6)

Members may wish to consider an introductory band of 1 hour which produces a “mid-range” income level of around £544,000. There would probably not be a requirement to change machines but backboards and tariff charges of £3,500 would occur.

11 CONCLUSIONS

11.1 Car parking income provides a significant contribution to the Council's budget. The figures illustrated above clearly show that our car parks are better used than ever and that the free Saturday parking loss of income has now been neutralised.

11.2 It is proposed that that Council **RESOLVES**

- (1) to consider a revised charging strategy or to reconfirm the one currently in force.
- (2) considers the need to replace existing ticket issuing machines.
- (3) consider its position on the Trader Refund Scheme.

S J Clarkson

Head of Revenue and Housing Management

Background Papers:

Consultation Letters from Chambers of Trade.

For further information please contact S J Clarkson on (01702) 546366

Metric Pay + Display Ticket Machine

Car Park	Machine Number	Installation Date
Websters Way	1	02/08/95
Websters Way	2	07/08/95
Websters Way	3	07/08/95
Websters Way	13	02/08/95
Websters Way	15	11/03/98

Castle Road	4	02/08/95
Castle Road	5	02/08/95

Bellingham Lane	6	07/08/95
Mill Hall	7	07/08/95

The Approach	8	07/08/95
The Approach	16	05/10/98

The Market	9	02/08/95
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Southend Road	10	07/08/95
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Back Lane	11	08/06/89
Back Lane	12	28/06/89
Back Lane	14	08/06/89

Comparison of car park charges with other local Authorities

	ROCHFORD	SOUTHEND ON SEA	CASTLE POINT	BASILDON	CHELMSFORD	MALDON
Half an hour	20p	40p	10p & 20p	40p	20p	30p
Up to 1 hour	30p	40p	10p & 20p	40p	40p & 50p	30p
up to 2 hours	50p	80p	30p & 40p	70p	80p	30p
Up to 3 hours	75p	£ 1.50	60p	£ 1.00	£1.20	60p
Up to 4 hours	£1.00	£ 2.20	£2.50	£ 3.00	£2.40	£ 2.00
Up to 5 hours	£1.25	£ 2.90	£2.50	£ 4.00	£3.40	£ 4.00
All day	£2.00	£ 5.00	£2.50	£ 6.00	£8.60	£ 4.00

APPENDIX 3**DO NOTHING – RETAIN EXISTING FEE STRUCTURE**

This charge structure is already in place. No machine alteration is required nor any further expenditure on backboards

Charge Band	Sales	Charge	Income £
Up to ½ hour	389270	.20p	77,854
½ to 1 hour	475978	.30p	142,793
1 to 2 hours	303367	.50p	151,684
2 to 3 hours	52098	.75p	39,074
3 to 4 hours	28436	1.00p	28,436
4 to 5 hours	8248	1.25p	10,310
Daily	32441	2.00p	64,882
Weekly	1353	8.00p	10,824
Daily (App)	5586	1.75p	9,776
Weekly (App)	1944	7.00p	13,608
			<u>549,241</u>
		Less VAT	<u>81,802</u>
			<u><u>467,439</u></u>

2000/01 Projected Income £467,000

APPENDIX 4**ADOPT APPROVED SCHEDULE**

Current Approved Fee Structure (yet to be implemented)

Charge Band	Sales	Charge	Income
			£
Up to ½ hour	389270	.40p	155,708
½ to 1 hour	475978	.40p	190,391
1 to 2 hours	303367	.40p	121,347
2 to 3 hours	52098	.75p	39,074
3 to 4 hours	28436	1.00p	28,436
4 to 5 hours	8248	1.25p	10,310
Daily	32441	2.00p	64,882
Weekly	1353	8.00p	10,824
Daily (App)	15586	1.75p	27,275
Weekly (App)	1944	7.00p	13,608
			<u>661,855</u>
		Less VAT	<u>98,574</u>
			<u><u>563,281</u></u>

2000/01 Possible Split Income £536,000

APPENDIX 5

RAYLEIGH CHAMBER OF TRADE PROPOSAL

Probably no requirement to change machines, only backboards

Charge Band	Sales	Charge	Income £
Up to ½ hour	389270	.20p	77,854
½ to 1 hour	475978	.40p	190,391
1 to 2 hours	303367	.40p	121,347
2 to 3 hours	52098	.80p	41,678
3 to 4 hours	28436	1.10p	31,280
4 to 5 hours	8248	1.30p	10,722
Day tickets	32441	2.20p	71,370
Weekly	1353	8.00p	10,824
Daily (App)	5586	1.80p	10,055
Weekly (App)	1944	7.00p	<u>13,608</u>
			579,129
		Less VAT	<u>86,253</u>
			<u>492,876</u>

2000/01 Possible Split Income £489,000

APPENDIX 6

MID RANGE INCOME OPTIONFurther Option

Charge Band	Sales	Charge	Income £
Up to ½ hour	389270	.30p	116,781
½ to 1 hour	475978	.30p	142,793
1 to 2 hours	303367	.60p	182,020
2 to 3 hours	52098	.80p	41,679
3 to 4 hours	28436	1.00p	28,436
4 to 5 hours	8248	1.30p	10,722
Daily	32441	2.00p	64,882
Weekly	1353	8.00p	10,824
Daily (App)	15586	1.75p	27,276
Weekly (App)	1944	7.00p	<u>13,608</u>
			639,021
		Less VAT	<u>95,173</u>
			<u>543,848</u>

2000/01 Possible Split Income £523, 000