

REPORT OF Planning and Economy Manager
To: Special Community and Resources Committee
Subject: Notice of Motion – Free Car Parking
Date: 13th July 2020 **Reference:**

PURPOSE OF REPORT: To consider the following written notice of motion proposed by Councillor McGeough and referred to this committee by Full Council on the 22nd June 2020.

Given the recent pandemic and huge financial strain it has put on our local business owners, I would like to see TDC support our businesses to encourage footfall back to their premises in the town centres. We can help towards this by continuing free parking for two months, thus given them a small support cushion through this enabling phase of opening business back up.

1. INTRODUCTION

The Covid 19 pandemic has swept across the globe causing both a health and economic emergency. The response of the Government, to limit the spread of the virus, was to lock the country down and advise people to stay at home. All non essential business were advised to close and specific direction for closure was made to retail establishments. This has obviously had a detrimental effect on the financial position of those businesses. To try to compensate the Government announced a range of grant and support schemes and each business in the Town Centres will have benefitted in some way from one or more of these schemes. These were intended to support businesses to survive until they could be reopened.

Covid 19 has also had a detrimental impact on the financial position of Torrridge District Council and we are now being encouraged by the government to maximise our income generation to assist with economic recovery.

This report is intended to provide members with relevant information in order that they can be in an informed position when resolving whether to support or reject the above written notice of motion.

2. REPORT

Town Centre Car Parking Income

It is nearly impossible to accurately predict what income will be in the Bideford, Torrington and Holsworthy car parks this year because the Covid 19 crisis has made so much uncertain. It is possible that town centres will be quiet as people are reluctant to travel or shop because of nervousness about coming into contact with the virus.

It is equally possible that this summer will see a tourism bounce back and the staycation will be more popular than ever before. Discussion with the Hospitality Industry suggests that locally bookings for stays are being taken at unprecedented rates and we are likely to see an influx of visitors this Summer. Visitors are much less likely to be concerned about the parking charges levied in our towns and would therefore make a huge contribution towards the cost of providing the Councils range of services to its resident community.



Comparison with the car park takings in previous years is a crude way of assessing the cost to the Council of providing free town centre parking (because of the unknowns mentioned above) but it is the best estimate available. What is certain though is that July, August and September will be the months of the year where the most income would be generated for the Council as that always has been the case.

The Tables below provide members with a summary of our car park takings (excluding permit sales that cannot be attributed to location) in 2019/20.

Bideford	Spaces	1,007							
	P&D			P&D Income			PCN issue	Inc per space	
	Coins	Card	ParkMobile	Coins	Card	ParkMobile			
April	34936	0	2451	£42,240.07	£0.00	£6,325.00	187	£41.95	
May	36840	1082	2207	£53,353.22	£3,526.30	£5,677.40	143	£52.98	
June	44191	1898	1905	£66,808.30	£6,703.00	£4,902.50	109	£66.34	
July	39354	1791	2073	£60,373.40	£7,041.00	£5,359.00	150	£59.95	
August	39659	1963	2311	£62,646.20	£6,931.00	£6,760.00	147	£62.21	
September	34626	1374	1949	£52,316.00	£4,824.00	£5,909.90	135	£51.95	
October	33123	1505	2044	£48,791.10	£5,298.00	£5,368.90	153	£48.45	
November	29390	1257	2063	£42,639.20	£4,606.80	£5,431.00	158	£42.34	
December	28198	1195	1817	£40,940.25	£4,218.50	£4,779.10	123	£40.66	
January	28895	1135	1874	£41,271.35	£4,235.00	£4,719.20	137	£40.98	
February	28087	1302	1757	£40,591.95	£4,651.00	£4,612.30	127	£40.31	
March	20000	887	0	£28,417.10	£3,334.00	£4,308.80	52	£28.22	
	397299	15389	22451	£580,388.14	£55,368.60	£64,153.10	1621	£576.35	

Great Torrington	Spaces	188							
	P&D			P&D Income			PCN issue	Inc per space	
	Coins	Card	ParkMobile	Coins	Card	ParkMobile			
April	9203	0	404	£7,435.69	£0.00	£764.60	30	£84.03	
May	8785	151	363	£9,770.77	£509.80	£708.20	19	£111.51	
June	11247	283	337	£12,669.15	£923.00	£668.60	21	£130.26	
July	9830	254	304	£10,884.15	£841.00	£591.50	37	£112.53	
August	9865	236	306	£11,169.10	£837.00	£607.50	24	£116.02	
September	9237	221	337	£10,374.50	£793.00	£678.30	20	£107.90	
October	11273	262	368	£11,844.70	£940.00	£722.10	27	£121.20	
November	9044	275	339	£9,954.05	£941.00	£605.20	17	£103.70	
December	7917	244	249	£8,834.60	£902.00	£480.70	22	£92.32	
January	8245	229	358	£9,494.05	£748.00	£640.60	21	£99.52	
February	8518	229	283	£9,654.40	£764.00	£563.00	16	£100.34	
March	5694	218	0	£6,433.70	£756.00	£459.70	15	£78.42	
	108858	2602	3648	£118,518.86	£8,954.80	£7,490.00	269	£1,257.74	



Holsworthy	Spaces	258							
	P&D			P&D Income			PCN issue	Inc per space	
	Coins	Card	ParkMobile	Coins	Card	ParkMobile			
April	7663	0	206	£5,819.36	£0.00	£302.40	22	£23.73	
May	8984	202	182	£7,496.35	£257.60	£253.80	14	£31.04	
June	10364	183	153	£10,278.50	£561.00	£236.40	9	£39.84	
July	8120	155	186	£8,038.80	£502.00	£292.90	22	£31.16	
August	7624	175	173	£7,503.05	£581.00	£273.80	27	£29.08	
September	7756	165	139	£7,716.10	£554.00	£217.80	11	£29.91	
October	8096	238	162	£8,059.90	£772.00	£250.80	16	£31.24	
November	7439	211	141	£7,410.20	£707.00	£238.40	21	£28.72	
December	7174	187	102	£6,990.25	£607.00	£166.70	17	£27.09	
January	7244	218	167	£7,236.95	£684.00	£305.00	11	£28.05	
February	6630	233	154	£6,904.40	£751.00	£233.40	21	£26.76	
March	4599	188	0	£4,541.35	£594.00	£155.10	7	£20.51	
	91693	2155	1765	£87,995.21	£6,570.60	£2,926.50	198	£347.12	

From the tables above, based on last years figures, two months free parking in July and August in the three towns would cost Torridge District Council approximately **£192,000**.

That figure does not include permits refunds, reserved bay refunds or PCN income that would not be generated.

The cost of delivering the service during two months of non-enforcement in the Town Centres would not reduce as we would still need to enforce in Northam Westward Ho! And Appledore. We would also need to regularly patrol the car parks for safety reasons while not generating income for that service. In fact it is likely that service costs will increase because we will need to refund permits that have been issued since the car parks re opened.

At the time of writing this report (01/07/20) we had taken **£39,950** in pay and display charges since re opening all car parks after lock down.

Permits

Since 18th May (when we started charging in WWH! And Appledore) we have issued 169 permits, 22 of which were tourists. All of the tourist permits have been issued from 04/06/2020.

We have issued 104 permits from the 4th June, so the tourist permits make up 21.2% of all permits issued in that time frame.

In the same time frame last year (4th June to 1st July 2019). We issued 136 permits, 23 of them being tourist permits.

These figures above are in addition to the 800 permits of various types that are issued at the start of the financial year and that were reissued to extend by two months as a gesture of good will following the lock down period. If a further period of two months free parking were agreed then we would have to further extend these permits at considerable cost and causing a great deal of work for the 1.5 FTE Parking Services admin team.



Other Districts and free parking following the Covid 19 pandemic

Consultations have confirmed that no Devon District nor Devon County Council is offering free town centre car parking to support town centres to recover from the effects of the pandemic. Instead, the consensus is that it is better to have the revenue to redistribute for the benefit of all residents through project and service delivery and that this approach will stimulate a stronger economic recovery.

3. IMPLICATIONS

Legal Implications

N/A

Financial Implications

The costs of additional free parking are set out in this report to C&R.

Human Resources Implications

N/A

Sustainability Implications

The incentivisation of car use through free parking would appear to be at odds with the Council's climate emergency declaration of 2019

Equality/Diversity

The equality of a proposal that benefits car owners above non car owners will need to be considered as will whether or not the cost to the Council Tax payer of providing 2 months free parking for both residents of the district and those who do not contribute to the council's funds is acceptable.

The fairness of providing 2 months free parking for the three market towns and not for the coastal resorts of the District is another consideration.

Risk Management

The financial risks to the Council following the detrimental impacts of the Covid 19 crisis have been previously considered and recognised by this committee.

Compliance with Policies and Strategies

Parking services are delivered in accordance with the Off Street Parking Places Order 2013 (as amended).

The notice of motion does not accord with the Council's Climate Emergency Declaration and the objectives of its emerging Carbon Plan

Ward Member and Leader Member Views

Councillor Hodson – Lead Members for Internal Resources (3 July 2020)

This report provides members with all the financial information regarding the income received from car parking to make an informed decision.

Our actions, as Members, have consequences and I would reiterate four points.

- Loss of income in one area will require removal or reduction of financial revenue support from another of the Council's approved services/projects.



- Secondly, is this Council prepared to support a scheme which lacks equity of provision, where car drivers are given free access to car parks in towns but have to continue to pay in our coastal resorts? All businesses are experiencing the same pressures wherever they are located.
- Whilst the Notice of motion implies that an increased footfall would stimulate business recovery there is no evidence to support this assumption, indeed this report identifies the known outcomes of limited free car parking in the Towns as negligible and insignificant.
- Finally, no other Devon District or indeed the County Council are offering free car parking.

3. CONCLUSIONS

Parking charges in Torridge

The current car parking charges in Torridge are low in comparison to those in other districts. Given the relationship described above, if there is concern that parking charges are too high (the District Council receive very few complaints) perhaps the missing component for trading success is a retail and leisure offer that is commensurate with the current charging regime.

It could be that the Bideford, Torrington and Holsworthy would see greater benefit if the focus were on lifting the quality of the retail/ leisure offer of the town to meet the quality expectations associated with the low parking charges rather than reducing the parking charges in a race to the bottom.

This is where the Council can work together in partnership with the Towns as it has been in the development of Future High Street proposals, Heritage Action Zone bids, Shop Local and circular economy initiatives or in the opening up discussions following the Covid 19 lockdown. The Council recently received £150,000 from MHCLG for Future High St development work in Bideford as part of a plan for the economic revival of Bideford Town Centre. In addition to this project, and others across the district, have been included within a list of pipeline priority projects for accelerated delivery to assist with the post Covid economic recovery.

Car parking and its relationship to Town Centre trading can be investigated in the development of the aforementioned plan (and plans for the other towns) as can other actions that we can deliver in partnership with the Towns and their residents.

At present there is no evidence to suggest that free car parking would lift trading opportunities in the Town Centres. Torridge has been offering free parking on The Pill car park (Bideford) on Saturday afternoon and Sunday for some years and yet no evidence has been presented that this intervention has made a positive impact on Town Centre trading. In fact the opposite has been suggested as the car park appears to fill with residents cars that do not move from 12 on Saturday until early on Monday morning, thus reducing the spaces available for shoppers and visitors.

So, the benefits of the proposal are uncertain but what is certain is that the Council would lose significant revenue by giving 2 months of free parking, the costs of providing the car parks and their management would not decrease and there is no obvious answer to how this budgetary impasse might be met.

It is recognised by Officers and Members of the Council that traders in the town will have lost income as a result of the Covid 19 Crisis, the Council has also suffered huge financial losses. The Government has already put in place a range of support measure to help firms including the Small Business Grants, Retail, Hospitality and Leisure Grants and Discretionary Grants



delivered by TDC. In addition the furlough scheme, bounce back loans at preferential rates and other measures have been provided by the Government to give support to business.

The pros and cons of free parking.

Studies (referenced various parking journals) suggest that retailers prefer an abundance of cheap or free nearby parking because they believe that given the choice between a shop with nearby parking and one without, drivers will choose the one with it. In some respects this could be right, particularly as one moves away from the town centre and established lines of alternative transport. However free commercial parking, especially in the town centres, has several downsides too.

Free parking is not really free. A true "free" parking spot does not exist and it has always been paid for by someone. When local authorities provide "free parking" to car drivers it is the resident Council tax payers that are, in reality, subsidising that generosity. The car driver is being incentivised to travel to a particular location and others, both car and non-car owners, are paying for that.

This incentive for car drivers pressures local authorities into shifting resources and space toward roads and parking (instead of additional retail developments or activities to encourage footfall). It can also create congestion and pollution particularly when on-street parking is involved as well, although it is not clear whether DCC are being petitioned for two months free parking and that is beyond the control of TDC in any case.

Above all, free parking often hinders the shopper turnover it's meant to entice. Evidence suggests that freely available spaces are often used by nearby workers and residents and not by shoppers, and that shoppers given free spaces tend to stay for long periods of time, which means fewer visitors arrive each day on average.

Car park charging in most shopping centres is predicated on the principle that higher parking rates lead to higher parking-space turnover and therefore higher retail potential — except in out of town areas where car access is a determining factor.

A mix of retailers and an enjoyable experience is more important than cost of parking for the vibrancy and vitality of town centres.

What brings shoppers/visitors to a particular commercial centre is the mix of stores and facilities as well as the general atmosphere more than parking and accessibility. People will travel from far and wide and pay a premium for a great experience

What seems to be clear is that where there is an uncertain relationship between the car parking charges and the quality of the offer of a location, then customers will be deterred from visiting and be attracted to other areas such as out of town locations.

The worse case scenario is that a location is considered to be over charging relatively to the benefit of visiting the town centre, or that it is being over zealous and rigid in terms of enforcement.

It is clear that charges for car parking in town centres, as elsewhere, must be consistent, clear and justified. Once shoppers are deterred, be it through car parking or for any other reason, it is often very difficult to reverse or change shopping habits back to a town centre location. Car Parking in Town Centres, New Economy, 2014



In Summary

Evidence from other authorities suggests that whilst free parking can be popular with residents there is little to prove that it makes a demonstrable improvement to trading conditions in retail areas. In fact there is some evidence to suggest that free parking can have a detrimental impact on trading conditions because parking bays become filled with residents rather than shoppers and shoppers are forced to do their business elsewhere.

In Torridge free parking on the Pill in Bideford was introduced as a pilot scheme to see if it improved trading conditions. We have been provided with no information from the town traders that this free parking has had a positive impact, instead we continue to hear that trading conditions have become more difficult (this is obviously not entirely related to parking). Our own monitoring of the Pill Car Park shows us that on Saturday afternoon the car park fills with many residents' cars that remain on site until Monday morning. Similar can be said in both the Sydney House Car Park Torrington and the Manor Car Park in Holsworthy.

It should also be noted that parking charges are an important revenue stream for the Council and are used to cover the costs of service delivery. The costs of providing a parking service do not decrease if free parking is offered and will still need to be paid for. Given that there are extreme pressures on the Council's budget it seems counter intuitive to recommend any scheme that would reduce income without evidence that there would be benefits elsewhere.

The above point was recognised by this committee at its meeting on the 29th June 2020 when the following recommendation of the Interim S151 Officer was unanimously approved:

That members consider the financial impact of Covid 19 upon the council and the necessity for the council to maximise its income streams wherever possible.

Parking at large out of town retail outlets and supermarkets is subsidised for motorists by the site owners on the basis that they will generate their revenues from consumers elsewhere on that site. The Council is not afforded that opportunity and instead has chosen to implement comparatively low parking charges to help manage the car parks effectively and, more pertinently, for the benefit of its residents and traders.

The success or otherwise of 2 months of free parking in Bideford, Torrington and Holsworthy will be very difficult to measure given that so many external factors can have an influence on trading conditions.

For complete transparency on process it should be noted that if members of this committee were minded to approve the written notice of motion then that decision may need to be referred back to Full Council as it is an unfunded proposal requiring financial decisions that may need to be considered by Full Council.

5. RECOMMENDATIONS

1. That Members consider the notice of motion in cognisance of:

- The previous resolution that the Council should seek to maximise its income streams wherever possible in light of the financial impact of Covid 19 on its financial position
- It's fit with Council's Climate Emergency Declaration and Carbon Management Plan
- The equality and fairness of the proposal for all residents
- Any perceived benefits the proposal might have for the trading environment of our town centres

2. Members resolve to approve or reject the Notice of Motion.



3. That members consider any alternative proposals that should be referred back to Full Council for consideration and if approved a full report be presented to a subsequent meeting of Community and Resources Committee.

SUPPORTING INFORMATION

Consultations: Interim Head of Paid Service, Senior Solicitor and Monitoring Officer, Interim S151 Officer
Contact Sean Kearney
Officer:
Background
Papers:

