

CYNGOR GWYNEDD - Report to Cyngor Gwynedd Cabinet

Title of item:	Parking Fees and Schemes
Cabinet Member:	Councillor Dafydd Meurig, Cabinet Member for the Environment Department
Relevant officer:	Gerwyn Jones, Assistant Head of Environment Department
Date of meeting:	15 th October 2024

1. Decision Sought:

- 1.1 To approve and enable the Parking Service to proceed with the realisation of two savings schemes approved by the Council's Cabinet in 2023/24, namely:
 - 1.1.1 Increase Pen y Gwryd parking fees from £2.00 for half a day and £4.00 for a full day to £4.00 for 6 hours and £8.00 for 12 hours.
 - 1.1.2 Increase the price of an Annual Parking Ticket from £140 to £145 per year and the price of a Local Parking Ticket from £70 to £75 per year.
- 1.2 To approve and enable the Parking Service to proceed with realising two savings schemes requiring further consideration before reaching a final decision in 2024/25, namely:
 - 1.2.1 Extend the enforcement hours of short stay car parks from 10:00 to 16:30 to 9:00 to 17:00.
 - 1.2.2 Adjustment to Band 2 Long Stay Fee Structure in accordance with what you see in Appendix A.
- 1.3 To agree on a 40% increase in all parking fees to meet income targets and address a significant shortfall in budgets.
- 1.4 Should Cabinet Members decide to approve the savings plans set out within 1.1.1, 1.2.1, 1.2.2 and the proposed increase to the parking fee structure in point 1.3, there will be a 10 day standstill period before the matter is able to be transferred to the Council's Legal Department in order to carry out a statutory consultation period in accordance with the Local Authority Traffic Orders Regulations - Regulation 25 (England and Wales).
- 1.5 As part of the consultation period, there will be an essential requirement for the Council to advertise the proposed changes in the local newspapers as well as display the information (including the new fees) in a prominent position in the car parks that will be affected.
- 1.6 I note that it is not statutorily required to carry out a consultation process for plan 1.1.2.

1.7 Our intention would be to proceed with the preparations in order to implement all the changes from 1st April 2025.

2. The reason why the Cabinet needs to make the decision:

2.1 To update the parking strategy and offer appropriate solutions in order to meet the sufficient level of income that is expected from the Department.

2.2 It must be recognized that parking can be a contentious issue and that proposals for parking management can provoke strong feelings from a personal and local perspective. However, all options must be looked at and a review of the arrangements is inevitable in terms of financial sustainability in this challenging period in terms of the authority's budgets.

3. Introduction

3.1 It is inevitable for the Council to realise significant savings and cuts together with increasing the level of Council tax to address the severe financial deficit in the budgets.

3.2 Services across the Council submitted savings schemes that were equivalent to 20% of their budgets in a bid to alleviate the extremely challenging fiscal situation facing us.

3.3 Some of these schemes were accepted last year, and since then, all remaining schemes have formed the basis of internal discussions and workshops.

Savings Schemes 2023/24

3.4 Below are two of the schemes submitted by the Parking Service that have received approval from the Council's Cabinet in 2023/24 along with the first phase of the Council's savings and cuts proposals. However, and considering that the subject is contentious, the Council's Leadership Team we feel it appropriate to present the schemes before the Scrutiny Committee and then the Councils Cabinet members for their approval.

Title of Scheme	Estimated Total of additional income
Increasing Pen y Gwryd parking fees	£40,000
Increasing the price of Annual and Local Car Park Permit by £5 per annum	£17,000
Total:	£57,000

Savings Schemes 2024/25

- 3.5 Below are two of the schemes submitted by the Parking Service that require further consideration and approval from Council Cabinet Members to enable the service to proceed with the arrangements and initiate the realisation of potential income increases:

Title of Scheme	Estimated Total of Additional Income
Adjustment to Band 2 Long Stay Fee Structure	£160,000
Extension of Parking Enforcement Hours at Council Short Stay	£78,000
Total:	£238,000

Budget Deficit

- 3.6 Composite inflation is added on the parking fee income target at the start of each financial year. A significant increase in the target means that income generated no longer reaches the set target. As a result, it creates the impression of significant cost overspend in service budgets.
- 3.7 It is anticipated that increasing parking fees by 40% would be sufficient to address the expected inflation increase until the 2028-2029 financial year.

4. Background / Context

- 4.1 A Parking Task Group was established in July 2019 to undertake a comprehensive review of the operational parking strategy and consider its suitability and relevance to the needs of the Council and the needs of our communities today.
- 4.2 The Task Group consisted of four local members at the time, Councillor Angela Russell; Councillor Annwen Hughes; Councillor Kevin Morris Jones and Councillor Gethin Glyn Williams who worked constructively with Dafydd Wyn Williams, Head of the Environment Department and other officers from the Department.
- 4.3 The Council's parking policies and procedures had remained virtually the same since 2015 so we took the opportunity to recommend improvements that fitted in with the local economy and maximised the use of software that is now available. Reviewing the arrangements was also inevitable in terms of financial sustainability in terms of the authority's budgets to ensure that our practical management arrangements are effective and efficient.
- 4.4 A comprehensive report was submitted to the Communities Scrutiny Committee in December 2020 proposing appropriate recommendations for solving most of the issues. Subsequently, a final report was presented before the Cabinet Members in February 2021 with the following recommendations being approved:

1. Adopt a New Parking Fee Structure based on the following bands:

Band	Criteria
Band 1	Sub-regional Centre and the Urban Retail Centres (Providing the best range of services, employment opportunities and access to public transport)
Band 2	Retail and Local Service Centres (providing for the essential service needs of their own population and the nearby rural catchment areas, together with some employment and retail opportunities. They have a good degree of accessibility via public transport to the higher ranked Centres)
Band 3	Seasonal Car Parks

2. Review the parking offer over the Christmas period.
3. No changes to the Blue Badge Scheme.
4. No changes to the Resident Parking Scheme.
5. Strengthen the Parking Enforcement Team.

4.5 The recommendations listed above have been implemented.

5. Rationale and justification for recommending the decision

Savings Schemes

5.1 As mentioned above, at the turn of 2023, services across the Council submitted savings schemes equivalent to 20% of their budgets in a bid to alleviate the extremely challenging fiscal situation that we face.

5.2 This report focuses on the following four schemes:

- Increase Pen y Gwryd parking fees
- Increase the price of an Annual and Local Car Park Permit by £5 per annum
- Adjustment to Band 2 Long Stay Fee Structure
- Extension of Parking Enforcement Hours at Council Short Stay Car Parks

Increase Pen y Gwryd parking fees

5.3 The Council has a pay and display parking provision in the Pen y Gwryd area. Unlike Council car parks, this parking provision is parallel to the highway and is therefore governed by an on-street parking order.

- 5.4 The same fees have existed at the location for years, at £2.00 for half a day and £4.00 for a full day. Looking at the remaining fees across the County, we feel it is reasonable and timely to increase the current fees to £4.00 for 6 hours and £8.00 for 12 hours.
- 5.5 We anticipate that this change could generate an additional £40,000(Gross).
- 5.6 We will of course look at the practical side of implementing the changes, including the introduction of alternative payment options that are in addition to the traditional cash-based payment method.

Increase the price of an Annual and Local Car Park Permit by £5 per annum

- 5.7 The Council offers an annual parking permit which enables permit-holders to park in any long-stay car park throughout the County with no time limit.
- 5.8 The cost of the annual parking permit increased from £125 to £140 a year in 2021 in line with a recommendation from the parking strategy review. Previously, prices had not increased since 2015.
- 5.9 The Council also offers a local parking permit for residents without a designated parking space to use a long-stay car park that is close to their homes. The cost of the local parking permit increased from £60 to £70 a year in 2021 as recommended by the parking strategy review. Previously, prices had not increased since 2015.
- 5.10 Implementing the price increase as included in corporate savings schemes would see the price of an Annual Parking Permit increase from £140 to £145 per annum and Local Parking Permit price of £70 to £75 per annum.
- 5.11 We feel these permits would continue to offer value for money after the fee increase – see below for a breakdown based on the proposed new fees:

	Monthly Cost	Daily Cost
Annual Parking Permit	£12.08	£0.40
Local Parking Permit	£6.25	£0.21

- 5.12 We recommend that the Council's Cabinet Members enable the Parking Service to proceed to realise two savings plans **Increase Pen y Gwryd parking fees** and **Increase the price of an Annual and Local Car Park Permit by £5 per annum** which have been previously approved.

Extension of Parking Enforcement Hours at Council Short Stay Car Parks

- 5.13 Council Cabinet Members approved a new parking fee structure in 2021 and presented an amendment to the recommendation by asking the Council to reduce the enforcement time of short-stay car parks. It was changed from 9:00 - 17:00 to 10:00 - 16:30.

- 5.14 The original recommendation to introduce enforcement hours of 9:00 – 17:00 had already been shortened from 8:00 – 18:00.
- 5.15 The final decision by Cabinet Members was to further shorten the hours to 10:00 -16:30. The changes came into force in May 2021 with the understanding that the Environment Department would monitor income levels very closely.
- 5.16 Although it is very difficult to approximate the true financial impact of the arrangements, the parking trends before 10:00 and after 16:30 recommend that we lean towards the worst-case scenario in terms of projected income loss, namely £78,000.
- 5.17 We feel that we are now in a position where it is inevitable to propose extending the enforcement hours in band 1 and 2 short stay car parks to 9:00 – 17:00.

Adjustment to Band 2 Long Stay Fee Structure

- 5.18 Despite receiving approval and consulting in accordance with the procedure, several complaints were received regarding the new fees. The vast majority of the complaints referred to the cost to park in long-stay car parks within band 2 where a decision had been made to reduce the number of options to just two fees – £5 for 12 hours and £10 for 24 hours.
- 5.19 Concerns were raised that the new fees would not be affordable for local people nor would they meet the needs of people who would want to use the car parks for a period of less than 12 hours.
- 5.20 Full consideration was given to the feedback received after the new fees came into force. As a result, it was decided to introduce two new fees in addition to the two existing fees of £1 for 2 hours and £2 for 4 hours.
- 5.21 The new fee structure in its original form was expected to address the Council's budget. Of course, the figures were calculated based on the original enforcement hours and fees without taking into account the changes subsequently introduced.
- 5.22 Given that long-stay car parks are in question here, we now recommend to dispose of the fee of £1.00 for 2 hours and increase the fee for 4 hours from £2.00 to £2.50.
- 5.23 By using the same model as was previously used to estimate the income and by issuing a fee that is a minimum of £2.50, we envisage that this change could generate an additional £160,000 (Gross).
- 5.24 A copy of the proposed fees structure can be seen in **Appendix A**.
- 5.25 We recommend that the Council's Cabinet Members approve and enable the Parking Service to proceed to realise two savings plans **Extension of Parking Enforcement Hours at Council Short Stay Car Parks and Adjustment to Band 2 Long Stay Fee Structure**

Budget Overspending

- 5.26 The Council's parking strategy, which includes our fee structure for the Council's pay and display car parks is reviewed every five years or so.
- 5.27 The income target that the service needs to meet through parking fees increases annually in line with inflation. Composite inflation is added to the parking fee income target at the start of each financial year.
- 5.28 We confirm that an income target for the current financial year 2024-25 includes inflation as well as the additional income totals stemming from the savings schemes proposed by the service.
- 5.29 Below is a summary of the income targets from 2021-22:

	Cyllideb
2021/22	£2,381,880
2022/23	£2,506,260
2023/24	£2,690,350
2024/25	£2,937,020

- 5.30 The total income generated by parking fees in the 2023-24 financial year was around £2.1 million which is approximately £590k short of the target.
- 5.31 Should the parking fee structure and the number of people using the car parks remain the same this year, it is predicted that the service would underperform by over £870,000. By approving the above saving schemes, it would be possible to reduce this total to £730,000.
- 5.32 To try to keep up with the annual income target, given that fees do not increase annually, the only way to do this is by increasing use. The surplus is now unrealistic in terms of how much increase in use would be needed to satisfy this, given that some of our busiest car parks will be full or close to full already during peak periods.
- 5.33 The fact that the Council's parking fee structure has remained the same since 2021, and the income target that needs to be met continues to increase, means that the service's budgets appeared to be significantly overspending against the target.
- 5.34 We recommend that the Council's Cabinet Members approve and enable the Parking Service to increase all parking fees by 40% in order to meet the sufficient level of income expected from the Department.

Communities Scrutiny Committee

5.35 A report was submitted to the Communities Scrutiny Committee on 12th September 2024 presenting the schemes and the Department's recommendation to increase all parking fees by 40% for their consideration. All the issues and the possible impact on the County's residents and communities were discussed. The Committee decided;

1. Consideration should be given to increasing parking fees annually or every two years taking into account the inflation situation;
2. The enforcement arrangements in the short stay car parks should not be modified due to the impact on the local economy.
3. Consideration should be given to increasing fees further in car parks in specific tourist areas such as Pen y Gwryd.
4. Consider increasing the fees for Stop sites annually.

5.36 While the discussion during the meeting were extremely valuable, we must outline the reasons why their implementation may not be feasible at present.

5.37 **Increasing parking fees annually or every two years:** While an annual or biennial increase in parking fees to reflect inflation is a practical suggestion, we are mindful of the need to strike a balance between generating necessary revenue and supporting our residents and local businesses. Increasing parking fees incrementally could help ensure that the Council's services remain adequately funded without placing an undue burden on the public all at once.

In order to achieve this, we can consider a phased approach to increasing the fees taking into account inflation, while being sensitive to the financial pressures our communities are currently facing. This would provide an opportunity to gradually raise funds for essential services without negatively affecting the number of visitors to the town center or local businesses who are still recovering from recent economic challenges. Such an approach could allow the Council to better manage its financial position, supporting long-term sustainability while responding to public concerns.

It is also crucial to remind the Cabinet of the ongoing financial challenges facing the Council and the urgent need to reach the income targets for this financial year.

5.38 **Maintain current enforcement arrangements in the short-stay car parks:** The recommendation to maintain the existing enforcement arrangements in short-stay car parks to protect the local economy is understood. However, the current enforcement regime, while effective, does not generate the revenue needed to meet our financial targets.

It is also important to note that the Parking Service already has arrangements in place with some local schools, allowing parents to park in Council car parks for short periods during school drop-off and pick-up times. This initiative has been well-received and helps to manage congestion around schools while ensuring car park spaces remain available for general use throughout the day. We are happy to discuss this option further with other schools or stakeholders who may be interested.

While we appreciate the need to support the local economy, any relaxation of enforcement measures could reduce our ability to meet the income target for this financial year, further straining the Council's financial situation.

- 5.39 **Increasing Fees in Tourist Area Car Parks such as Pen y Gwryd:** The recommendation to increase parking fees in tourist areas is understandable. However, it is important to recognise that Gwynedd residents also use these car parks, not just tourists. Whether for leisure, local activities or other purposes, many residents visit tourist areas such as Pen y Gwryd and similar areas, which means that they too would have to pay the higher fees.

Imposing an increase in fees in these areas alone could place an additional financial burden on our residents, who are already facing the pressure of rising living costs. A careful balance must be struck to ensure that the parking fees are fair and do not disproportionately affect local communities. In addition, a sudden increase in the fees could reduce the number of visitors, having a negative impact on tourism — which is a vital economic driver for Gwynedd.

Considering the rising costs that tourists already face in terms of travel and accommodation, further increases in parking fees could make other locations more attractive. Therefore, a more measured approach is recommended which ensures that fees are appropriate and competitive to maintain the appeal of Gwynedd as a destination, while ensuring fairness for local residents who also use these facilities.

- 5.40 **Increasing Fees Annually at the Arosfan Sites:** Any increase in fees for the Arosfan sites should be considered carefully. These sites, which are used by residents and tourists alike, are part of a pilot scheme which has been in operation since January 2024. It is key to reach an appropriate balance between calculating a fee which ensures that the scheme is sustainable and a fee which is affordable in order to attract motor home owners to use the facilities, rather than parking on parts of the public highway or residential streets overnight.

- 5.41 **Council's Financial Situation and Need to Meet Income Targets:** It is essential to remind the Cabinet of the Council's significant financial challenges. The Council is facing a substantial budget shortfall, and revenue from parking fees and enforcement is one of the key areas that can help mitigate this deficit. Failing to meet the income targets set for this financial year could lead to reductions in essential public services, affecting both residents and the local economy.

The financial pressures facing the Council are further heightened by rising costs in service delivery, inflation, and reduced central government funding. Therefore, while the recommendations from the Scrutiny Committee are understandable, we must prioritise generating sufficient income to ensure the continued provision of vital services.

6. Next Steps

- 6.1 We are alert to the fact that we are facing very challenging times and it is inevitable that the Parking Service, like other services, must contribute towards closing the financial deficit in the Council's budgets.

Savings Schemes

6.2 In response to the Council's current financial situation, it is intended to proceed with the savings schemes approved by the Cabinet in 2023/24, namely 1) Increasing parking fees at Pen y Gwryd and 2) Increasing the price of the annual parking permit and the local parking permit to £5 a year.

6.3 We have presented the savings plans that require further consideration, namely 1) Modification to the Band 2 Long Stay Fee Structure and 2) Extending Enforcement Hours in the Council's Short Stay Parking Areas and request Cabinet Members to enable the service to proceed with the arrangements and start realising the increase in potential income as soon as possible. Due to the considerations associated with this it is a process of approximately 3 months to implement changes in the fees following approval.

Budget Overspending

6.4 Parking fees generate significant income for the Council. However, we must face the fact that the current fee structure is no longer suitable to meet the income target.

6.5 Based on the current fee structure and should the use of our car parks remain the same, we project that increasing all fees would generate the following income levels;

	Total Annual Additional Income (Estimate)
Increase all fees by 40%	£800,000

6.6 To meet the income target set for this year, we anticipate we would need to increase all fees by 40%.

6.7 **Appendix B** shows the existing fee structure with 40% additions.

6.8 **Appendix C** shows the proposed fee structure with 40% additions.

6.9 If expected inflation increases until the 2028-29 financial year is to be met, it is estimated that all fees would need to be increased by **40%**.

6.10 The following options provide a way to alleviate such a significant impact on our parking fee structure:

- Reduce the income target expected from parking fees.
- Freeze the inflation rate between reviews so that the income target does not increase annually.
- Increase parking fees annually rather than every 5 years (on average).

6.11 These options offer advantages in terms of assisting the service to meet a target that is more achievable. However, it is important to be alert to the fact that the knock on effect of these options would require the Council to address the financial deficit in an alternative way.

- 6.12 The Parking Service regularly monitors how customers pay for parking, be that via pay and display machines or mobile app. This continuous monitoring allows us to understand customer preferences and trends, ensuring we can adapt our services to effectively meet their needs.
- 6.13 During 2023-24, 55% of all parking payments were made through the mobile phone App (Paybyphone) and the remaining 45% were made through the pay and display machines.
- 6.14 By evaluating the use of different payment methods, we can identify opportunities to streamline operations and reduce costs. For example, if there is a significant shift towards digital payments via an app, we could consider reducing the number of payment machines, resulting in savings on maintenance and operating costs. On the other hand, if payment machines continue to be popular, ensuring that they are up-to-date and easy to use would be essential.
- 6.15 While progress has been made, especially considering these on a percentage basis, which may look significant, it is necessary to consider this in terms of costs. These should also be considered in the context of other costs associated with transport including fuel, maintenance and insurance. The Annual and Local tickets reflect value for money and are very attractive especially for the residents of Gwynedd.
- 6.16 The package of changes that is being presented and recommended offers a solution to the significant shortfall that already exists in the Service's budget. Based on the feedback from the Scrutiny Committee, and considering that it has been 5 years since the last comprehensive review, it may be timely to undertake a full review of the fee structure of our car parks from scratch. This will be able to take into account the range of factors that have changed during the period since 2019 which include travel patterns, the Council declaring a Climate Emergency, changes in capacity and the use of alternative methods of paying for services rather than cash and technical developments.
- 6.17 Ultimately, our goal is to offer customers the best possible service in a way that is easy to use and cost-effective. By making informed decisions based on the data we collect, we can make the Parking Service more efficient, improve the customer experience, and save the Council money, contributing to the overall efficiency and sustainability of the service.

7. The Well-being of Future Generations (Wales) Act 2015

- 7.1 The proposal to increase parking fees should align with the Act's seven well-being goals:

A prosperous Wales: By carefully managing parking fees, the council can support economic growth by encouraging people to use local facilities and services, generating revenue that can be reinvested in infrastructure improvements.

A resilient Wales: Higher parking fees can encourage people to use public transport, reduce car use, and consequently reduce carbon emissions. This helps protect the environment and contributes to a more resilient community in the face of climate change.

A healthier Wales: It can encourage alternatives to car travel, such as walking, cycling, or using public transport, promoting exercise and reducing air pollution, contributing positively to public health.

A more equal Wales: The policy must consider the impact on different socio-economic groups. It should be ensured that any fee increases do not disproportionately affect low-income individuals and that affordable transport options are still available.

We will also promote the annual and local parking permits available at reasonable prices. Many residents and people who need to use our car parks on a daily basis take the opportunity to purchase a permit that provides value for money.

A Wales of cohesive communities: Properly managed parking policies can improve the vitality of town centres by reducing congestion and making areas more accessible and desirable to residents and visitors alike.

A globally responsible Wales: By taking steps to reduce reliance on cars, the council can contribute to global efforts to combat climate change, reflecting a commitment to global sustainability.

A Wales with a vibrant culture and a thriving Welsh language: Parking strategies should also consider their impact on access to cultural events and venues, ensuring that the Welsh language and Welsh culture are promoted and retained.

7.2 The proposal to increase parking fees should align with the five modes of working set out in the Act:

- We **include** residents and service users by receiving feedback. This includes requests, complaints, comments and other input from the public, users and potential users of our car parks on an ongoing basis.
- We are **working closely** with the other key stakeholders. This includes Other Local Authorities, North Wales Police, Eryri National Park, Welsh Government and Transport for Wales.

At an operational level we are working with 10 other Local Authorities in Wales as members of WPPP (Welsh Penalty Processing Partnership) to support the enforcement operation by dealing with challenges, charges and processing all penalty payment notices served.

At a strategic level we provide input into the development of the Regional Transport Plan through the Corporate Joint Committee.

- We are looking to **prevent** problems from arising or worsening in the future by working closely with the other key stakeholders. The aim is to optimise the use of the car parks to facilitate access and support resilient communities and a successful and thriving local economy.

- We are considering the **long-term** through the Regional Transport Plan and the work of the Corporate Joint Committee. This includes considering how parking strategy and parking fee structure can positively influence travel preferences and behaviours. A programme is in place to locate charging points for electric cars in our car parks. It is possible to pay for parking in car parks through an App which is a reflection in technical changes as well as how customers want to pay for parking. This mode of payment is increasingly popular.
- The nature of the work involves a need to **integrate** with other public bodies including other Local Authorities, North Wales Police, Eryri National Park and the Welsh Government.

We consider the relationship between on-street and off-street parking provision as one integrated package with a view to meeting the different expectations and aspirations of stakeholders when these sometimes conflict.

The Scrutiny Committee should ensure that the decision to increase parking fees is made with a holistic view, considering not only the immediate financial benefits but also the long-term impacts on the well-being of current and future generations.

8. Impact on Equality Characteristics, the Welsh Language and the Socio-Economic Duty

- 8.1 The Service has already considered and recognises the need for impact assessments (e.g. Language and Equality), and assessments will be developed and used during the consultation process engaging with our communities on specific points and for updating the Well-being Assessments.
- 8.2 See the first version of the equality assessment in Appendix D.

9. Recommendations

- 9.1 That Cabinet Members gives its approval to the recommendations of the report.
- 9.2 That the Cabinet Members authorise the Head of Department to carry out a statutory process in order for the new fees to become operational from 1st April 2025.

10. Views of the Statutory Officers

Chief Finance Officer

The Revenue Budget Report 2024/25 – End of August 2024 Review which is a separate item on the programme of this Cabinet meeting highlights the prospects for the Council's financial position by the end of the current financial year. It can be seen in that report that the outlook for the deficit in parking income has increased to £824k. As is the process of setting a budget, inflation is added to the income budget annually and if the fees do not increase correspondingly a gap will be created which will increase from one year to the

next, as seen in the above report. There is a risk that increasing the income target through saving schemes as well as inflation could create an untenable situation if there is no prospect of the actual income meeting the target.

I therefore welcome the efforts of the Environment Department to take decisive steps to deal with the situation.”

Monitoring Officer

Nothing to add from a propriety perspective

List of Appendices:

Appendix A - Proposed fee structure.

Appendix B – Current fee structure with 40% increase

Appendix C – Proposed fee structure with 40% increase

Appendix D – Equality Assessment