

**Report to Wiltshire Council from the Wessex Association of Chambers of Commerce to be considered at the Council meeting on 8 November**

**Getting the Balance Right**

**Car Parking in our Communities**

**Purpose**

1. To inform Wiltshire Council of the views of the Wessex Association of Chambers of Commerce regarding car-parking charges and propose a way forward.

**Background**

2. Earlier this year the DCLG in a press release announcing the removal of Government restrictions said

*From now on, councils and communities will be free to set parking policies that are **right for their areas**. This could include taking into account the effect of parking charges on the vitality of their local economy and local shops. Councils wanting to attract shoppers through setting competitive local parking charges in town centres will now be able to do so without interference from Whitehall.*

The Secretary of State added

*Today the Government is calling off Whitehall's war on the motorist by scrapping the national policy ..... instructing councils to push up charges. We expect councils to follow suit.*

3. The Daily Mail captured the moment  
***End to Whitehall's 'war on motorists': Slash your parking charges, Pickles tells councils***
4. Three months later following car-parking charges in Wiltshire were increased by at least 100% with a number of communities seeing the first time introduction of car-parking charges.
5. Unsurprisingly this decision led to considerable public disquiet and this led to the report *Countywide analysis of the Impact of Car Parking Charges* being presented to Cabinet on 18 October and coming to the Council on 8 November
6. The Wessex Association has been in the vanguard of reflecting the concerns of business to the Council on this issue and made strong representations when the original strategy was consulted on last year.
7. The Association considers itself to be an important economic partner and wishes to work closely with the Council to secure an outcome to the car-

parking charges debate which is rational and fair to the interests of the Council, business and the public.

8. When the current car-parking charges were introduced the Council also arranged to Band the charges putting each town and village where charges were to be imposed into one of four Bands.
9. The financial information provided at the time that decision to increase the charges was taken indicated that an additional £1.4m would be generated. At the time, the Council was coming to terms with the enormous financial pressures it was coming under as a result of Government policy and the recession so it is perhaps understandable why the Council went for this 'quick win' in terms of improving its income.
10. The Association appreciates the Council's positive response in carrying out a review of their current policy and charges in the light of all the concerns that have been expressed.
11. The Cabinet at its meeting on 18 October has proposed allocating vouchers for an hours free parking over the Christmas period and this was said by the the Cabinet member for Transport "to provide a welcome boost for shoppers and traders".

### **The Position of the Association**

12. Much of what is included in the Cabinet report is accepted by the Wessex Association. It is accepted that, in the current economic environment, consumers are feeling the effects of the economic downturn and are responding by paying down debt and spending less.
13. The advent of internet shopping and the "out of town" retail centres have been a fact of life for several years and have challenged Town Centre businesses to adapt and provide services which are not available through these other channels.
14. Car-parking charges, it is agreed, are not the only factor affecting consumer behaviour. They are however, significant at this time of austerity when consumers are avidly scrutinising every penny they spend. It is in this important area that that the position of the Association questions the car-parking charging policy of the Council. The Association is convinced that the current level of charging in most (if not all) the communities is an important factor in inhibiting motorists from visiting town centres, or limiting their time spent there.

### **Issues**

15. Our current concerns revolve around two issues
  - The level of the charges

- The principles of the car-parking charges policy

### **The level of the charges**

16. The first thing to say is that the financial benefit predicted for the Council when the charges were introduced has not been delivered. It is interesting to note that the Report presented to Cabinet did not set out in detail the financial implications of the policy; rather it directed Councillors to the revenue budget monitoring report.
17. That report informed the Council that the anticipated shortfall in on street and off street car parking is £0.900m with an additional £0.200m shortfall on penalty charge notices. So the predicted improvement in car parking income as a result of introducing these new charges £1.4m will be undershot by £1.1m. As an income generator for the Council the evidence clearly demonstrates the new car-parking charging policy has been a disaster.
18. The Association would argue that a more modest increase in charges would result in a better revenue raising outcome because customer resistance would be less.
19. It is important for Councillors to understand the impact of the new charges in the following examples identify the impact on individuals.
  - Example A *Person visiting a Band 2 shoppers carpark 3 times a week for 1 hour*

|  |                    |
|--|--------------------|
| March 2011 - £1.50 (50p per trip) per week | - £78 per year     |
| Now - £3.30 (£1.10 per trip) per week      | - £171.60 per year |
| Additional cost - £93.60                   |                    |
  - Example B *Person visiting a Band 2 carpark 3 times a week for 3 hours*

|   |                    |
|---|--------------------|
| March 2011 - £8.40 (£2.80p per trip) per week | - £436.80 per year |
| Now - £11.40 (£3.80 per trip) per week        | - £592.80 per year |
| Additional cost - £156                        |                    |

*Note – in the latter example the £2.80 charge would allow up to 4 hours parking but this is no longer possible in Band 2 shoppers' car parks*
20. The Association has evidence that the direct effect of the increases in charges has deterred people from visiting town centres. Figures reported to the Chippenham Area Board in September showed a reduction of over 15% in the number of tickets issued and there is little sign of habits reverting back to normal. Photographs of deserted car parks have appeared in the press. Interviews with shoppers have produced significant anecdotal evidence of people changing their shopping or parking habits to avoid charges. Interviews with shop owners have almost unanimously reported reductions in turnover since the new charges were introduced.
21. The Cabinet decision to award 'free parking' vouchers to encourage shoppers to visit town centres at Christmas time is an open acknowledgement that customers are currently deterred by high car-parking charges.

22. The Association does not accept the argument that resistance to increases in car-parking charges diminishes over a period of time. Whilst this may be true of modest increases the doubling and trebling of charges has a long term impact. The public remain angry and exploited and, in harsh economic times, recognise the value of reducing expenditure on car-parking. They change their shopping habits and once changed it is difficult to convince people to change again.
23. The Cabinet report seeks to demonstrate that the evidence does not support the argument that car-parking charges contribute to the down turn in town and community centres' local economies yet collapsing income, and deserted car parks is prima facie evidence of such a position.
24. The Council's overall responsibility to secure the health of the local economy of Wiltshire's towns would be much better served by recognising this and moving swiftly to reduce charges.

### **Principles**

25. Wider than the level of charging the Association considers that the whole car-parking charging policy of the Council is in need of urgent review and represents an opportunity for the Council to introduce 'localism' to question of charges.
26. The Association has articulated a number of principles which it would wish the Council to adopt in reviewing its car park charging policy.
  - The key to a successful parking strategy must be to tailor policy to the individual locality. There is no one size fits all solution.
  - Parking policies must recognise that each town centre is unique and face differing forms of competition.
  - Policies must be flexible enough to meet the needs of local car users, particularly those living in rural communities, if the town centre is to remain viable
27. These principles are contrary to the current 'banding' approach. It is imperative in the review promised next year that detailed statistics are gathered in relation to usage of each individual car-park. Car parks with low usage and/or poorly sited should be cheaper than busy ones.
28. The overall measurement of ticket sales masks the parking issues within each community. By understanding local circumstances and needs will ensure that charges can be imposed that maximises income for the Council and provides best for the economic performance of the town centre.

### **Proposals**

29. The Wessex Association would propose to the Council

- That an immediate reduction in car-parking charges is introduced to a maximum of 20% above the level in March 2011.
- And a reintroduction of a period of free parking in certain car parks.
- That the principles expounded in para 26 above be accepted as a basis for a review of car parking in 2012
- Arrangements are put in place immediately for capturing relevant usage (and non-usage) data in respect of each individual car park so that occupancy and duration levels can be established

### **Conclusion**

30. Whilst it is not possible to 'blame' totally car-parking charges for the current woes of town centres the Council's own statistics reveal an alarming drop in usage, duration of stay and income.
31. Car-parking charges are not like utility bills where the consumer has no option but to 'stump up'. In harsh economic times, many people will view these charges as a opportunity to reduce expenditure.
32. The Council, working with partners, can identify charging proposals for each car park which will maximise usage, duration of stay and income. The Association considers that the evidence indicates that the introduction of this approach need have no effect on the Council's income from charges and tailored solutions reflecting the circumstances of individual towns and communities.