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# Car Parking – Redesign review - DRAFT

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## Community Services

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## **1.0 Off Street Parking Review – Long term savings**

### **Potential for managing Off-Street Car Parks more effectively to fund service investment, target need and address savings across Highland**

#### **1.1 BACKGROUND**

There are 228 off-street car parks on land owned or operated by THC all over the Highlands. These vary from multi-storey, city centre parking where charges have always applied, to car parks at remote tourist destinations for which THC has never charged.

#### **1.2 Current Charging**

There is a disparate range of tariffs across the Highlands. This ranges from free parking to scalable tariffs at multi-storey car parks. There is no standard charging policy across all areas of Highland. Currently only 18 of the 228 Car Parks charge for use.

There is a Traffic Regulations Order in place which designates control of use of THC car parks. This makes them enforceable, however a variation to this order is required each time we designate a car park as chargeable.

#### **1.3 Budgeted Income**

There is a gap between budgeted income and actual income of approximately £0.4M. This relates to a reversal of previously made pricing decisions, sale of assets and some increases in fees not being implemented or sites not included in regular reviews.

In 2015/16 £1.372M gross revenue (excluding permits and fines) was collected from car parks in:

- Inverness
- Fort William
- Fort Augustus
- Portree and
- Aviemore

No revenue was collected from Council car parks in any other locations in Highland.

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## 1.4 Costs

There are costs related to these car parks. Where metered/ticketed parking exists, in Inverness and Fort William, these costs are in excess of 50% of income. Costs relate to business rates, staff costs, supplies and services plus premises related costs.

In areas where there is no income generated there are still costs of around £85k related to the maintenance of the car parks.

There is a cost of £48k per annum relating to G4S cash collection in Fort William & Skye. This is currently being reviewed as part of DPE rollout to reduce those costs by recovering cash through the enforcement team.

## 1.5 Enforcement

With the introduction of Decriminalised Parking Enforcement in Oct 2016, off-street revenues are forecast to increase as a result of better parking enforcement.

The cost of delivering the new enforcement service is estimated at £448k per year, which will be off-set by increased income from on-street and off-street parking and penalty charge notices.

## 2.0 THE OPPORTUNITY

The opportunity exists to create a Highland charging model and roll this out across the council enforcement area. The base would be that the minimum fee for any parking would be £1 per parking period. The period length may vary.

### 2.1 The Charging Model

It is suggested that there are different classifications of car park:

- **Short Stay**, car parks are typically in or adjacent to city/town centres.
- **Long Stay**, car parks are lower demand than short stay and may be near another mode of transport (e.g. ferries).
- **Tourist/Civic** car parks may be very remote and will typically be beside some attraction point, such as a beach.
- **Low Demand** car parks have low usage and/or it is believed that charging may move parking behaviour elsewhere.

Alongside the different classes of car park there are different charging regimes required.

These car parks would be monitored and subject to enforcement by council officers.

- For short stay, a scaled hourly rate is suggested from a minimum of £1 upwards, with a maximum stay of 3 hours.

- Long stay car parks would require a reduced number of options and less regular monitoring and would be priced from £1 minimum also but would allow stays of up to 10 hours and beyond.
- Tourist/Civic car parks would have a flat fee per visit. These would not be monitored regularly. Experience of The Forestry Commission’s honesty-based scheme shows payment compliance rates as high as 80%. The flat fee would be around £2 – 3 per day minimum.
- Low demand car parks would continue to be free from payment as any charge would likely have the effect of moving on the parking behaviour to nearby alternatives. THC should consider alternative purposes for the land these occupy, including the possibility of selling.

## 2.2 Methods of Collection

Ticket Issuing Machines (TIMs) use cash and/or card. 101 new machines are included in the Model.

Virtual ticketing using a cashless system known as RingGo would exist in all chargeable locations. This allows people to use their phones and cards to pay for parking and is currently offered in more than 230 towns and cities nationwide. This reduces the cost of collection and means the only infrastructure required to start is a sign with clear instructions and a mobile signal. Consideration must be given to social inclusion when deciding not to install a coin machine.

## 2.3 Income Modelling

If we do nothing additional there is a budgeted income of £1.9M in 2017/18, increasing by £20kpa over the next 4 years as a result of enforcement.

A model of potential income has been developed, based on parking behaviour in the Rose Street MSCP and other existing car parks where data is collected. This model is based on an average occupancy of 50% available capacity. What this does not do is vary the occupancy model in different areas. The model estimates 70 car parks at scalable tariffs, 67 car parks at fixed tariffs, and 89 zero rated tariffs.

If this model is applied with a (test) common pricing policy to all 228 regulated car parks, there is potential for substantial income to be realised from Car Parks annually.

## 2.4 Capital costs

For comparison purposes the estimated capital costs associated with complete delivery for all targeted sites:

Ticket Issuing Machines (TIMs)	£404K
Additional signage	£160K
Miscellaneous works	£100K

## 2.5 Revenue costs

The experience from Inverness and Fort William is that costs represent around 50% of total income. Applying this same formula to the model suggests £1M costs, however this requires further work to establish a more robust Net return figure as the Parking estate is increased.

Within this there will be costs relating to enforcement staff to ensure a compliant parking scheme, maintenance of facilities, business rates and servicing.

It should be noted that there is an extensive shortfall in current maintenance standards with many car parks requiring structural maintenance to bring them up to an acceptable operating standard. Many existing ticket machines require updating to improve service delivery.

## 2.6 Project Costs

There are unaccounted costs, e.g. surveying of existing car parks, which will need to be considered within the project.

## 2.7 Next steps

The car park classification model needs further developed. An outline classification of car parks has been completed, but this has been largely a desktop exercise. This needs further testing and may involve surveying actual car park use in multiple locations.

A pricing structure was created for the model. This needs to be adapted to the classification scheme and tested. The intention is to create a Highland-wide car park charging policy.

The financial modelling needs continual review to test robustness.

## 3.0 Long term new location modelling

This is based on a very conservative model of car park revenues. The net additional income of a fully implemented off-street car parking programme (137 sites), is estimated at circa £1.1M per year. Projected Income as a result of increased parking enforcement circa £370K.

Occupancy	Events	New Charges	Existing Charges	TOTAL	Budget Increase	PCN Income	NET Savings
100%	3478700	£5,290,061.60	£1,504,012.20	£6,794,073.80	£4,894,073.80		£4,794,073.80
75%	2609025	£3,922,684.05	£1,484,017.50	£5,406,701.55	£3,506,701.55		£3,406,701.55
50%	1235045	£1,584,473.23	£1,484,017.50	£3,068,490.73	£1,168,490.73	£370,513.50	£1,439,004.23
<b>Capital Implementation Costs</b>							
				TIMs	£404,000.00		
137 sites				SIGNs	£160,000.00		
				MISC	£100,000.00		
					£664,000.00		
Revenue Costs					£100,000.00		

## 4.0 Year one benefits of balancing existing Pay & Display tariffs

The Highland Council currently charges for parking in 18 Off-street car parks and 13 On-street sites. Many have not been reviewed as regularly as others to ensure that they are priced effectively and a consistent charging structure across the council is being applied.

Further modelling has been carried out to review changes to these tariffs and operation times to better serve the needs of the users and ensure that income reflects operation and maintenance needs. This included all On-street locations currently charging.

The base premise was as before - the minimum fee for parking would be £1 and the range of tariffs would be structured around short stay and long stay. These scaled tariffs are then applied consistently across all the existing sites.

**By applying the tariffs and operating times used in the base model, an immediate uplift in revenue is evident; this would yield an additional circa £1M per annum from the 31 existing pay and display locations.**

There are some 62 existing Ticket issuing Machines (TIMs). Many are coming to the end of their serviceable life and need replaced to maintain the existing revenue stream. An average price to replace is circa £5K per machine. Funding needs to be identified to ensure these machines are replaced.

## 5.0 Conclusions

Fundamental to the implementation of a consistent pricing policy and a reduction in the amount of “free” locations is the maintenance of a robust Traffic Management infrastructure supported by managed parking.

The benefits of these improvements will be seen at a local level with funding becoming available to improve or expand facilities subject to local pressures and the oversight of elected members in prioritising their constituent’s needs on a case by case basis. Consideration could also be given to the introduction of a Council wide parking season ticket to be used at all pay and display locations.

**Short Term: Apply balanced tariff model to all existing 31 P&D locations - £1M per annum uplift**

**Long Term: Apply balanced tariff model to 137 new Off Street locations - £1.1M per annum uplift**

These suggestions bring parking policy into line with the new enforcement duties as consistent council wide, but do not reduce the level of choice to be made under localism within that policy.