

MEETING	Communities Scrutiny Committee
DATE	12/09/2024
TITLE	Parking Fees
REASON TO SCRUTINISE	Pre-scrutiny 1. To implement savings schemes 2. To consider options to address the shortfall between the parking income target and what is realised
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CABINET MEMBER	Councillor Dafydd Meurig, Cabinet Member for the Environment

1. Why it needs scrutiny?

- 1.1 To enable the Parking Service to proceed with the realisation of two savings schemes approved by the Council's Cabinet in 2023/24.
- 1.2 To enable the Parking Service to proceed with realising two savings schemes requiring further consideration before reaching a final decision in 2024/25.
- 1.3 To inform a decision as a result of a significant shortfall in the Parking Service budget.

2. What exactly needs scrutiny?

Savings Schemes 2023/24

- 2.1 The following savings schemes have been approved by Cabinet in 2023/24:
 - Increasing Pen y Gwryd parking fees
 - Increasing the price of Annual Parking Permit and Local Parking Permits for car parks by £5 per annum.

Savings Schemes 2024/25

- 2.2 The following savings schemes require further consideration before reaching a final decision:
 - Extension of Parking Enforcement Hours at Council Short Stay Car Parks
 - Adjustment to Band 2 Long Stay Fee Structure

Budget Deficit

- 2.3 By scrutinising the matter, giving consideration to the financial context and the possible options in terms of increasing parking fees in general and the idea of an inflation-based annual increase, the Committee can make recommendations to the Cabinet for consideration before a decision is taken.

3. Summary of the Key Matters

- 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, we feel it appropriate to present the schemes before the Scrutiny Committee.

Title of Scheme	Estimated Total 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 Additional income
Adjustment to Band 2 Long Stay Fee Structure	£160,000
Extension of Parking Enforcement Hours at Council Short Stay Car Parks	£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 envisaged that parking fees would need to be increased by between 30% and 40% to meet an income target that needs to be addressed by parking fees from the Environment Department's pay and display car parks.
- 3.8 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.

Savings Schemes

4.6 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.

4.7 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

4.8 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.

4.9 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.

4.10 We anticipate that this change could generate an additional **£40,000**(Gross).

4.11 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

4.12 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.

4.13 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.

4.14 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.

- 4.15 Implementing the price increase as included in corporate savings schemes would see the price of an Annual Parking Permit increase from **£140 to £145** (+3.6%) per annum and Local Parking Permit price of **£70 to £75** (+7%) per year.
- 4.16 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

Adjustment to Band 2 Long Stay Fee Structure

- 4.17 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.
- 4.18 The original recommendation to introduce enforcement hours of 9:00 – 17:00 had already been shortened from 8:00 – 18:00.
- 4.19 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.
- 4.20 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**.
- 4.21 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.

Extension of Parking Enforcement Hours at Council Short Stay Car Parks

- 4.22 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.
- 4.23 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.

- 4.24 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.
- 4.25 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.
- 4.26 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.
- 4.27 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).
- 4.28 A copy of the full proposed fees structure can be seen in **Appendix A**.

5. Budget Overspending

- 5.1 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.
- 5.2 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.
- 5.3 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.
- 5.4 Below is a summary of the income targets from 2021-22:

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

- 5.5 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.
- 5.6 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.

- 5.7 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
- 5.8 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.

6. The Way Forward

- 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 will present the savings schemes that require further consideration, namely 1) Adjustment to Band 2 Long Stay Fee Structure and 2) Extension of Parking Enforcement Hours at Council Short Stay Car Parks before Cabinet Members and seek approval in October 2024 in the hope of enabling the service to proceed with the arrangements and initiate the realisation of the increase in potential income.

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)
1. Increase all fees by 30%	£600,000
2. 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 between 30% and 40%.
- 6.7 **Appendix B** shows the existing fee structure with 30% and 40% additions.
- 6.8 **Appendix C** shows the proposed fee structure with 30% and 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 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. Consultation

- 7.1 We will submit a report before Cabinet Members in October 2024 and should they approve the associated recommendations and increased parking fees, we would hold a consultation period in accordance with the Local Authority Traffic Orders Regulations – Regulation 25 (England and Wales).
- 7.2 As part of the consultation period, it is essential for the Council to advertise the proposed changes in the local newspapers as well as display the information (including the new fees) at prominent sites in the car parks affected.

- 7.3 When the time comes to implement the changes, we can update the parking fees using the MI Office back-office system. There will be no fee associated with this.
- 7.4 We will try to re-use as many of the tariff signs as possible by buying bespoke stickers with the new fees rather than buying new signs. We would anticipate costs of around £1,000 for updating the signage.
- 7.5 We will promote the annual and local parking permits we offer 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.

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

- 8.1 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.

- 8.2 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.

- 8.3 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.

- 8.4 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.

- 8.5 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.

- 8.6 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.

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

9.1 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.

10. Next Steps

10.1 We will submit a report to the Council's Cabinet Members in October 2024.

Appendices

Appendix A: Copy of proposed fee structure (adjusting band 2)

Appendix B: Existing fee structure with 30% and 40% additions

Appendix C: Proposed fee structure with 30% and 40% additions