



#### Background

This update concerns varying the existing car parking tariffs and arrangements within the Councils own off-street car parks, including the current 0-3 hours free tariffs within Sudbury, Lavenham and Hadleigh.

It was resolved by Cabinet 9<sup>th</sup> Jan 2024;

- To carry out engagement and consultation with town and parish councils within Babergh, and with Babergh Councillors and with any other recognised groups making representation over the engagement period.
- That a proposal for varying car parking charges and road traffic orders across Babergh Council car parks will be presented to the Overview and Scrutiny Committee for their examination and advice to Cabinet.
- That proposals will be brought to Babergh Cabinet (after presenting to O&S) for varying car parking charges and off-street road traffic orders across Babergh Council car parks.

The reason for this decision was;

- Varying car parking charges had previously been agreed by Cabinet. To deliver the approved parking strategy and remove the budget burden of subsidising this service from other non-parking income, varying charges must now be urgently considered.

Alternative options considered and rejected were outsourcing of car parks to an external provider, not varying the charges and varying the charges.

- Outsourcing to another provider has been rejected based on factors such as diminished control of tariff setting and road traffic order requirements, distracting focus on contract management and contract value versus strategy delivery, and incompatibility between on-street and off-street enforcement delivery not leading to any perceived savings.
- Not varying the charges has been rejected as this will make delivery of the agreed strategy unaffordable, and this option was previously rejected by cabinet in 2021.

This update is intended to provide a brief overview of the current position of this piece of work and provide an early opportunity for O&S members to ask questions, provide their views, and inform themselves ahead of considering proposals for varying car parking charges on 18<sup>th</sup> March 2024.

#### Context and Strategy

Parking up to 3 hours in Babergh Car Parks (except Pin Mill, Chelmondiston) has always been free of charge and charges were last varied in 2020. It is well understood that varying existing charges is a contentious and emotive matter, and that if budget choices did not have to be made, then universally free car parking would probably be preferred by all car users.

A decision to vary charges was made by cabinet in 2021 which was then postponed. Given the time elapsed since, subsequent approval of the council car parking strategy, and the importance of this decision, Cabinet have chosen to bring this back via further engagement, and examination by O&S, before deciding on the proposals.

Since the original decision being made, the specialist advice of Ethos (formally 2020 Highways and Transportation) Consultants and the subsequent Cabinet approved Parking Strategy 2022-42 have (in summary) on charging advised

and recommended:

- effectiveness of any variation to charges is constrained by the cost of parking in nearby towns that may compete for visitors
- cost of parking is generally lower than all neighbouring areas and towns that have similar characteristics and it is unlikely that increasing parking charges would result in a significant reduction in footfall as there will be no cheaper alternative
- ensure there are no alternative parking operators that would benefit from variation to the councils parking tariffs, currently no alternative parking operators apart from those car parks for specific designations (i.e. supermarkets, where visitors tend to use these car parks only for that purpose)
- for these reasons there is scope for parking charges to be increased within Babergh

They provided research by the Transport Research Laboratory (TRL) for the Department for Transport, Table 3 in the strategy which summarises the key advantages and disadvantages of increasing or reducing parking tariffs.

Increasing Charges	
Advantages	Disadvantages
Increases turnover of the most convenient parking spaces, improving consumer convenience, facilitating deliveries, and reducing cruising for parking (searching for an unoccupied space)	May discourage people from visiting the area and reduce economic viability
Reduces the number of spaces needed to meet demand, reducing the total parking costs and allowing more compact development	May reduce accessibility for less well-off users and prove politically and socially unpopular
Encourages long-stay parkers to use less convenient spaces, and encourages travellers (particularly commuters) to use alternative modes when possible	May not provide sufficient funds to facilitate delivery of viable alternative forms of travel
May reduce total vehicle traffic and therefore problems such as traffic congestion, accidents, energy consumption and pollution emissions	If poorly managed and implemented congestion, accidents, energy consumption and emissions could increase as a result of redirection of traffic into inappropriate alternative areas
Generates revenue; ensuring that users pay a greater share of municipal road and parking costs	Only if overall demand for parking is maintained and policy does not divert users to alternative locations
	May discourage people from visiting or returning to the area
	May shorten stays in the area
	May encourage 'searching' traffic which would increase congestion and air pollution, and possibly illegal or inappropriate parking
	May reduce the image of the region as a retail and leisure destination
Decreasing Charges	
Advantages	Disadvantages
Cheaper parking may boost demand for travel into the area, supporting economic activity	Cheaper parking may contribute to an overreliance upon car-based travel into the area and undermine efforts to support adoption of sustainable travel patterns
Decreased charges would likely be a popular move and would be socially easy to implement	Reduced tariffs may lead to reduced income to the Council to invest in wider transport infrastructure
	Reduced tariffs may boost demand for parking leading to issues with supply of parking spaces

Table 3 - Altering Parking Tariffs Key Advantages / Disadvantages

It is not disputed that there are both potential advantages and disadvantages in varying charging, and these will be considered within the proposal in more detail, along with engagement views and evidence, and associated risks.

## Benchmarking

The lack of private parking operators leads to comparisons being made to neighbouring local authorities who might be providing a better parking offer. Of 29 local councils surveyed within Suffolk, Norfolk, Essex and Cambridgeshire,

Babergh is one of only 6 that do not charge for 'short-stay' parking, with no others in Suffolk, Essex or on the boundary of Babergh.

There is limited information available from other District Councils on any local economic impact (positive and negative) from varying charging. On this area the parking strategy suggests that *"the link between parking and prosperity is difficult to isolate from amongst all these other factors and there is not much quantitative evidence beyond the anecdotal"* and the strategy further comments *"Babergh tariffs offer the most value for money across all areas included within the benchmarking exercise"*.

The strategy recommends carrying out regular parking charges benchmarking exercises with neighbouring local authorities and towns with similar characteristics to those within Babergh, and to assess varying tariffs on a more regular basis, and the frequency is suggested as bi-annually.

Parking options and proposed tariffs will be based on research from Eastern Region towns similar in size to Sudbury, for example: Haverhill, Newmarket, Stowmarket, Felixstowe, Wisbech, Saffron Walden, Market Harborough and Huntingdon (please note this list may not be exhaustive and may be extended).

A modest tariff scheme, set at a level not to compete with neighbouring local authorities, is being considered.

### **Why do this and what are the implications?**

Parking operates at a deficit and the Council is facing a serious overall general fund budget deficit for 2024/25 which is predicted to grow significantly over the next 4 years. O&S will have examined the report GENERAL FUND BUDGET 2024/25 AND FOUR-YEAR OUTLOOK in the same meeting as this Information Bulletin is being considered. The potential budget benefit of varying charges has not been included in the budget report as no decision on this has yet been made by Cabinet.

There are a range of external financial factors outside of the Councils control that are heavily influencing its budget position and there is no doubt that difficult discretionary service delivery decisions will need to be made.

### **Not promptly considering a proposal to vary parking charges would prolong and increase the unavoidable risk of reliance on the use of limited reserve funds to meet current and future general fund budget deficits.**

The full deficit for the parking service has not been calculated as yet. In order to provide some early context, parking deficit figures have been provided totalling £427k, which represent the 2023/24 published service budget book, plus an allocation of corporate overhead charges. This figure is not the fully assessed revenue and capital cost of providing the service now and in the future. We are aware that there is a retained portion of business rates and this will be assessed as part of developing any proposal. Other figures not included in the approximate deficit include: recharges from public realm services, asset team costs, any underfunded maintenance liability, strategy delivery and sustainable travel shift (and this list may not be exhaustive when it is fully considered). i.e. the figure quoted is expected to change.

From the point of any decision being made to vary charges, due to the required legal and operational change processes, it is likely to take around 6 months to implement any agreed new tariffs. Therefore, it is reasonable to assume that any delay on a decision will lead to longer implementation, further use of reserves (with no plan to replenish), and increased interim pressure to cut other discretionary services (which may already be unavoidable) during any interim period.

Questions including: *What is the alternative? Does any alternative exist which does not include varying parking charges?* and *Given the medium term budget forecast position - is this avoidable in any way?* all now urgently have to be asked.

Ideally, where there is a choice to use a service and the service can levy charges (in the case of parking - discretionary charges, and the council sets these) the service should pay for itself, fund future requirements, and not be subsidised other sources of income. Indeed, non-car park users may feel aggrieved that the parking deficit is funded from

elsewhere or that adequate funds are not being channelled towards sustainable public transport options for example, and this in turn raises a question of fairness?

In support of charging and all requiring additional funding, the adopted Council Parking Strategy 2022-42 indicates:

- More capacity will be required in the future
- On-street parking provision may play a future role
- Car Parks are generally below the desired standard
- Signage, safety and public realm can be improved

### **Environment**

Tariffs can assist in town with reducing traffic congestion and cruising for spaces, lead to improvement in local air quality, positively influence driver behaviour and encourage modal shift to other, more sustainable forms of transport (with associated public health and well-being benefits).

Subject to further investigation and feasibility, additional funding could increase the potential delivery of sustainable transport initiatives and interventions, including, but not limited to:

- increasing provision of electric vehicle charging points in car parks
- increase provision of cycle parking, e-bike charging, bike maintenance facilities and e-bike rental pilots
- new passenger transport provisions
- delivering active travel infrastructure
- behaviour change engagement to encourage and enable modal shift

### **Engagement**

Extensive consultation and engagement was carried out in 2 phases to inform the existing parking strategy in 2022. To be clear we are not re-consulting on a referendum style basis asking if participants would like car park charges to be increased or not. The cabinet decision was “to carry out engagement and consultation with town and parish councils within Babergh, and with Babergh Councillors and with any other recognised groups making representation over the engagement period”.

A limited number of questions will be asked along with any written views being obtained and considered. The primary aim of the engagement is to understand local information that will inform the design of a new tariff scheme, including factors such as car park designations, hours of operation, alternative car parking availability, restrictions, concession demands, regular events and permit use.

The Strategic Policy team will assist with the engagement process, and work with the Parking Service Team to provide background material which is expected to provide links to the published consultation and strategy documents, along with FAQ’s. The Parking Services Team will liaise directly with the 4 Town and Parish Councils and have already started this process. They will answer responses from Babergh Councillors and other Town and Parish Councils. It is envisaged the engagement will run for 6 weeks until 3<sup>rd</sup> February.

### **Request of O&S**

Please note and consider the points raised in this bulletin in context of the overall challenges within the Council’s budgets and the increasing risk to delivery of other discretionary services. Please consider the context of the known limited level of financial reserves and the worsening medium term forecasted position, ahead of examining the full proposals for varying car parking charging and arrangements on 18<sup>th</sup> March 2024 at O&S.

**Mark Emms, Director of Operations**

**Matt Smith, Parking Services Manager**