

CAR PARK INCOME DATA MONITORING – APRIL TO OCTOBER 2022

Summary: This report and Appendices provides the Overview and Scrutiny Committee with details of the level of car park income generated by North Norfolk District Council (NNDC) for the period 1 April to 31 October 2022 and compares it with previous years' income.

Options considered: This report is presented to Members for information and discussion.

Conclusions: Income from the Council's Off-Street parking charges has fluctuated over the last couple of years due to external factors, mainly the impact of COVID-19. There are many external factors e.g. weather, the popularity of the 'staycation' versus the ability to holiday abroad again, all of which the Council cannot influence and are unpredictable. All these factors will have an impact on the usage levels and subsequently income levels and this report shows this.

To maximise future car park income there needs to be a continuous investment programme of maintenance and development of the car parks. The provision of good parking with up-to-date facilities, e.g. reliable and different methods of payment, electric charging points and accessible clean facilities, is required to maximise future revenues.

The cost base of the car parking provision needs to be examined to identify efficiencies and improvements in the way car parking is delivered.

Recommendations: **The Overview and Scrutiny Committee is asked to note the report.**

Reasons for Recommendations: Income from off-street car parking charges allows for the continuing provision, management and improvement of the facilities. This provision of car parking facilities is essential to support residents and the local economy.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Cabinet Member(s) Cllr Eric Seward	Ward(s) affected All
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Contact Officer, telephone number and email:
Sean Kelly; 01263 516276; sean.kelly@north-norfolk.gov.uk

1. Introduction

- 1.1 The Overview and Scrutiny Committee last year considered a report detailing car park income. Further to this report it was recommended that an annual car parking usage and income report would be provided at the end of the tourist season. The income figures provided in this report are presented in financial years April to March and then for the current year 2022/23 April to October (7 months) up to end of the last main tourist season.
- 1.2 NNDC operates 30 pay and display car parks in locations across the district.
- 1.3 These car parks provide parking for different purposes, based on geographical location, from those supporting use of shops and facilities in the seven market towns; those in the resort towns supporting both resident and visitor parking and those in coastal locations predominantly supporting visitor access to beaches etc. There are three charging regimes i.e. Standard, Coastal and Resort which reflect these different uses.
- 1.4 The car park charges were last amended in and came into effect from July 2022. Excluding coaches and season tickets/permits, the charges levied between 08:00 and 18:00 in the different car parks is as follows:
- Standard (inland towns exc. Holt)
 - £1.20 for first 2 hours;
 - thereafter additional £0.80 per hour;
 - max charge £6.00 per day;
 - £24 for 7 days
 - Resort (largely town centre car parks in coastal towns and Holt)
 - £1.50 for the first hour;
 - thereafter £1.20 per hour;
 - max charge £8.50 per day;
 - £34 for 7 days
 - Coastal (largely long-stay car parks associated with beaches / attractions)
 - £1.80 per hour;
 - max charge £8.50 per day;
 - £34 for 7 days

In 2021/22 the total income (excluding VAT) generated for the Council through the car parking service was £2.857m

2. Car Park Income Comparisons

- 2.1 Income figures for the last 3 financial years and the current financial year 2022/23 (1 April to 31 October) have been presented in this report to enable a meaningful comparison over recent years.
- 2.2 Total Income

19/20 £m	20/21 £m	21/22 £m	22/23 (Apr-Oct) £m
2.248	1.659	2.857	2.092

- 2.3 The year 2019/20 was the last pre-COVID year we had when everything was operating as 'normal' and gives us the last year of 'normal' income levels to compare to.
- 2.4 The 2020/21 year was significantly affected by the COVID-19 pandemic with Government restrictions affecting people's ability to travel and therefore visit North Norfolk. These restrictions continued throughout the main tourist season and so had a severe impact on the level of income received for the year. It should be noted that the Council were recompensed for loss of income by the Government as it recognised that the pandemic was having significant adverse impacts in all areas of life and subsequently the economy.
- 2.5 Restrictions were lifted during 2021/22 within the UK, but foreign travel was still difficult and many people who would normally holiday abroad stayed in the UK. People taking a "staycation" in the UK resulted in high numbers of visitors choosing North Norfolk as a destination and car park income excelled any level seen in previous years.
- 2.6 Although the data for 2022/23 is only for the period 1 April to 31 October it does show a healthy level of income when compared to previous years. The total income figures and graphs for each car park are shown in Appendix 1.
- 2.7 Due to the complex interrelated factors which impact on car park usage and therefore income, it is not possible to definitively explain fluctuations in figures.

2.9 **Month by Month Comparisons**

Whilst total income across the year provides some indication of performance year on year it can be broken down further to compare income monthly over the years. This level of detail enables us to match income with expected fluctuations resulting from the influence of both short and long-term factors for example

- periods of hot/dry or cold/wet weather having positive or negative impacts respectively on income levels
- the impact of events in towns and resorts
- the cost-of-living crisis

Appendix 2 details the income levels and how they have varied month by month for each Council car park and also gives a graphical presentation of the same information over the years.

Whilst this report does not seek to analyse every variation on income there are several general observations which are worth providing comment on.

The impact of COVID-19 travel restrictions can be clearly seen in the 2020/21 lower level of income. As restrictions were eased the pattern of usage clearly reflects higher use of more remote car parks, in preference to those in large settlements, reflecting people seeking less densely populated areas to take exercise in.

In general, income levels throughout 2021/22 outperformed other years in the reported periods. As stated in paragraph 2.5, whilst restrictions had eased domestically, there were still restrictions on foreign travel resulting in many

families wanting to take a holiday after having been in lockdown. With North Norfolk being such an attractive area many holidaymakers chose to “staycation” in North Norfolk, significantly increasing visitor numbers.

The data for the 2022/23 year for April to October shows a strong performance compared to other years. The prolonged spell of good weather across the late spring probably explains the high levels of income taken during that period. Then the exceptionally hot and dry weather enjoyed during the summer by holidaymakers and tourists is reflected in the use of our car parks generally with many car parks taking the highest levels of income for August for several years.

There does not appear to be any indication that the introduction of new, increased charges in July 2022 had any adverse impact on car park usage and therefore income levels.

There information does identify a few areas that warrant further investigation and where income anomalies occur a review will be undertaken to determine if a reason for can be identified and understood.

2.10 **Free Tickets issued**

Several car parks associated with town centres include bays which have a short period of free car parking. Users of these bays must obtain and display a ticket, but no charge applies.

Data for the number of free tickets issued is included in Appendix 3 2021/22 and for the seven months in 2022/23 and. Comparison of these two data sets suggests that there has been an increase in the use of free spaces compared with the 2021/22 usage.

Data suggests that the number of free tickets issued by month is consistent across non-resort car parks, however in resort areas these free spaces see a marked increase in usage during the summer months.

The consistent usage figures in non-resort car parks infers that these tickets are predominantly being used by residents who are using the spaces to do short trips to town centre shops, which clearly suggests that the desired outcome of adopting this approach is being achieved. Increases in levels of usage in the summer in some car parks could be due to people making short trips to shops and may reflect a reduced availability of on-street car parking spaces due to higher visitor numbers to those towns.

In total 42,771 free car park space tickets were issued for the 2021/22 financial year. Had these free tickets been charged for based on Standard charging regime of £1.20 for the first two hours, then this could have generated potential additional income of anywhere between £50,000 and £200,000 (at the very highest estimate) in 2021/22.

In the first seven months of the 2022/23 financial year free space tickets had increased to 42,851 issued. If this figure is extrapolated to a full year figure then the potential additional income could be higher still.

However in reality, any potential income is likely to be far less as the level of usage would probably be far lower as greater use of on-street parking spaces

would be the likely consequence. Also limiting free parking spaces would probably reduce footfall in town centres. There is no proposal to remove or reduce the number of free car parking spaces in these car parks.

2.11 Income by Car Park Type

The percentage of income generated by each of the three charging regimes set out in paragraph 1.4 remains consistent throughout the reported period as can be seen in the charts in Appendix 4. The effect of people choosing to use more coastal car parking during 2020/21 can be observed in the 10% increase in use of these car parks compared with the preceding and subsequent years.

A pie chart which shows the percentage of income earned when the number of car parks of each type is averaged is included for information.

3. Corporate Plan Objectives

- 3.1 The provision of car parking facilities directly supports a wide variety of economic and social activities within the district.
- 3.2 The income from off-street parking is a significant contributor to the finances of the Council.

4. Medium Term Financial Strategy

- 4.1 The income raised from car parking charges is a significant funding stream for the Council and this will continue to be factored in as a significant income stream when formulating the medium-term financial strategy. The income offsets the costs of providing and maintaining car parks in the district. The provision of car parking directly impacts on economy of the district.
- 4.2 Significant external factors can affect the usage of car parks across the district and therefore the income received. If income is significantly below that expected or is over a sustained period of time then this may impact on the Medium Term financial Strategy.

5. Financial and Resource Implications

- 5.1 The costs and income relating to car parks form a significant part of the Council's budgets and it is important that charging levels are set correctly so that all direct and indirect costs of providing the car parks are recovered.

6. Legal Implications

- 6.1 There are no legal implications arising directly from this report.

7. Risks

- 7.1 This report does not in itself raise any issues in respect of risks.

8. Sustainability

- 8.1 This report does not in itself raise any issues in respect of sustainability.

9. Climate / Carbon impact

- 9.1 This report does not in itself raise any issues in respect of climate/carbon impact. However, the income generated could be used to assist in the funding of installing more electric charging points in the car parks making it more viable for residents and visitors to use electric vehicles.

10. Equality and Diversity

- 10.1 This report does not in itself raise any issues in respect of equality and diversity.

11. Section 17 Crime and Disorder considerations

- 11.1 This report does not in itself raise any issues in respect of Crime and Disorder.

12. Conclusion and Recommendations

- 12.1 Fluctuations in the levels of income generated from off-street parking charges over the last three and a half years shows that the income is sensitive to external factors. However these are factors beyond the Council's control and it is hoped that the experiences of the last few years are exceptional and will not be seen again. These are many external factors which are difficult to predict and may increase or reduce car park usage and therefore the income from car parking.
- 12.2 Continued investment in maintenance and development of car parks is required to maximise future revenues.
- 12.3 We need to examine the cost base of the car parking provision to identify efficiencies and improvements in the way car parking is delivered.
13. The Overview and Scrutiny Committee is asked note the report.