

## **Mote Park Car Park Charges Review**

|                                       |  |
|---------------------------------------|--|
| <b>Final Decision-Maker</b>           | Heritage, Culture & Leisure Committee          |
| <b>Lead Head of Service</b>           | Head of Commercial and Economic Development    |
| <b>Lead Officer and Report Author</b> | Acting Parks and Leisure Manager, Joanna Joyce |
| <b>Classification</b>                 | Public   |
| <b>Wards affected</b>                 | All  |

**This report makes the following recommendations to the final decision-maker:**

1. That the steps already taken to reduce the car parking income deficit are noted.
2. That the free parking period before 10am be removed and that charges are applied from the time the park opens.
3. That a further review of the charging structure is carried out before the new financial year with a further report coming to the Committee.

**This report relates to the following corporate priorities:** *(please explain how your report relates to either or both of these, delete as appropriate)*

- 1) Keeping Maidstone Borough an attractive place for all –  
Ensuring there are good leisure and culture attractions

### **Timetable**

| <b>Meeting</b>                          | <b>Date</b>                    |
|---|--------------------------------|
| Corporate Leadership Team               | 19 <sup>th</sup> July 2016     |
| Heritage, Culture and Leisure Committee | 6 <sup>th</sup> September 2016 |

## Mote Park Car Park Charges Review

### 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides an update on the income generation for the first quarter to June 2016 for the car parking in Mote Park. It looks at the reasons behind the projected shortfall in income for the car park charges compared to the targets set in the original reports for the first year of operation.
  - 1.2 This report sets out the actions already taken and makes a number of recommendations to improve income for the car park and café.
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### 2. INTRODUCTION AND BACKGROUND

- 2.1 The Sustainable Future for Mote Park programme is a series of projects designed to generate income, improve the offer to residents and make the parks service more sustainable. At a time of increasing budget pressures these projects are being implemented to reduce the financial pressure to the council from the parks service, a highly valued but non-statutory service.

The Sustainable Future for Mote Park business case recommended that revenue is generated to enable all of the Borough's parks and open spaces to be maintained to the standard our residents and visitors deserve, through:

- The introduction of a nominal car park charge at Mote Park, which was approved and commenced in Feb 2016.
  - The establishment of a pay to use leisure facility, or Adventure Zone which is approved and will be operational in 2017.
  - The existing café operation in Mote Park being brought back in house, which has been completed.
  - Investment in a new café/visitor centre with a detailed report due in late 2016.
  - Investment in the park infrastructure (benches; toilets; etc.)
  - Facilitating well managed quality festivals and events in accordance with the adopted Festivals and Events Strategy.
- 2.2 Car parking charges were introduced in February 2016 following a decision taken by Heritage, Culture and Leisure Committee (HCL) on 13 July 2015. The charge begins at 10am and is £1 for the first 6 hours and £12 for stays longer than 6 hours. An annual season ticket of £40 is available to Maidstone Residents. Special interest groups are also able to apply for concessions. Parking enforcement is managed by the Parking Services team.
  - 2.3 The business case for the introduction of charges presented to HCL Committee set out the following options:

| <b>Parking Charge Income</b>   | <b>OPTION 1<br/>No free period</b> | <b>OPTION 2<br/>1 hour free period<br/>(Est. 58,000 visits)</b> |
|--|------------------------------------|---|
| Maximum income (based on current car trips with no uptake of season tickets or concessions) with VAT deducted.     | £320,000                           | £271,000  |
| <b>Costs</b>   |                                    |   |
| Parking services (CEOs etc.)<br>(Option 2: Additional enforcement visits required, increasing deployed hour costs) | £24,000                            | £36,000   |
| Cash collection  | £5,000                             | £5,000  |
| Repairs and maintenance  | £6,000                             | £6,000  |
| Pay unit vandalism   | £8,000                             | £8,000  |
| <b>Total operating costs</b>   | <b>£43,000</b>                     | <b>£55,000</b>  |
| <b>Maximum net contribution</b>  | <b>£277,000</b>                    | <b>£216,000</b>   |
| Adjustment for: Season tickets; changing use patterns; and concession discount (assumed 128,000 visits)            | -£105,600                          | -£105,600   |
| <b>Estimated Net Annual Income</b>   | <b>£171,400</b>                    | <b>£110,400</b>   |

These figures were based on 385,000 cars using the park in 2013/14 with a generous reduction for change in patterns following the introduction of charges.

2.4 Actual income for the car park has been much lower than predicted. There are a number of reasons for this shortfall;

2.4.1 The pay and display income budget for this financial year for Mote Park is £211,430. £5,000 of this is allocated to season tickets, leaving a target income of £206,430, this equates to 247,716 cars a year once concessions are accounted for, or 680 paying customers every day of the year. There are 374 spaces (including the overflow), which means that every space must be filled twice every day to meet the target income. In sunny weather this may be achievable, however over the winter months and in poor weather this is unsustainable, particularly as in wet summer weather and over the winter the overflow cannot be used.

2.4.2 Current data to week 14 shows an average of 450 paying customers per day, this is likely to increase in school holidays and reduce in winter. This equates to an average of 163,800 customers or an income of £136,500 for the year.

2.4.3 On investigation it has become clear that there are significant number of vehicles entering the park through the secondary entrances to access other destinations such as Mote House, adjustments were not made for this in the original calculations.

2.4.4 There is a loss of income from the free to park before 10am concession. This concession was introduced at the committee meeting and hadn't been factored into the financial projections for option 1. Experience now shows that there is a major loss of income before 10am with many cars leaving at 10am or very shortly after from early morning dog walkers and joggers. It is calculated that 2,682 cars used the park before 10am in May alone, after subtracting 30% for concessions and service vehicles this results in a potential lost income of £1,840 for one month; over the course of a year this would be a significant loss

of income. The actual income profile is closely aligned to that predicted with one free hour. A full analysis has been undertaken of the free period to ascertain whether the benefits it brings outweigh the costs with an option for Committee to consider the removal of the free period.

- 2.4.5 Parking tickets for the pay and display machines cannot be bought before 9.45am in the main car park Monday to Friday. This is to prevent commuters from using the park as historically, according to Parking Services, this has been a problem. The nearby leisure centre has also introduced parking controls to combat commuter parking within their car park. Unfortunately this has the effect of discouraging people to stay longer than the free period when they may then use other services such as the café. It is also causing a high number of complaints from visitors to the staff on the ground. However, Parking Services consider that allowing advance ticket purchases during the free period allows for non-visitor long stay parking, which is significantly cheaper than season ticket parking in other Council car parks significantly increasing the risk of commuter parking. This may reduce parking availability for park visitors at peak times and have a detrimental impact on the wider pay and display income as a result of migration from long stay pay and display car parks.
- 2.4.6 Advance pay and display tickets can be purchased any time before 10am in School Lane car park and the Burning Ground car park as commuter parking is not a problem in these areas. Advance pay and display tickets can also be purchased at any time in the main car park during the weekend.
- 2.4.7 An assessment for the car counter for the main car park shows that figures there approximate to the numbers using the car park, taking into account the movement of service vehicles and concession tickets. The figures for the Burning ground car park at Willington Street however have been over estimated as a large amount of traffic using that entrance is construction traffic and private vehicles for Audley Mote House. The figures at School Lane car park have also over estimated use as much of the traffic recorded there is travelling to Cobtree Hall. These errors in the original report resulted in an overestimation of vehicles that would pay to park.
- 2.4.8 The in year budget for 2016/17 is as follows:

|                                    | Budget        | Predicted     | Difference    |
|------------------------------------|---------------|---------------|---------------|
| Meeting existing income target     | 30,000        | 30,000        | 0             |
| Funding Mote Park Officer Post     | 32,880        | 32,880        | 0             |
| Maintenance of existing tree stock | 25,000        | 5,000         | 20,000        |
| Car park running costs             | 25,500        | 25,500        | 0             |
| TOTAL                              | 113,380       | 93,380        | 20,000        |
| <b>Contribution to MTFS</b>        | <b>98,000</b> | <b>68,000</b> | <b>30,000</b> |
|                                    | 211,380       | 161,430       | 49,950        |
| Number of car parking acts         | 264,225       | 180,500       | 83,725        |

- 2.4.9 The outturn for car park income is estimated to be £141,380, which is £70,000 below the income target. Reducing the tree stock maintenance by £20,000, revises the estimate to £161,430 reducing the variance to £50,000.

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### **3. AVAILABLE OPTIONS**

3.1 There are some measures which have already been taken to improve car parking income and reduce costs.

3.1.1 Allowing tickets to be purchased from the pay and display machines during the free period in the main car park as soon as the park opens Monday to Friday, and accept the risks associated with commuter parking and the wider impact on parking income.

3.2 There are a number of further options that the Committee could decide to introduce.

3.2.1 The parking charge for the first six hours could be increased from £1.00 to £1.50 this would equate to an additional annual income of around £72,200. This fee would still be less than other similar parks such as KCC country parks where the charge is increased at the weekends.

3.2.2 The free parking period before 10am could be removed. This could equate to an estimated additional annual income of £22,080 (calculated on traffic leaving the main entrance before 10am minus 30% for service vehicles and those who no longer come). The free period was introduced to give regular users a way of using the park without paying however it only benefits groups such as dog walkers who tend to use it early in the morning and it could be argued this is unfair to other users such as families who come to the park later in the day.

3.2.3 The budget could be adjusted to a more realistic level to meet the anticipated shortfall. This would require a saving to be made elsewhere in the Committee's budgets to compensate for the adjustment.

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### **4. OPTIONS AND RECOMMENDATIONS**

4.1 To improve car parking income it is recommended that:

4.1.1 The period of free parking before 10am is removed following a change to the off-street parking places order.

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### **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

5.1 The proposals have not been consulted on as they relate to the operation and management of a commercial operation.

5.2 Any changes to the pricing structure would be consulted on before new charges were introduced.

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### **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

6.1 Once finalised the decisions will be communicated to relevant staff and implemented.

- 6.2 An information campaign will be implemented to ensure that any change to the free parking period is advertised as widely as possible before implementation.

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## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

| Issue  | Implications  | Sign-off                                     |
|--|---|--|
| <b>Impact on Corporate Priorities</b>        | Failure to improve income will have a serious impact on other budgets across the service and the contribution to the MTFS.  | Head of Commercial and Economic Development. |
| <b>Risk Management</b>                       | No implications.  |  |
| <b>Financial</b>                             | Failure to improve income will result in an overspend of £50,000.<br>The implementation of the free parking period before 10am would reduce this overspend to £39,000 (£28,000 for full year) | [Section 151 Officer & Finance Team]         |
| <b>Staffing</b>                              | None.   | Parks and Leisure Manager                    |
| <b>Legal</b>                                 | No implications.  | Deputy Head of Legal Partnership             |
| <b>Equality Impact Needs Assessment</b>      | No implications   |  |
| <b>Environmental/Sustainable Development</b> | No implications   |  |
| <b>Community Safety</b>                      | No implications   |  |
| <b>Human Rights Act</b>                      | No implications   |  |
| <b>Procurement</b>                           | No implications   | Head of Commercial & Economic Development.   |
| <b>Asset Management</b>                      | No implications   |  |

## 8. REPORT APPENDICES

None.

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## 9. BACKGROUND PAPERS

*A Sustainable Future for Mote Park, report of January 2015.*