

EXECUTIVE

6 JANUARY 2011

**PARKING BUSINESS PLAN - ANNUAL UPDATE AND PROPOSED
CHANGES TO PARKING CHARGES FOR 2011/12****SUMMARY**

This annual report is to update councillors on the car parks service provided by the Council. It contains performance information and reports on current and future matters of importance. Recommendations are made including proposed changes to parking charges for 2011/12.

1. INTRODUCTION

- 1.1 The major aims of the service are set out in the integrated Guildford Parking Strategy, a summary of which is attached as **Annex 1**. The Parking Strategy co-ordinates on-street and off-street parking policy and states objectives for the park and ride services.
- 1.2 This report focuses on off-street car parks and updates councillors on recent performance, key issues and proposed changes to parking charges for 2011/12.

2 PERFORMANCE INFORMATION – CAR PARKS 2009/10

- 2.1 In the financial year 2009/10, 3.06 million tickets were purchased in the public car parks compared to 3.3 million in 2008/09. The main reason for the 7.3% drop was almost certainly the worldwide recession. However in the first 7 periods of 2010/11 there has been a 7.5% increase in the number of tickets sold. Some of this increase is due to the introduction of the evening charge but even without this effect there is a significant increase in ticket sales.
- 2.2 The position with metered income has also improved. In the last 5 months metered income has recovered from very slightly below estimate to a surplus of £115,000 at the end of period 8. However Christmas is the most financially significant period of the year and we do not know whether the trend will continue. Income can also be affected by bad weather.
- 2.3 **Annex 2** provides information about service costs and income. The projections are based on period 7 information. **Annex 3** provides detailed information on the main public car parks in terms of tickets sold and money paid, and Penalty Charge Notices issued in the car parks.

3. MAJOR ISSUES – CAR PARKS 2009/10**Customer Service Excellence/ISO 9001**

- 3.1 In October 2009 the service was awarded a Customer Service Excellence Award and was subject to an annual assessment in 2010, which it passed. This follows on from the service achieving a Charter Mark for excellence in public service in 2008. The service has held the ISO9001 quality standard for the last 9 years.

Safer Parking Awards

- 3.2 In February each year the Council's car parks are assessed for safety and anti-crime measures against criteria set by the Association of Chief Police Officers. In 2010 the service increased the number of safer car park awards to 26. All the metered car parks in the town centre now have the award.

Major Projects funded from the Car Park Maintenance Reserve

Re- Lighting in York Road Multi Storey Car Park

- 3.3 The light levels at York Road MSCP have been replaced and there is an expected energy saving of over 25% of previous consumption.

Decoration of York Road Multi Storey Car Park

- 3.4 The car park has been re-decorated in a white colour with colour strips to differentiate the floors. The white colour reflects the light and makes the parking areas brighter without the need for extra lights. The combined effect of the lighting and redecoration has drawn compliments from customers and praise from CSE and Safer Car Park assessors.

Deck Protection for York Road Multi Storey Car Park

- 3.5 The work to apply a surface coating to the uncoated floors of York Road is being tendered. This work will protect the concrete from water penetration and help maintain the structure. It will also improve the aesthetic appearance and enhance the customer experience. This work is planned for early in 2011.

Pay-on- Foot

- 3.6 All the existing pay-on-foot machines in Castle, Tunsgate, York Road and Farnham Road car parks have been replaced. The new payment machines all provide the facility to pay using notes and credit/debit cards and all provide change in coins and notes. Only some of the previous machines were able to provide change and then only using coins. None of the previous machines accepted credit or debit cards.
- 3.7 The facilities for season ticket holders have also been improved by using proximity cards that do not need to be inserted into the machine but are read when they are held near a target (similar to the Oyster card system used on the underground). This makes it easier for the user and reduces wear on the machines. Farnham Road has been equipped with an Automatic Number Plate Recognition system which will allow season ticket holders to register their number plate and gain automatic entry and exit. The system also allows the operator in the control room to establish when a vehicle enters the car park if a casual user loses their ticket or it becomes damaged.
- 3.8 The new system also provides the opportunity to sell pre-payment cards, which can be used to pay for parking in any of the pay-on-foot car parks. A user would initially buy the card from the parking office and register their name and address. As the card is used the value of the parking is deducted. The car park machines will warn the user when the value is low and the card can then be topped up using any of the payment machines in any of the pay-on-foot car parks.
- 3.9 With a pre-payment card the Council gets the benefit of payment in advance, reduced costs in processing transactions and the loyalty such a scheme promotes. The motorist gains the benefit of the flexibility and convenience that the scheme provides but it is also usual for a discount on parking to also be offered. It is recommended that a pre-payment scheme be introduced and

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that users be asked initially to buy a card with at least £100 worth of parking and that there is a minimum of £20 for each "top-up". Cards that are lost or damaged can be cancelled and replaced but it is suggested that there is a charge of £10. In return the users are offered a 10% discount on the tariff when using the card.

- 3.10 The new system has reduced the number of damaged tickets and the number of times customers need to be let out of the car park without paying. The more advanced system requires a higher level of maintenance. The full financial effect will not be known until there has been a full financial year but it is estimated that overall it will be neutral or positive.
- 3.11 The second phase of the pay-on-foot works are being programmed and plans are being developed for converting Bedford Road Multi Storey Car Park and the possibility of converting Leapale Road is being considered. Converting these car parks would lead to a reduced need for enforcement and greater customer satisfaction. Work is progressing on designs for reconfiguring the exits at Bedford Road and depending on the design it maybe necessary to seek further funds to complete the work. The most recent example of a Pay and Display car park being converted to Pay on Foot in Guildford was the Sydenham Road Multi Storey Car Park (now Castle Car Park). There was no reduction in income registered at this site as a result of the change in system and usage and satisfaction with that site has remained high.

Electrical Work and Re-Lighting of Bedford Road Multi Storey Car Park

- 3.12 Funding has been agreed for replacing the lights and updating the electrical wiring in Bedford Road Multi Storey Car Park. This work is being planned and it is expected to take place early in 2011. It is expected the scheme will provide significant energy savings.

4. CAR PARK MAINTENANCE RESERVE

- 4.1 As a result of the Business Plan, in 2006/07 the Car Park Maintenance Reserve (CPMR) was established to help pay for major items of expenditure which occur in the multi storey car parks at a set frequency. The nature of the work and the planned frequencies are set out below:

- Decorating every 5 years
- Applying protective deck surfaces every 12 years
- Replacing lighting every 12 years
- Electrical re-wiring every 24 years
- Upgrading lifts each year
- Replacing Pay on Foot Equipment every 10 years

- 4.2 It is recommended that this year the following programmed works are funded from the reserve:

- Re-lighting and electrical works in Leapale Road MSCP - £150,000
- Decorating Leapale Road MSCP - £120,000
- Repairing and applying a protective surface to Leapale Road MSCP – £350,000
- Lift upgrades - £20,000

- 4.3 In addition it is recommended that the following improvements be funded from the reserve:

4.4 Replacing and networking pay and display machines

Our existing pay and display machines are up to 15 years old. It is not possible to get even basic management information and that makes monitoring financial performance and estimating very difficult. Surrey County Council and some other boroughs and districts plan to procure pay and display machines. Authority is sought to buy new machines at an estimated cost of £300,000 either as part of a consortium or on our own depending on the best match to our business needs. Before replacement is undertaken each car park will be reviewed to establish whether it is more suited to operate under a pay-and-display or pay-on-foot system.

4.5 Introduction of pay-by-phone

Pay-by-phone provides users of pay and display car parks a method of paying for parking without needing the correct change. It also provides a way of topping up payment without needing to return to the car park. The cost of operating the service is usually added to the cost of parking with a convenience charge normally around 20p per transaction so there is no additional cost to the Council.

4.6 There is no clear evidence that a pay-by-phone system would increase usage in the car parks but it does remove two of the biggest frustrations, the need to carry sufficient change and the need to return before the parking initial time purchased expires. This will help promote customer loyalty. In addition a good take up of pay by phone can reduce the number of cash collections needed and/or the number of pay-and-display machines.

4.7 There is likely to be a small set up cost of around £30,000 mainly for signs and equipment. It is proposed this should come from the car park maintenance reserve. Authority is sought to tender for and introduce a pay-by-phone service either with the Surrey County Council and other boroughs and districts or independently depending on which best meets the Council's business needs. It is also recommended that funding for the set up costs be taken from the car park maintenance reserve.

5. SERVICE IMPROVEMENTS**Off-street and On-street Parking**

5.1 Since 1997 the Borough Council has provided on-street parking services for Surrey County Council. On a local level this provides considerable benefit in sharing costs of office accommodation, IT systems and provides a larger more flexible work force. As a result of the need to take over parking enforcement from the Police, Surrey County Council established agency agreements with all boroughs and districts but has become concerned that this is not the most efficient way to operate. Discussions with Surrey County Council have produced a way forward which is outlined below:

- Our existing agency agreement to be extended until 31 March 2011 on the existing terms.
- Boroughs and districts to continue to provide on-street parking services for 2011/12 during which time all surpluses and deficits will be pooled. Any remaining deficits will be met by the boroughs incurring them and any remaining surpluses to be shared 65:35 between the County and borough or district that produces them.
- All areas need to be covered from April 2011 onwards. Tandridge and Waverley have indicated that they are happy to work in partnership with neighbouring authorities in managing the agency agreement in their areas. This means Tandridge will be covered by Reigate and

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Banstead Borough Council and it is proposed that this Council will cover Waverley.

- By April 2011 boroughs and districts to have reached agreement with Surrey County Council on a longer agency agreement starting April 2012 which includes proposals for efficiency savings.
- The financial basis of such an agency agreement would be for boroughs and districts to meet any deficits and for any surpluses to be divided 65:35 between Surrey County Council and the borough or district making the surplus.
- The County Council to introduce or increase the amount of pay-and-display parking in all boroughs and districts and to harmonise permit charges.
- Park-and-ride costs to be considered separately but we have proposed that the residual cost of park and ride is added to costs of on-street parking before a surplus is calculated.

5.2 Our service makes a considerable surplus each year. It is estimated that enforcement in Waverley will break-even but even if there was a small deficit this would be insignificant compared to Guildford's surplus. When pay-and-display is introduced the operation in Waverley will make a surplus. After April 2012 the combined surplus from operations in Guildford and Waverley will be split 65:35 between the Surrey County Council and Guildford Borough Council. It should be noted that any surplus from on-street parking can only be used for prescribed purposes connected to traffic management and improvement.

5.3 Surrey County Council needed a decision in principle during the summer recess and this was given in consultation with Lead Members. However the Executive is asked to confirm the decision to enter into an agreement on the terms set out above and to delegate the detailed negotiations to the Head of Operational Services in consultation with the Lead Member for the Environment and Transport.

VAT Reduction

5.4 In response to the previous government's decision to reduce VAT from 17.5% to 15% the Council was unable to change the metered parking rate so ran a series of day promotions including activities and events in the town as well as free park and ride, free long stay parking and 3 hours free short stay parking. These provided a very popular and appropriate way of passing the additional income gained from the VAT reduction back to motorists using the car parks.

5.5 Each day cost between £15,000 and £20,000. Representatives of the Chamber of Commerce and Town Centre Management Group have asked whether further offers could be run.

5.6 It is hard to quantify the overall effect of these days. However many town retailers reported significantly higher than normal sales. Interestingly Castle and Tunsgate car parks, which continued to have normal charging during these promotions, were some of the first car parks to fill up. This suggests it was the promotions that played as much part as the free parking in attracting people. It is also not clear whether the offers attracted new visitors to Guildford or simply changed the day that people came to the town.

5.7 It is recommended that further offers be investigated but these to be based on offering free park and ride. Providing free park and ride was relatively low cost compared to other costs of the promotions. Park and ride is an under used

facility at weekends and encouraging those who would not normally come to Guildford to use this low cost facility could have a continuing benefit.

Introduction of Parent and Toddler Bays in Bedford Road MSCP

- 5.8 Authority is sought to introduce a system to provide parent and toddler bays in Bedford Road multi storey car park. There are a number of different methods that could be used to meet this need but effective enforcement is one of the key problems. Further research needs to be carried out on the views of customers to find the most suitable way and authority is sought to make the necessary changes including changes to the Off Street Parking Order subject to consultation with the Lead Member. The loss of income from reduced number of bays to allow this arrangement will be offset by charges for administration.

6. PROPOSALS FOR TARIFF CHANGES FOR 2011/12

Pricing Strategy

- 6.1 The Council reviews its tariff structure annually and the Parking Strategy sets out the main purpose of the tariffs. One of the key elements is to maintain a balance between long stay users in the outer car parks and short stay in the inner car parks and to maintain a differential between Park and Ride and town centre parking.
- 6.2 The increase in VAT in January 2011 is estimated to cost the Council £45,000 between January and the end of March 2011. In the financial year 2011/12 the estimate is a further £180,000.
- 6.3 The car park for the New Entertainment Venue (NEV) is planned to return in October 2011 and this will produce an additional income stream. However during the time the car park has been closed the loss of income has been covered from the Parking Equalisation Account (PEA) so this will not improve the overall budget position.
- 6.4 In April 2010 the charge in the short stay was increased from £1 per hour to £1.10. This helped deter long stay users from occupying the central space and it is recommended that the tariffs in the remaining short stay car parks are also increased. **Annex 4** provides a comparison with other towns and centres. It is estimated this will produce £220,000 and cover the loss of income from the VAT increase.
- 6.5 It is also recommended that the cost of renting a garage be increased by 3%. Garage income has been slightly below estimate in the last financial year and this will increase to the current estimate.
- 6.6 It is also recommended to increase the Monday to Friday tariff at the outer long stay car parks; these car parks are regularly full and the increase will maintain differential between park & ride charges. Guildford Park is currently £4 per visit and an increase to £4.50 is recommended which it is estimated will increase revenue by £31,000 per annum; Walnut tree close car park is currently £2.80 per visit and an increase to £3 is recommended with an estimated revenue increase of £560 per annum; Shalford Park's tariff is currently £2.50 and an increase to £2.80 is recommended with an estimated revenue increase of £2,200 per annum. These three increases total £33,760.
- 6.7 It is also recommended to increase the daytime tariff in the two main long stay car parks, York and Farnham Road, from 80p per hour to 90p per hour, with the maximum daily charge increased from £6.40 to £7.20. The estimated

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revenue increase is £141,000 per annum in total (£69,000 and £72,000 accordingly), once again these increases maintain differential between the park & ride and encourages use of season tickets.

- 6.8 North street car park is currently 70p per half hour Monday to Thursday and it is recommended that the tariff be increased to 80p per half hour. This will increase income by £9,000 per annum. The Sunday charge at North Street is currently £1.50 per visit or £2.50 if longer than 3 hours. It is also recommended that the charge is 80p per half hour on Sundays and this will increase income by £2,300 per annum. This proposal creates a greater turnover of space and provides cheaper parking for those staying a short time on the Sundays. If only the Sunday tariff change is agree, the half hour rate is recommended to be 70p so reducing the estimated income increase to £2,000.

7. COUNCIL'S STRATEGIC FRAMEWORK

- 7.1 The Car Parks are a major gateway to the town and support a dynamic economy. They support a sustainable environment by reducing congestion. The proposals in this report are aimed to assist all of these objectives by keeping prices competitive while providing a high quality service.

8. FINANCIAL IMPLICATIONS

- 8.1 The financial implications are addressed in the main body of the report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The biggest risk is achieving the income estimates in an uncertain economic climate. The estimates for 2011/12 are based on building on projected income for 2010/11. Further changes in the economic situation could significantly affect the outturn. Every percentage point represents around £80,000 in income.

10. DECISION

- (I) That the following works be carried out using funds from the Car Park Maintenance Reserve, as described in section 4 of this report:

	£
(i) Re-lighting and electrical works in Leapale Road MSCP	150,000
(ii) Decorating Leapale Road MSCP	120,000
(iii) Repairing/applying protective surface to Leapale Rd MSCP	350,000
(iv) Upgrade of the car park lifts	20,000
(v) Replacement and networking of Pay & Display machines	300,000
(vi) Introduction of pay by phone	30,000
Total:	970,000

- (II) That the Borough Council continues to provide on-street parking services on behalf of Surrey County Council and that the scope of this work be extended to include the Waverley Borough Council area, as described in paragraphs 5.1 to 5.3 above and that the Head of Operational Services, in consultation with the Lead Member for the Environment and Transport, be authorised to undertake the detailed negotiations and to enter into an appropriate agreement.

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- (III) That further work on promotions to provide free parking using the park and ride sites as described in paragraphs 5.4 to 5.7 above be progressed.
- (IV) That further work be carried out on the introduction of parent and toddler bays as described in paragraph 5.8 above and that authority to agree the changes needed to introduce the facility be delegated to the Head of Operational Services in consultation with the Lead Member for the Environment and Transport including minor amendments to the Off-Street Parking Order.
- (V) That the tariff changes detailed below be implemented with effect from 1 April 2011, subject to appropriate notices being published (the notice advertising the intention to introduce recommendation (vi) will invite objections and, if any objections are received and not resolved, they will be considered by the Executive at a future meeting).
- (i) Increase the daytime tariff short stay car parks as outlined in paragraph 6.4 and detailed in **Annex 5** from £1.00 per hour to £1.10 per hour Monday to Saturday 8.00am to 6.00pm
 - (ii) Increase all garage rentals by 3% as described in paragraph 6.5
 - (iii) Increase the Monday to Friday tariff between 8am to 6.00pm at the three outer long stay car parks as outlined in paragraph 6.6 and detailed in **Annex 5**; Guildford Park car park to £4.50; Walnut Tree Close car park to £3 and Shalford Park to £2.80.
 - (iv) Increase the daytime tariff at the two main long stay car parks, York and Farnham Road to 90p per hour and increase the maximum daily charge to £7.20 as outlined in paragraph 6.7 and detailed in **Annex 5**.
 - (v) Increase the Monday to Thursday tariff to 80p per half hour in North Street car park as outlined in paragraph 6.8 and detailed in **Annex 5**.
 - (vi) Change the tariff to a charge of 80p (70p if (v) is not approved) per half hour on Sundays in North Street car park as outlined in paragraph 6.8 and detailed in **Annex 5**.
- (VI) That the required notices be placed to make clear the Council's intention to change the Off-Street Parking Order to give effect to the change in car park tariffs described in sub-paragraphs (i) and (iii) to (vi) of paragraph (V) above and to enable:
- pay-by-phone in all pay and display car parks,
 - the use of pre-payment cards in all pay-on-foot car parks, and
 - parent and toddler bays to be introduced in Bedford Road Multi Storey car park

and that any unresolved objections be reported back to a future meeting of the Executive for consideration.

Reasons for Decisions

To approve charges for the financial year 2011/12 and to continue to meet the aims of the parking strategy.

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