

Worthing Borough Council MSCP Off-Street Parking Charges

Report by the Director for the Economy

1.0 Summary

1.1 This report updates Members on the financial and occupancy impacts of the reduced tariffs in Worthing Borough Council's three key Multi-Storey car parks (High Street, Grafton and Buckingham Road). It follows the 3 month tariff trial from April to June 2014.

2.0 Background

2.1 The car parks within Worthing were managed by NCP for a 10 year period up to 31st March 2014. On the 1st April 2014 the service came back in house. One of the drivers for bringing the service back under the management of the Council was to regain control of the car parking tariffs and Members agreed on the 3rd December 2013 to reduce the tariffs within the multi storey car parks from the 1st April 2014 to £1.00 per hour for an initial period of 3 months. During this time, the Leader and Cabinet Member for the Environment received weekly updates on financial and occupancy impacts of the trial.

2.2 The cost of reducing the tariffs was estimated to be £118,700 (based on a model used by NCP), which was to be funded from Council Reserves.

3.0 Current arrangements

3.1 All costs of the car park operation are met from the income generated by the service.

3.2 In addition to the car parks owned by the Council and managed by NCP, other Council car parks exist elsewhere in the District and Borough but these are managed by property managers, e.g. Parks and Leisure. There are also several privately owned car parks which are managed privately, such as supermarkets, flats and railway stations. NCP Limited lease and manage 2 car parks themselves which have no connection to the Council – namely, Union Place and Teville Gate surface car park. Montague Centre car park is now managed by CP Plus Limited.

3.3 The current Worthing Borough Council owned car parks which are managed by the Parking Services Team, are as follows:

Surface Car Park Name	Number of spaces	Control
High Street Surface	48	Pay and Display charges
Beach House East	17	Pay and Display charges
Beach House West	50	Pay and Display charges
Lyndhurst Road East	59	Pay and Display charges
Lyndhurst Road West	86	Pay and Display charges
Durrington Station	22	Free
Brooklands Western Road	168	Pay and Display charges
Brooklands Brighton Road East	42	Pay and Display charges
Brooklands Brighton Road West	21	Pay and Display charges
Marine Crescent	57	Pay and Display charges
Goring Road	35	Free
Sea Lane	68	Free
Queens Street	78	Free
Poulters Lane	24	Free
Tudor Buildings	6	Free
Storrington Rise	35	Free
West Hill	10	Free
Honeysuckle Lane	30	Free
Bost Hill	40	Free
Coombe Rise	15	Free
Brooklyn Avenue	30	Free
Elm Grove	11	Free
Civic Centre	180	Pay and Display charges
Total	1,132	

Multi-Storey Car Park Name	Number of spaces	Control
High Street MSCP	644	Pay on Foot charges
Buckingham MSCP	288	Pay on Foot charges
Grafton MSCP	440	Pay on Foot charges
Teville Gate MSCP	394	Pay and Display charges
Total	1,766	

4.0 Current performance of the car parks:

4.1 Overall, in 2013/14, the turnover from the car parks was £2.7m and a breakdown for key car parks is provided in the table below.

The 2013/14 Turnover per Car Park (inc.VAT) is:

Car Park	Annual Turnover
High Street MSCP	£952,186
Grafton	£878,850
Buckingham	£366,280
Teville Gate	£65,465
Beach House East	£56,648
Beach House West	£107,528
Lyndhurst Rd East	£85,755
Lyndhurst Rd West	£66,253

High Street Surface	£83,951
Marine Crescent	£2,293
Civic Centre	£4,000
	(guaranteed sum)
Brooklands Western Rd	£40,483
Brooklands Brighton Rd East	£3,113
Brooklands Brighton Rd West	£693
TOTAL	£2,713,498

4.2 One of the prime reasons for bringing the car park service back in-house was to regain control over the tariffs with a view to reducing car park fees to encourage more residents to use the MSCPs, more visitors and shoppers to the town and to support the local economy.

4.3 In December 2013, Members agreed to reduce the tariffs within the MSCPs as follows:

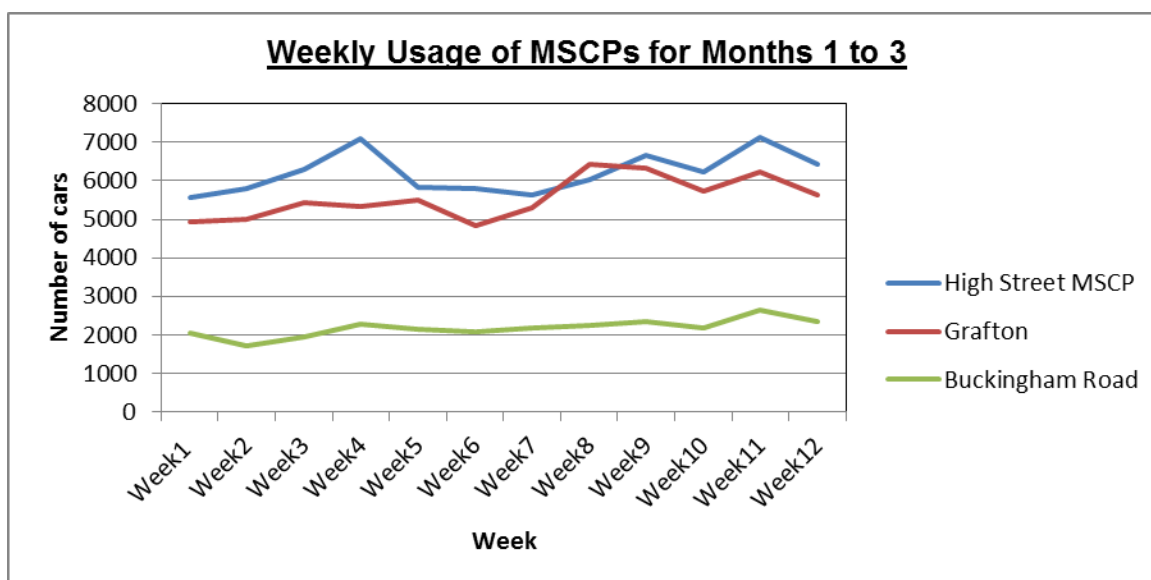
Chargeable Hrs	Existing Tariffs	Tariff Trial (3 months)
30 mins	£0.90	
1 hr	£1.70	£1
90 mins	£2.60	
2 hrs	£3.40	£2
3 hrs	£5.00	£3
4 hrs	£6.60	£4
5 hrs	£8.20	£5
All day	£11	£10
Night rate 6pm-6am	£1.00 ph Max £3	£1.00 ph Max £3
Sunday 6am-6pm	£1.00 ph Max £3	£1.00 ph Max £3
Forecast impact of tariff trial - (Loss)/Gain from the same period in previous year under NCP's control		(£118,700)

4.4 High Street, Grafton and Buckingham Road multi-storey car parks assessment of first 3 months

4.4.1 This assessment covers the full 3 month tariff trial period.

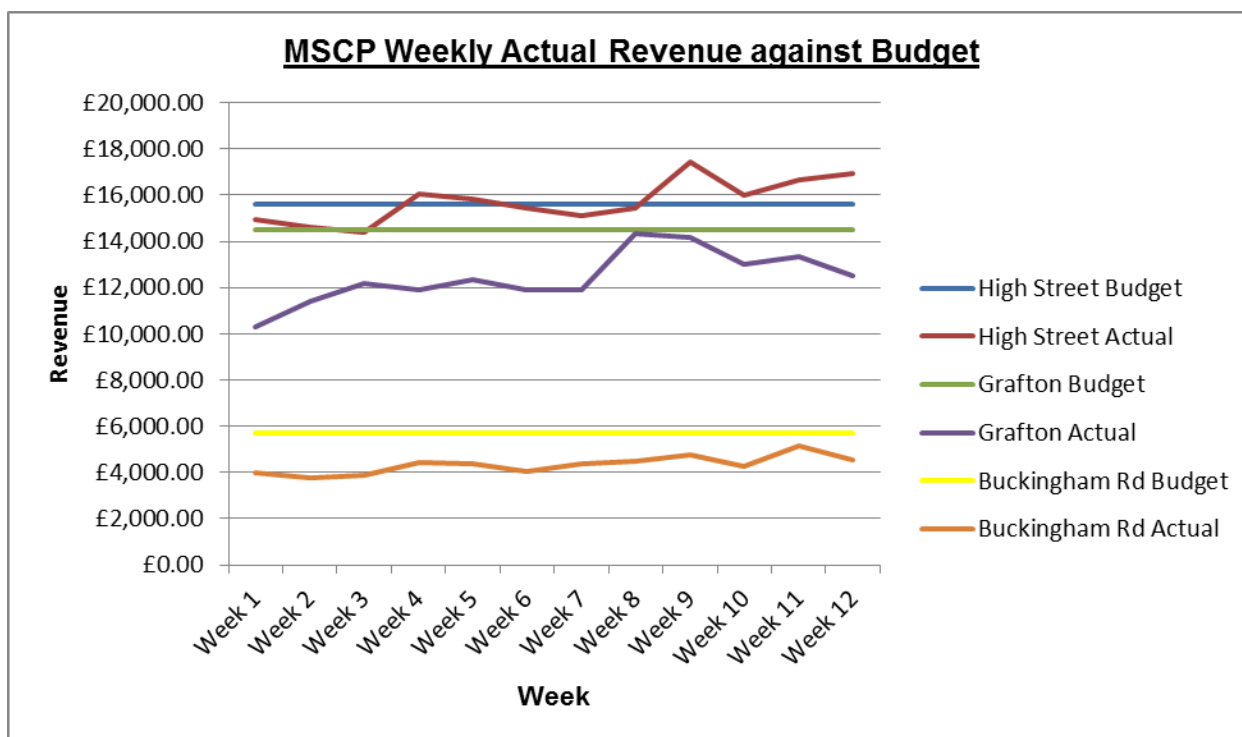
4.4.2 The tariff change has stimulated additional use of the car parks. Overall weekly average use of the MSCPs has increased by 15% in the first three months with a gradual increase in the level of attendance at Grafton and Buckingham Road. Early high levels of usage at High Street MSCP were due to the 2 hour free parking vouchers – this usage has now levelled off and spread to the other 2 sites.

Site	Weekly Average Usage Apr - Jun 2013	Weekly Average Usage Apr - Jun 2014	% change in Average Usage Apr - Jun
High Street MSCP	5113	6209	21%
Grafton	5110	5563	9%
Buckingham Road	1910	2180	14%
TOTAL	12133	13952	15%



4.4.3 At the same time weekly average income from the MSCPs was just 5% less than that of the previous year. This is a comparison of the income received in the car parks in this time from pay on exit revenue, directly compared to that received by NCP in the same three months of the previous year. It does not take into account any guaranteed sum paid to NCP which now remains with the Council. The income is detailed as follows:

Site	Weekly Average Income Apr - Jun 2013	Weekly Average Income Apr - Jun 2014	% change in Average Income Apr - Jun
High Street MSCP	£14,158	£15,728	11%
Grafton	£15,238	£12,442	-18%
Buckingham Road	£4,701	£4,338	-8%
TOTAL	£34,097	£32,508	-5%



The overall income would have also been influenced by the 2 hour free parking vouchers at High Street. A total of 960 vouchers were surrendered from the Herald and 70 from the flyers during April 2014; totalling 1,030 free vouchers at a loss of £2,060. If this lost revenue was added to that collected, the average weekly income would only have been down by 4% from the same period in the previous year.

In addition, the delays in resolving IT connectivity issues between sites led to the barriers having to be raised at Grafton and Buckingham Road overnight from 1 April to 25 April 2014. This meant overnight charging could not be enforced and I would estimate that, had this delay not occurred, the loss of revenue could have been reduced further to just 3%.

So, whilst income from pay on exit charges is lower than that generated at the same time in the previous year, the fall in income has not been as great as originally expected. Overall the tariff trial (including income from season tickets and surface car park) is cost neutral which is a significant improvement on the original estimate of a net cost of £118,700.

Both income and usage of the MSCPs continue to slowly rise week upon week, with the latter part of the tariff trial showing one week up 4% on income from the previous year.

4.4.4 Surface Car Parks and Teville Gate:

Usage and Income from Teville Gate MSCP and the surface sites has increased during the first 2 months as follows:

Site	Weekly Average Usage Apr-Jun 2013	Weekly Average Usage Apr - Jun 2014	% change in Average Usage Apr - Jun	Weekly Average Income Apr - Jun 2013	Weekly Average Income Apr - Jun 2014	% change in Average Income Apr - Jun
Teville Gate	251	190	-24%	£617	£659	7%
Beach House East	410	617	50%	£886	£1,606	81%
Beach House West	746	844	13%	£2,070	£2,218	7%
Lyndhurst Road East	721	856	19%	£1,782	£1,971	11%
Lyndhurst Road West	381	576	51%	£1,163	£1,289	11%
High Street Surface	529	487	-8%	£1,375	£1,340	-3%
Marine Crescent	18	0		£25	£37	48%
Brooklands Western Rd	478	569	19%	£756	£872	15%
Brooklands East	36	0		£42	£85	102%
Brooklands West	19	0		£9	£0	
Civic Centre	326	156	-52%	£432	£341	-21%
TOTAL	3915	4294	10%	£9,157	£10,417	14%

Overall, average income across the sites is up by 14% from the same period in the previous year, and usage has increased by 10%. The sites which appear to have lost day customers are High Street Surface, Teville Gate, and Civic Centre. This will be due to displacement to the 3 town centre MSCPs where the prices are now more appealing. It is also worth remembering that Beach House East was closed for part of April last year and Beach House West was enlarged in size; this is reflected in the increases this year.

4.4.5 Overall income in the first three months:

Whilst pay on exit income from the MSCPs is down, as expected, both season ticket income and income from the surface car parks has improved and overall income is much better than anticipated given the original assessment of the impact of the tariff trial.

	April - June 2014		
	Original Budget	Actual	Variance Over (-) / Under
	£	£	£
Income from car parks:			
High Street MSCP	203,213	221,824	-18,611
Buckingham MSCP	74,210	110,491	-36,281
Grafton MSCP	188,790	172,367	16,423
Total income in MSCP (including season tickets)	466,213	504,682	-38,469
Teville gate	12,000	14,907	-2,907
Surface car parks	75,000	128,097	-53,097
Total for Teville gate and surface car parks	87,000	143,004	-56,004
Total income	553,213	647,686	-94,473

5.0 Tariff charges for the period 1st July 2014 – 30th September 2014:

5.1 Further to the success of the trial, a report was submitted for the Leader and Cabinet member at the end of the second month. It was compiled at this time to ensure that the necessary legal amendments could be made to the Off-Street Parking Order, in order to prevent the tariffs having to return to the higher rates of March 2014 from 1 July 2014. The Leader and Cabinet Member agreed to extend the current tariff trial for a period of another 3 months. Whilst there were clearly other options (which are listed at Appendix One), given the initial success and popularity of the current charging structure, it was agreed to extend the tariff trial for a further period with the exception of the validation deals with are discussed in more detail below. This further trial will be used to establish whether the initial success can be built on and the use of the car parks can be further increased.

5.2 Appendix Two has comparative information from other car parks in nearby towns. This is provided to assist Members in comparing the Worthing car park tariffs to other towns close by.

5.3 There are no proposals at the moment to change the surface car park charging structure but to continue to assess the impact that the changes within the MSCPs are having. A further JSC Report will be provided to consider this in September 2014.

5.4 Validation deals

Appendix Three shows an analysis of the current validation deal customer numbers against the former validation deal customer numbers from prior to 1 April 2014. As this shows, it is anticipated that the Council will increase revenue from these deals by £27,030 per month on top of the revenue formerly made by NCP Limited if all customers return to the MSCPs that formerly bought the NCP validation deals at a rate of £3.50 per day, by reducing the current £5.00 per day tariff to £4.00 per day.

Initial discussions with 'lost' customers show that they would be happy to return to the MSCPs and buy validation deals at the £4.00 per day rate.

5.5 The public and business perception of the tariff trial has been wholly positive. Footfall in the town centre has increased and one business has reported a monthly turnover increase of 80%. Sharon Clarke, Town Centre Manager, stated the following:

"The businesses in the town are all very pleased with the Councils reduction in parking charges and they are telling us their customers are staying in town longer and coming in more often. Nationally footfall in Town Centres is on the decline but in Worthing the number of shoppers is increasing which is great for the businesses trading in Worthing."

5.5 *Based on the above data, it is recommended that Members note the Leader and Cabinet Member for the Environment decision to adopt a further 3 month tariff trial period, in order to continue to improve the use of the car parks and encourage visitors to the town to promote the local economy.*

6.0 Legal

- 6.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.
- 6.2 Section 1 Localism Act 2011 enables the Councils to do anything that any individual may do, provided that it is not prohibited by pre-existing legislation, for the benefit of the residents of its area, or otherwise, and for charge, or otherwise. This statutory provision enables the Councils to own and manage car parks and impose charges for their use.

7.0 Financial implications

- 7.1 It is likely that the cost of continuing this tariff trial can be accommodated within the original £118,700 released from reserves, should usage and income reduce to the original estimated levels. In addition, the budget is being tightly controlled to make sure that any potential cost will be met from the overall budget and approved reserve use.
- 7.2 The tariff reduction is already attracting more customers into the Multi-Storey car parks who were previously parking on-street.
- 7.3 It is proposed to report back to the Cabinet Member and Joint Strategic Committee in early September to consider the future of the tariffs for the car parks. The early indications are that the proposed reduction has been cost neutral to the overall car park budget. However, if there is a negative budgetary impact as a result of the tariff reduction going forward then the Council would need to make equivalent savings in the following year to fund the consequences of a permanent change to the car park charges.

7.0 Conclusion

- 7.1 The Council believes that the former pricing structure drove custom out of the car parks and onto the streets and the surface car parks. By reducing the tariffs, customer numbers are increasing in the MSCPs and town centre footfall has risen.
- 7.2 Clearly there are financial risks in maintaining the tariffs in this way and so the initiative will continue to be closely monitored to see what impact the tariff reduction is having.
- 7.3 Our ideal parking service for Worthing is one which provides a service which is transparent, easily understood, easily recognisable, easily contactable, providing value for money services, meeting transport policies, effectively enforced, balanced with regards to risk and control and generating valuable income for the Councils.
- 7.2 By committing to an extension of the tariff trial in Worthing Off-Street parking charges, the Council is responding to stakeholder wishes. By balancing this with a limit on the reduction in income, Members are protecting public funds and Council services as much as possible. Officers believe that the recommendations in this report meet this as best as possible.

8.0 Recommendation

8.1 Members are recommended to:

- (i) note the decision by the Leader and Cabinet Member for the Environment to continue with the tariff trial for a further 3 months;**
- (ii) authorise Officers to report back to the Leader and Cabinet Member for Environment on the results of the tariff changes on a monthly basis with an additional report going to the Joint Strategic Committee on 2nd September.**

Local Government Act 1972

30 May 2014

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Schedule of other matters

1.0 Council Priority

1.1 This review meets the Council's Priorities of 'protecting front line services', 'promoting a clean, green and sustainable environment', 'supporting and improving the local economy' and 'ensuring value for money and low Council Tax'.

2.0 Specific Action Plans

2.1 Matter considered and no issues identified.

3.0 Sustainability Issues

3.1 Matter considered and no issues identified

4.0 Equality Issues

4.1 Matter considered and no issues identified

5.0 Community Safety issues (Section 17)

5.1 Matter considered and no issues identified

6.0 Human Rights Issues

6.1 Matter considered and no issues identified

7.0 Reputation

7.1 There are various reputational risks with such a contentious service.

8.0 Consultations

8.1 The Overview and Scrutiny has reviewed and had input to this process for the initial 3 month tariff trial.

9.0 Risk assessment

9.1 Any areas of risk are identified within the attached report.

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified

11.0 Procurement Strategy

11.1 Matter considered and no issues identified.

12.0 Partnership working

12.1 Matter considered and no issues identified.

3 month comparison of existing tariffs and other options for High Street, Grafton and Buckingham Multi-Storey car parks

Chargeable Hrs	Existing Tariffs	Option 1 – continue with tariff trial	Option 2	Option 3	Option 4	NCP tariffs
30 mins						£0.90
1 hr	£1	£1	£1.10	£1.20	£1.50	£1.70
90 mins						£2.60
2 hrs	£2	£2	£2.20	£2.40	£3.00	£3.40
3 hrs	£3	£3	£3.30	£3.60	£4.50	£5.00
4 hrs	£4	£4	£4.40	£4.80	£6.00	£6.60
5 hrs	£5	£5	£5.50	£6.00	£7.50	£8.20
All day	£10	£10	£11	£11	£12	£11
Night rate 6pm-6am	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3
Sunday 6am-6pm	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3	£1.00 ph Max £3
Impact of Tariff Change (Loss)/Gain from the same period in previous year under NCP Limited's control		(£142,479)	(£113,347)	(£98,917)	(£36,335)	

Car Park Charges Comparison 2013

Car Park	Hours						Notes
	1	2	3	4	5	5+	
Worthing MSCPs (maximum)	£1.00	£2.00	£3.00	£4.00	£5.00	£10.00	Overnight and Sundays = £3.00 max
Worthing Surface (minimum)	£0.50	£1.00	£1.50	£2.00	n/a	n/a	Teville Gate MSCP - £3 all day Mon to Fri but £1.50 all day Sat and Sun
Union Place and Montague Centre	£1.00	£2.00	£3.00	£6.00	£6.00	£7.70	Privately owned by NCP, 12 hours = £9.00
Chichester MSCP	£0.70	£1.50	£2.10	£2.80	£3.60	£4.00	8 hours = £4.20 / 8 hours+ = £5.40
Chichester – short stay	£1.20	£2.40	£3.60	£6.00	£7.10	£8.20	8 hours = £8.40 / 8 hours+ = £11.90
Chichester – long stay	£0.70	£1.50	£2.10	£2.80	£3.60	£4.00	8 hours = £4.20 / 8 hours+ = £4.60
Crawley County Mall MSCP	£2.50	£2.50	£3.00	£3.50	£5.00	£5.00	Privately owned
Crawley Boulevard East and West	£3.10	£3.10	£5.10	£5.10	£15.10	£15.10	Privately owned by NCP
Crawley Borough Council Town Hall MSCP	£0.80	£1.80	£2.00	£3.10	£3.60	£4.10	7 hours+ = £5.10
Horsham – Swan Walk	£2.40	£2.40	£3.60	£4.80	£6.00	£7.20	8 hours = £8.40, and 8 hours+ = £12
Horsham – Forum, Blackhorse Way	£1.60	£1.60	£2.30	£3.00	£3.80	£4.50	8 hours = £6.00, and 8 hours+ = £7.50
East Green, Littlehampton	£2.00	£4.00	£4.00	£4.00	£7.00	£7.00	Charges apply March to October

Car Park Charges Comparison 2013

Car Park	Hours						Notes
	1	2	3	4	5	6+	
Manor House, Littlehampton	£0.70	£1.40	£2.10	£2.80	£6.50	£6.50	Charges apply 0800 to 1800 every day
Brighton Regency Square (weekends)	£3.00	£7.00	£7.00	£14.00	£14.00	£14.00	9 hours = £18.00 / 24 hours = £22.00 / Overnight = £10.00
Brighton The Lanes (weekdays)	£1.00	£5.00	£5.00	£13.00	£13.00	£13.00	9 hours = £20, and 24 hours = £23
Brighton The Lanes (weekends)	£4.00	£8.00	£8.00	£15.00	£15.00	£15.00	9 hours = £20, and 24 hours = £25
Brighton King's Road	£3.50	£6.00	£6.00	£10.00	£10.00	£10.00	11 hours+ = £20.00

Validation deal assessment data

MSCP	Number of validation deal customers 2013	Number of validation deal customers 2014	Average NCP revenue at a cost of £3.50 per day 2013	Average WBC revenue at a cost of £5 per day 2014	Possible WBC revenue at a cost of £4 per day if all customers return
High Street	591	408	£2,068.50	£2,040.00	£2,364.00
Grafton	280	145	£980.00	£725.00	£1,120.00
Buckingham Road	63	14	£220.50	£70.00	£252.00
TOTAL	934	567	£3,269.00	£2,835.00	£3,736.00

MSCP	Current possible monthly loss of revenue based on 30 day month (NCP former – WBC current income)	Possible monthly gain in revenue if all customers return at £4 per day (WBC possible – NCP former income)
High Street	(£855.00)	£9,720.00
Grafton	(£7,650.00)	£11,850.00
Buckingham Road	(£4,515.00)	£5,460.00
TOTAL	(£13,020.00)	£27,030.00