

CAR PARK INCOME ANALYSIS – APRIL TO DECEMBER 2023.	
Executive Summary	This report provides the Overview and Scrutiny Committee with details with the level of car park income generated by North Norfolk District Council (NNDC) for the period 1 April to 31 December 2023 and compares it with previous years income.
Options considered	This report is presented to Members for information and discussion.
Consultation(s)	No external consultation.
Recommendations	<ol style="list-style-type: none"> 1. That the Overview & Scrutiny Committee is asked to note the actual car parking income for April to December this year and that the full year's income is likely to be similar to that of last year. 2. That Overview & Scrutiny consider the information in this report and provide comment on car parks at various locations to assist with any ongoing analysis on car park usage
Reasons for recommendations	Income from off-street parking charges allows for the continuing provision, management and improvement of the facilities. The provision of car parking facilities is essential to support the residents and local economy.
Background papers	None

Wards affected	All
Cabinet member(s)	
Contact Officer	Glenn Durrant, Asset Management Officer (Car Parks), Glenn.Durrant@North-Norfolk.gov.uk

Links to key documents:	
Corporate Plan:	The provision of car parking facilities directly supports a wide variety of economic and social activities within the district.
Medium Term Financial Strategy (MTFS)	<p>Income raised from car parking is a significant funding stream for the Council and this will continue to be factored in as such when formulating the Medium Term Financial Strategy.</p> <p>If income is significantly below than expected or is so over a sustained period of time, then this will impact on the Medium Term Financial Strategy</p>
Council Policies & Strategies	

Corporate Governance:

Is this a key decision	No
Has the public interest test been applied	Not an exempt item
Details of any previous decision(s) on this matter	None

1. Purpose of the report

- 1.1. This report provides the Overview and Scrutiny Committee with details with the level of car park income generated by North Norfolk District Council (NNDC) for the period 1 April to 31 December 2023 and compares it with income generated in previous years.

2. Introduction & Background

- 2.1. The Overview and Scrutiny Committee last year considered a report detailing car park income. This iteration is the annual car parking usage and income report at the end of the tourist season. The income figures are presented in financial years April to march and then for the current year 2023/24 April to December

- 2.2. North Norfolk District Council (the Council) owns 33 car parks, 30 of which operate a pay and display scheme. The remaining three facilities are a free car park on Hornbeam Road and Midland Road, North Walsham (operated by North Walsham Town Council) and a 'season ticket only' car park at Hall Staithe, Fakenham.

- 2.3. Car parks provide parking for different purposes, based on geographical location, from those supporting use of shops and facilities in the four market towns (N Walsham, Fakenham, Stalham and Holt): 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 Standard, Coastal and Resort which reflect these different uses.

Car Parks by Charge Type

STANDARD	10	SEASON TICKET ONLY	1
COASTAL	12	FREE	2
RESORT (of which 1 is blue badge Parking only)	7	HOLT COUNTRY PARK	1

- 2.4. Car park income in North Norfolk has a seasonal bias with the majority of the income derived between May-September, particularly during peak holiday periods. This is particularly the case for the Resort and Coastal tariff car parks which provide key facilities for visitors during the summer season.

- 2.5. 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
- Holt Country Park
 - £2.30 for an all-day ticket.

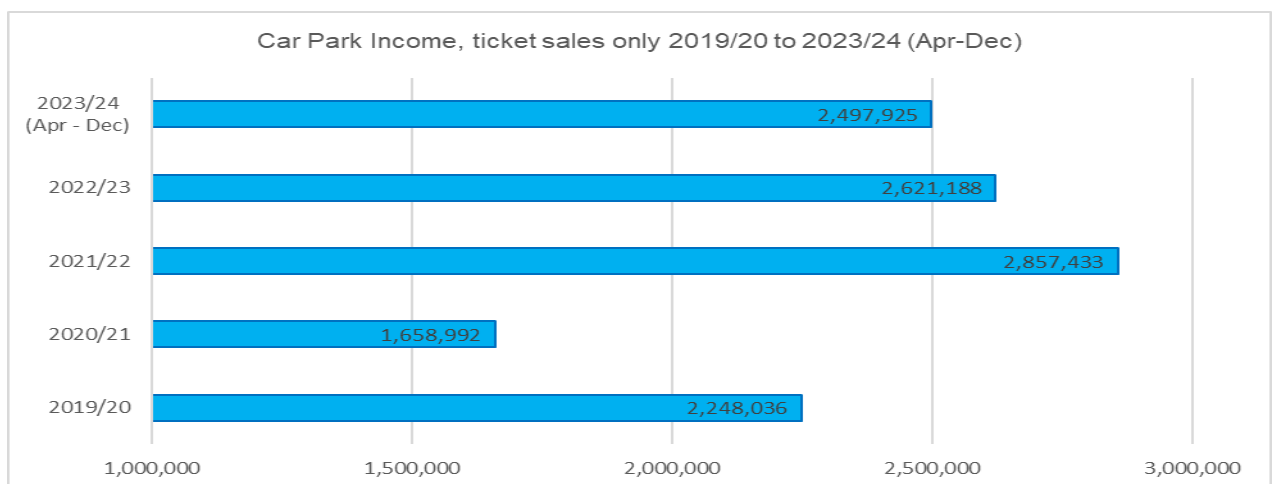
2.6. There are a number of components to the service which are managed party by NNDC, and, since 2010, partly through a shared working arrangement with King's Lynn and West Norfolk Borough Council (KLBC) as detailed below:

Car park infrastructure maintenance and investment	NNDC
Pricing and policy	NNDC
Car park inspection	NNDC
Enforcement	KLBC
Processing of Standard Charges/Penalty notices	KLBC
Cash collection and banking	KLBC

3. Car Park Income Comparisons

Overview.

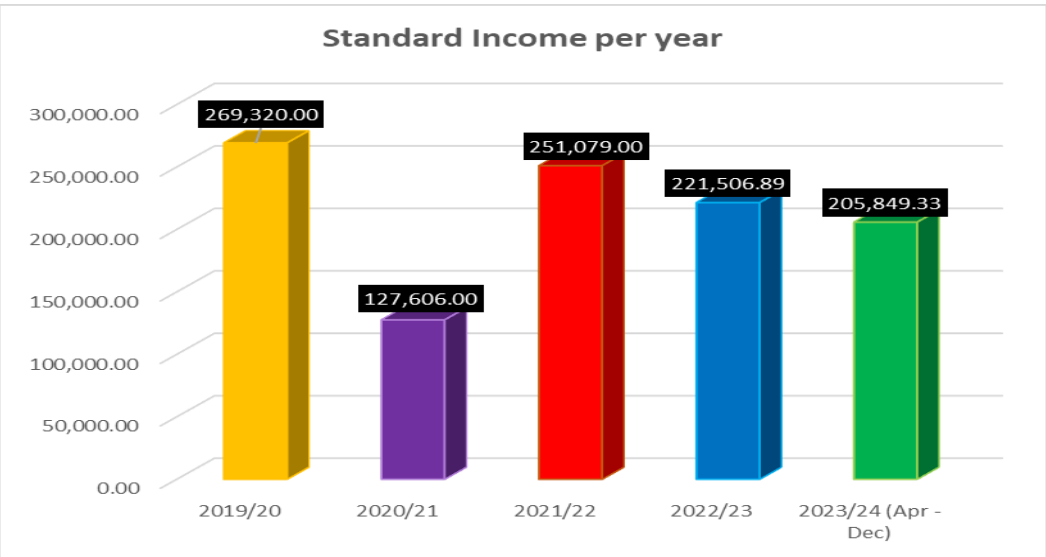
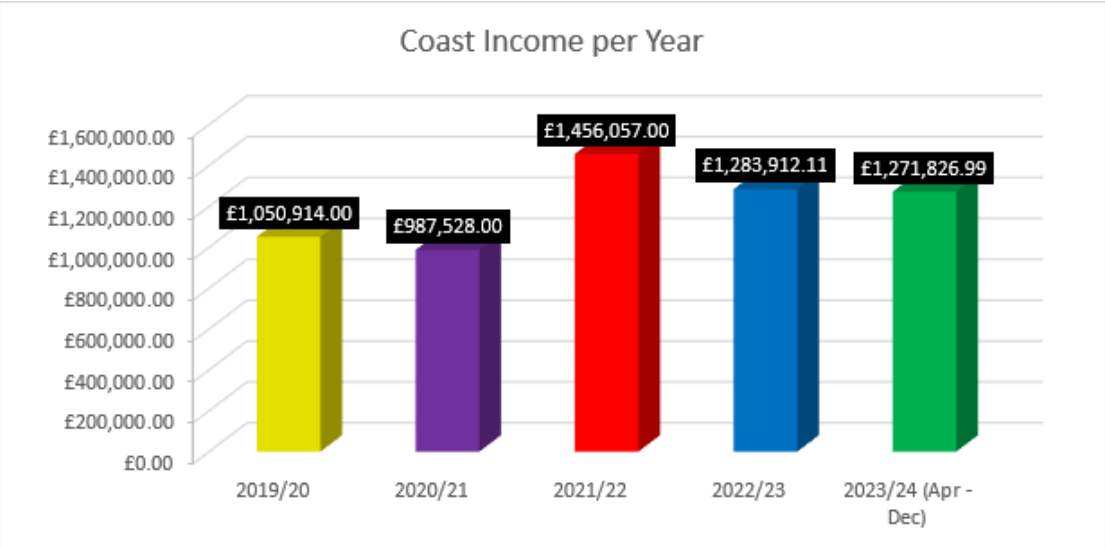
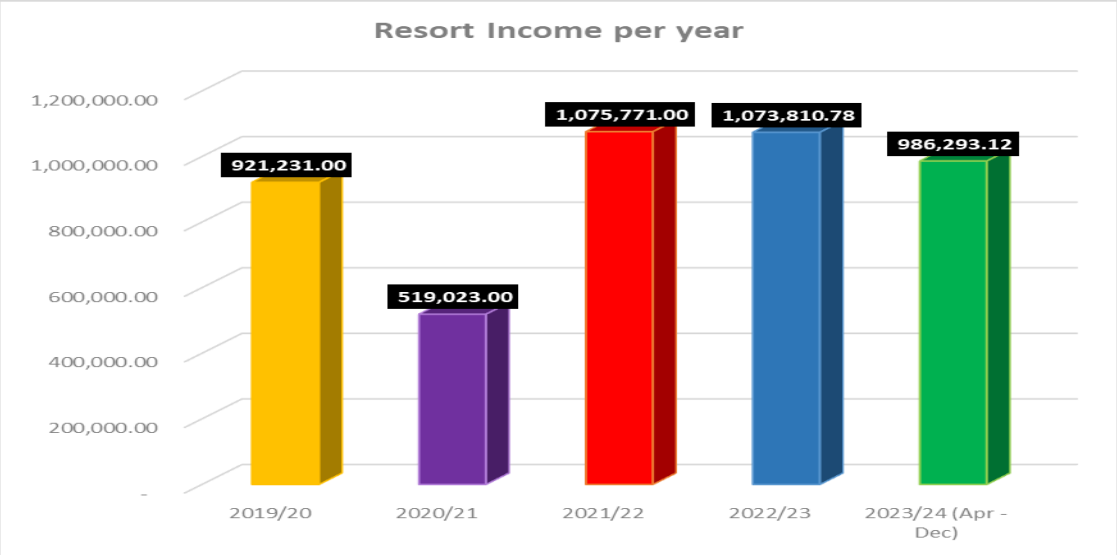
3.1. The following graph shows the income trends from 2019/20 through to 2023/24 (Apr-Dec)



- 3.2. 2019/20 was the last pre-COVID year when everything was operating as 'normal' and gives the last year of 'normal' income levels to compare to.
- 3.3. 2020/21 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.
- 3.4. 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.
- 3.5. Income was likely to have been impacted in 2022/23 by the war in the Ukraine, the global economic downturn and the cost-of-living crisis but was in excess of the income pre-covid.
- 3.6. Although the data for 2023/24 is only for the period 1 April to 31 December it does show a healthy level of income when compared to previous years and likely to be around the same level as 2022/23, which is positive considering the ongoing war in Ukraine and the impact this is having on the global and UK economy.
- 3.7. 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.

Analysis of Income by Tariff Type

- 3.8. The charts below show the split of income earned over the last 3 years by tariff type. It highlights that the Coastal car parks have generated the most income and this has consistently been the case over the last few years although it should be noted that there are twelve car parks currently classified under this charging structure compared with ten under the Resort designation.



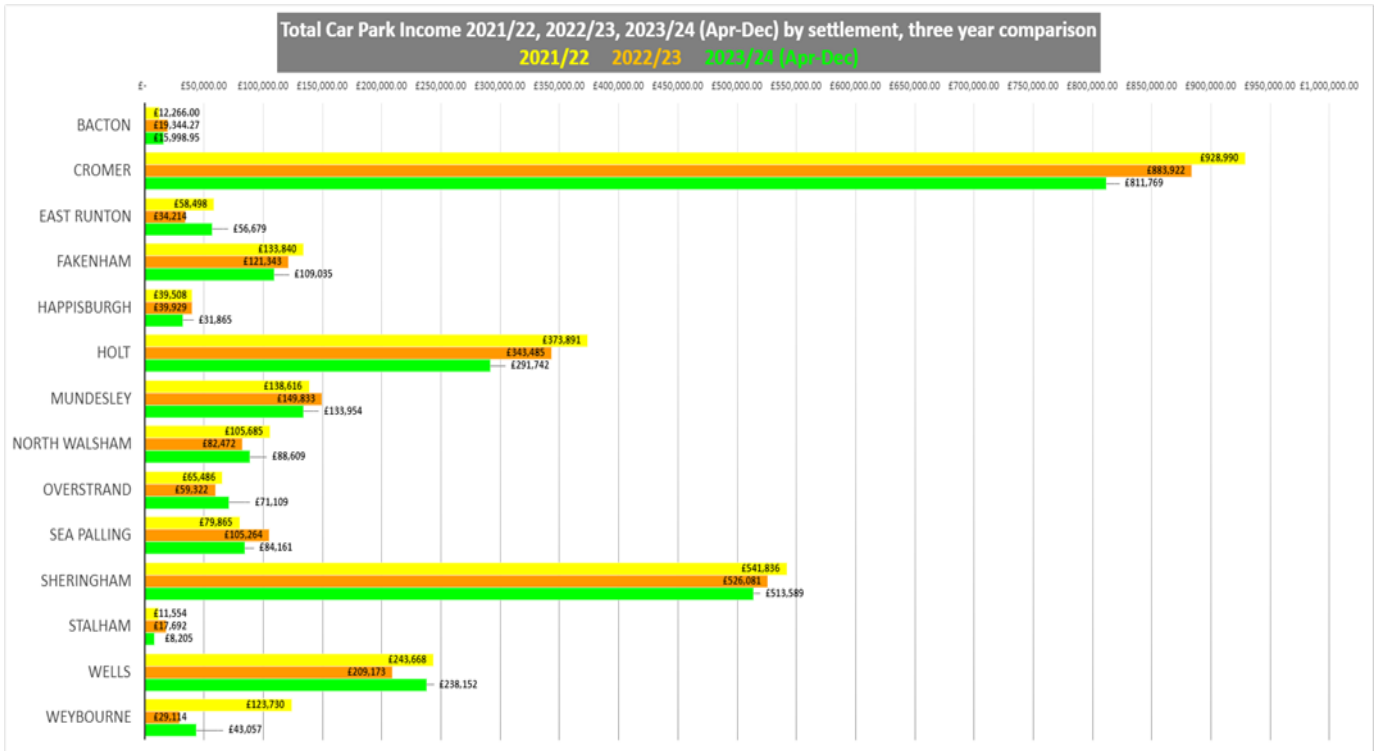
- 3.9. The charts show that generally all car parks have recovered and are now showing income which exceed pre-covid levels except for those car parks on standard tariff which are to be found in town centres.
- 3.10. The number of free car park spaces has increased over the period, particularly in North Walsham and this along with a reduction in the number of spaces available at Stalham, New Road, may have contributed to the reduction in income.

Analysis of Free Car Parking

- 3.11. 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.
- 3.12. 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.
- 3.13. In total 74,583 free car park space tickets were issued for the 2022/23 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 approx. £90,000.
- 3.14. In the first nine months of 2023/24 the number of free space tickets issued had increased to 98,730. The number of free parking spaces available has increased over the period 2019/20 to 2023/24 which would explain this increase and may also explain the reduction in standard tariff income.
- 3.15. However, any potential increase in income is likely to be far less as the level of usage would probably be far lower as greater use of on-street parking space 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.

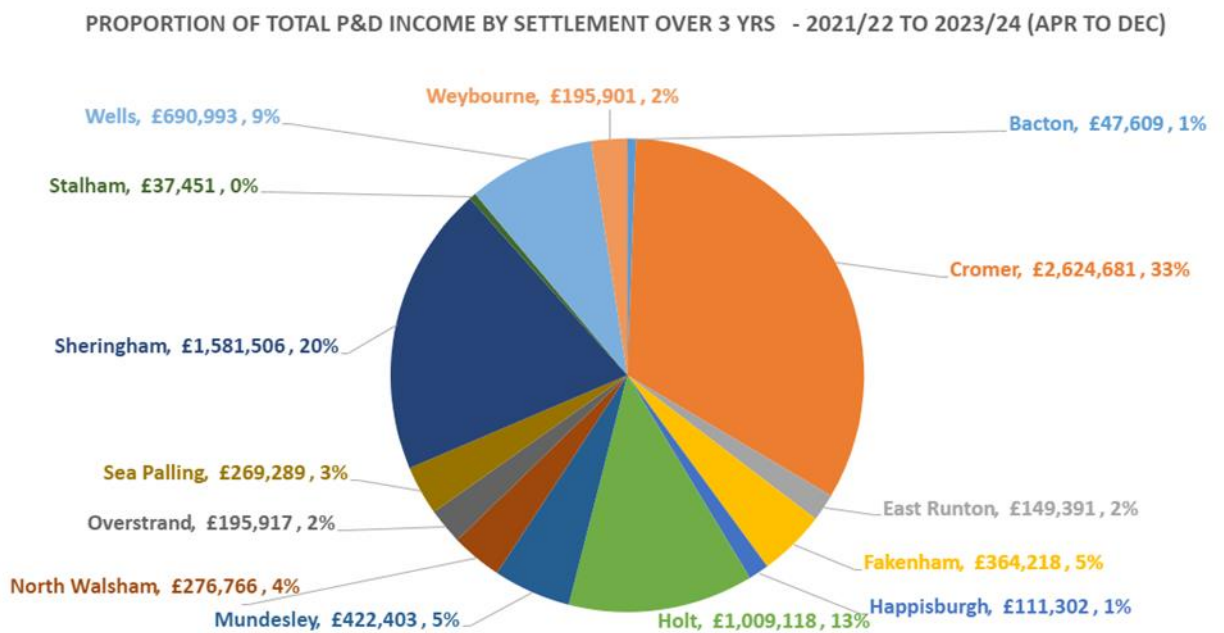
Analysis of Income by Town

- 3.16. The chart below shows the amount of car park income generated by settlement over the last 3 years. The figures prove that the income is driven by the tourist industry.



Analysis of Income by Individual Car Park

3.17. The chart below shows what proportion of income is allocated to each location and car park.



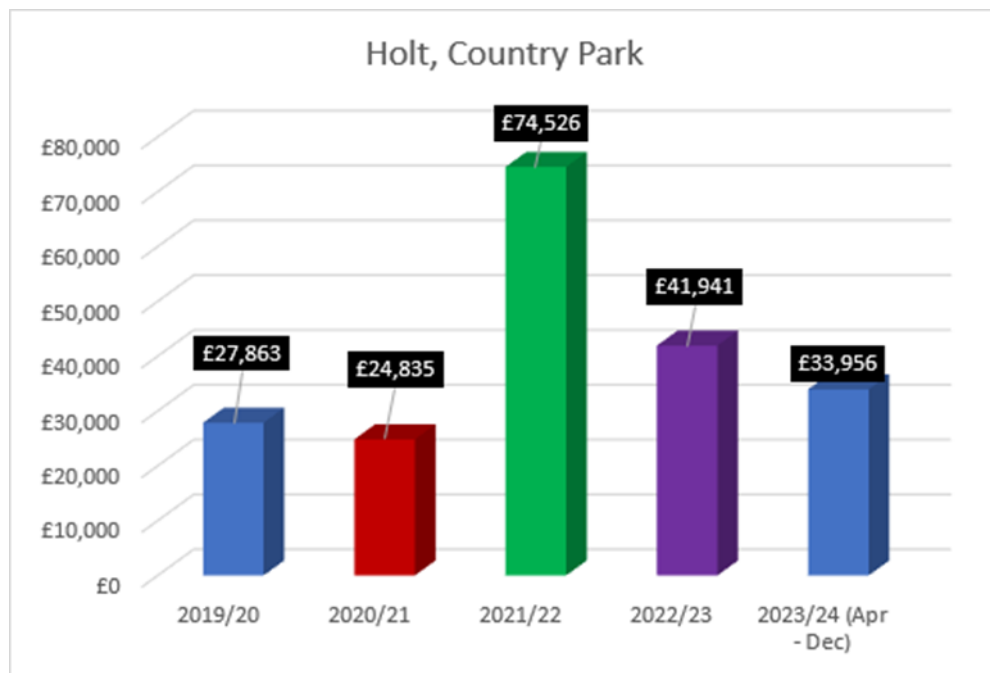
3.18. The chart in Appendix A1 gives a very clear view that some areas with multiple car parks contribute similar income levels as just one car park in a tourist driven

environment. An example of this is that the income from the six car parks at Fakenham equates to one car park at Mundesley. Similarly, all North Walsham car parks combined is comparable to Sea Palling. Appendix A2 details the number of spaces at each location.

3.19. In general terms trends in individual car park income over the last 5 years have been consistent across the district with significant reduction in income from 2019/20 to 2020/21 due to the impact of Covid. 2021/22 did show an increase across the board due to the localised lifting of covid restrictions that allowed people to enjoy local beaches and parks but not to travel outside of their areas. The exceptions are explained in the following paragraphs:

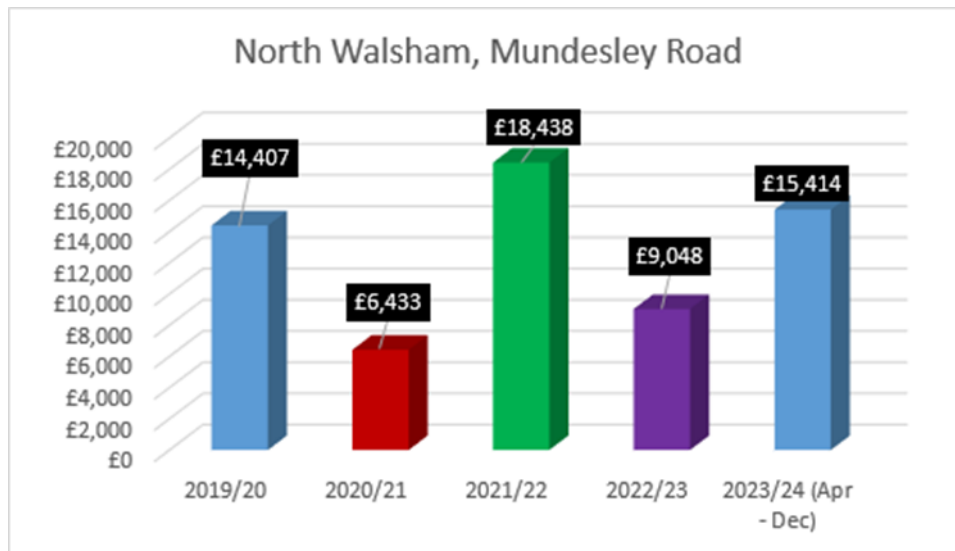
Holt Country Park

3.20. Holt Country Park has its own pricing structure which is currently £2.30 per day. This car park has approximately 50 unmarked bays. The increase in income from 2021 is mostly attributed to an increase in tariff and the conversion of the P&D machine to mains and solar which has resulted in a more reliable service. The spike in 2021/22 coincides with the localised lifting of covid restrictions as mentioned in paragraph 3.20.



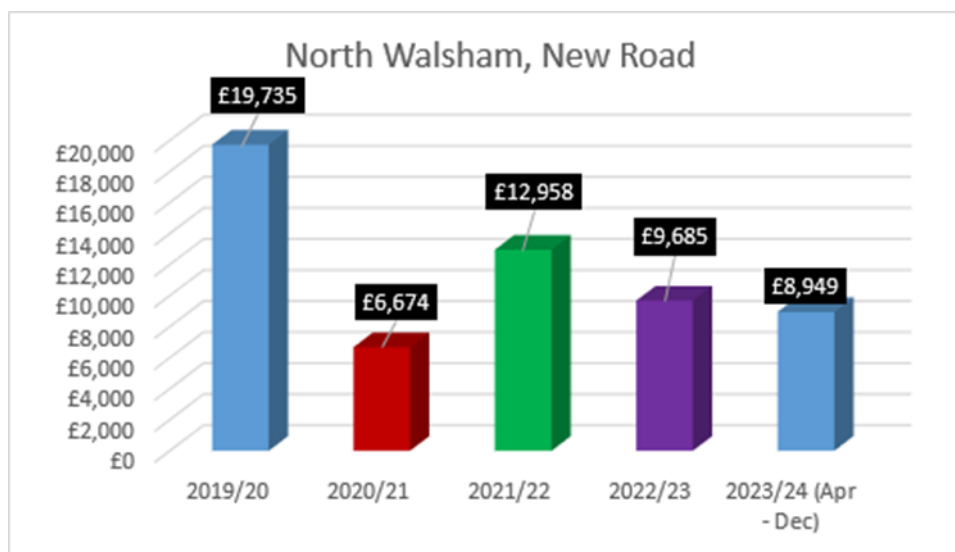
North Walsham, Mundesley Road

3.21. Mundesley Road consists of approx. 60 unmarked bays and falls under the Standard tariff. Due to rejuvenation works in North Walsham this car park was made free for the first two hours during 2022/23 hence the decrease in income as well as being closed for 16 weeks to allow re-surfacing works to be carried out.



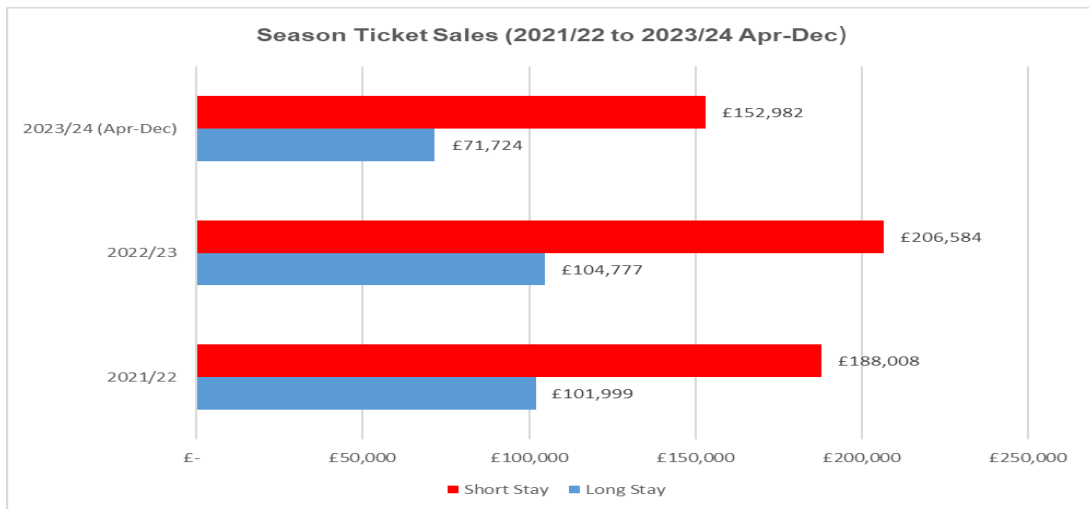
North Walsham, New Road

3.22. New Road car park has 24 bays, this has significantly decreased in size due to the bus terminal on site. This is reflected in the fall in income. This falls under the standard tariff.



Season Tickets

3.23. Season Tickets are publicly available to purchase and allow short or long term parking on the NNDC car parks. Most of these are issued through an application process online or via Cromer and Fakenham offices, although weekly season tickets can be purchased from the car park ticket machines. The types of season tickets sold range from weekly to quarterly/half-yearly and annual. Season tickets covering a 12-month duration are the most popular indicating local resident and business use which supports the consistent income.



- 3.24. Sales for 2023/24 are forecast to be at a similar level for previous years with January to March being a busy period for renewals.
- 3.25. The price of season ticket will be reviewed as it has not been increased for a number of years as this is deemed to be an area where income could be increased with relatively small changes in cost for customers.

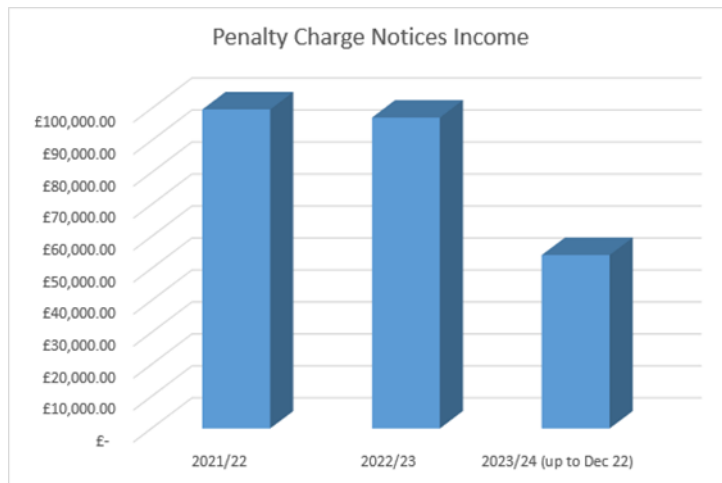
Card Payments

- 3.26. The use of credit card and app payments (MiPermit introduced in 2018) has become increasingly popular over the last few years on all car parks, particularly in the peak summer months. In 2022/2023 cash made up 45% of income via P&D machines, this figure reduced to 38% from April 2023 to December 2023. We would expect this figure to follow a similar trend in the future.
- 3.27. The MiPermit payments are collected separately via the MiPermit App and paid to NNDC monthly in arrears. We have seen an increase in app usage since COVID as more people are travelling without cash.
- 3.28. The table in Appendix A3 shows the monthly app income figures at each car park for April 2023 - December 2023.

Penalty Charge Notices (PCN's)

- 3.29. Penalty Charge Notices (previously known as Standard Charge Notices) are issued for a variety of predetermined contraventions (eg: failure to display parking ticket, parking out of bay, parking in a disabled bay without displaying a valid disabled badge). There are some differences in the contraventions for on-street and off-street parking as they are governed by differing orders, although all are governed by the Traffic Management Act 2004. Each PCN issued identifies the type of contravention which occurred and the level of fine. Most car park related contraventions are deemed to fall in the lower fine bracket, which is set at £50, reducing to £25 if the fine is paid within 14 days of issue. Prior to the enforcement being undertaken by Kings Lynn Borough Council there was limited detail on notices issued so comparisons are restricted.

Penalty Charge Notice Income



3.30. During 2021/22 there were 5,119 PCN's issued which fell to 4,993 in 2022/23.

4. Corporate Priorities

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

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.
- 5.2. 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.
- 5.3. 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.

Comments from the S151 Officer:

Income from Car parking is a significant contributor to the finances and sustainability of the Council and the Medium Term Financial Strategy and is subject to regular monitoring and review.

6. Legal Implications

6.1. None as a direct consequence of this report.

Comments from the Monitoring Officer

No specific legal comments arise from this report.

7. Risks

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

8. Net Zero Target

8.1. This report does not in itself raise any issues in respect of net zero target. 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.

9. Equality, Diversity & Inclusion

9.1. None as a direct consequence of this report.

10. Community Safety issues

10.1. None as a direct consequence of this report.

11. Conclusion and Recommendations

11.1. Fluctuations in the levels of income generated from off-street parking charges over the last 4 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. There are many external factors which are difficult to predict and may increase or reduce car park usage and therefore the income from car parking.

11.2. The Overview and Scrutiny Committee is asked:

To note the actual car parking income for April to December this year and that the full year's income is likely to be similar to that of last year.

To consider the information in this report and provide comment on car parks at various locations to assist with any ongoing analysis on car park usage