

Item: 9

Development and Infrastructure Committee: 14 November 2023.

Review of Pay and Display Car Park Tariffs.

Report by Corporate Director for Neighbourhood Services and Infrastructure.

1. Purpose of Report

To review the short and long stay car park tariffs in Kirkwall and Stromness.

2. Recommendations

The Committee is invited to note:

2.1.

That tariffs were introduced in Kirkwall and Stromness to encourage turnover within the Council's pay and display car parks and are based on 1, 2 and 3 hours for short stay and 4 or 8 hours for long stay.

2.2.

That car parks should be self-funding, which includes staffing costs and ongoing maintenance of the car parks and associated infrastructure.

2.3.

That funding from the Scottish Government Place Based Investment Programme Capital Fund allowed for the installation of new ticket machines in March 2022.

2.4.

That, as part of the annual budget setting process, the majority of existing charges are reviewed and increased, from 1 April, in accordance with the strategy approved by Council.

2.5.

That car park charges, which are exempt from the annual review of fees, have, since 2011, been reviewed approximately every two years by the Service, the last time being in 2021.

2.6.

That Kirkwall BID and Stromness Business Forum were asked for their comments on the proposals. The response from Kirkwall BID is summarised at paragraph 5.3 below.

It is recommended:

2.7.

That car parking charges remain at existing rates, as detailed in section 3.5 of this report, with the exception of the winter tariff, which should be reduced from seven months to three, namely from January to March.

3. Background

3.1.

Tariffs were introduced in 8 short stay and long stay car parks in Kirkwall and Stromness to encourage turnover within the Council's car parks. The tariffs are based on 1, 2 and 3 hours for short stay and 4 hours and 8 hours for long stay.

3.2.

Car park tariffs are exempt from the annual review of fees and charges that takes place as part of the revenue budget setting process. Since 2011 car parking tariffs have been reviewed roughly every two years by the Service, with one-hour free parking in Winter introduced in 2013, to support the Kirkwall BID and Stromness Business Forum.

3.3.

Car parks should be self-funding and revenue costs include staffing and ongoing maintenance. Historically income from the pay and display car parks has always been less than anticipated within the budget and consequently only limited maintenance works have been possible. Due to the reduced available budget recent larger scale works have been included in the capital asset replacement programme and smaller works have been funded through the revenue maintenance budget.

3.4.

Funding from the Scottish Government Place Based Investment Programme Capital Fund allowed for the installation of new ticket machines in March 2022. The new machines allow car park users to pay using card or coin.

3.5.

Current Car Park Tariffs are detailed in the table below.

	1 Hour (winter)	1 Hour (summer)	2 Hours	3 Hours	4 Hours	8 Hours
Short Stay	Free.	£1.20	£2.70	£5.70	N/A.	N/A.
Long Stay	N/A.	N/A.	N/A.	N/A.	£2.40	£3.30

3.6.

The car parks are not only supposed to pay for themselves but generate a surplus, therefore the undernoted budget figure reflect the budgeted surplus. However, since the introduction of 1-hour free parking the car park budget has shown an overspend. The table below shows the allocated budget for the last four years along with the overspend.

Financial Year	Budget	Actual Outturn	Overspend
2023/24	(£163,800)	N/A	N/A
2022/23	(£146,600)	£44,471.84	£191,071.84
2021/22	(£151,300)	£99,831.21	£251,131.21
2020/21	(£76,600)	£83,438.10	£160,038.10

4. Options

4.1.

The following options were considered by the Neighbourhood Services Consultative Group:

- **Option 1**
Increase the 1-hour free tariff to 50p and reduce 2 and 3 hours to £2.00 and £4.00. Summer tariff for that period would be £1.00. This would generate an additional £33,900.10.
- **Option 2**
Increase the 1-hour free tariff to 50p keeping other tariffs at current rate. This would generate an additional £62,684.50.
- **Option 3**
Increase the 1-hour free tariff to 50p and reduce winter period from the current seven months to a period of three months and keep all other tariffs at current rate. This would generate an additional £37,490.00.
- **Option 4**
Amend the period of winter tariff from the current seven months to a period of three months and keep all tariffs at current rate. This would generate an additional £89,976.00.
- **Option 5**
Maintain the status quo and accept the ongoing loss of income. Seek to supplement loss of income from other source (OIC Budget).

4.2.

A breakdown of the income for the various options outlined above is attached as Appendix 1 to this report.

4.3.

A list of parking charges in other Scottish local authority areas is attached as Appendix 2 to this report.

5. Engagement

5.1.

On 30 August 2023, Officers from Roads and Grounds gave a presentation on options for changes to the tariffs to the Neighbourhood Services Consultative Group. Option 4 at section 4.1 above was the preferred option.

5.2.

Officers have written to both the Kirkwall BID and Stromness Business Forum to advise of the proposed changes to the tariffs, and to seek their views on the proposals, particularly to reduce the current winter period from seven months to three months.

5.3.

Kirkwall BID responded on 30 October 2023 raising concerns with the proposals as follows.

- “As the town centre continues to recover from the Covid-19 pandemic, it’s clear that we must do all we can to support local businesses to encourage people into town. We feel that removing the free parking would be a huge blow to high street recovery.”
- “Further, we feel that the increasing scale, especially in winter, is too expensive, which may be deterring longer visits to the town.”
- “If further increases are required, perhaps these could come from a restructure of summer charges.”
- “The board feels a compromise would be for the 7 month free period to be reduced to 5 months, 1st November to 31st March and keep all charges as they are for the winter. This would cater to the extended tourist season and the critical months for local business income that help them survive through winter.”

5.3.1

Concerns were also raised regarding the lack of policing of the 20 and 40 minute free on-street parking bays. This is a matter for Police Scotland to enforce.

6. Corporate Governance

This report relates to the Council complying with governance and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

7. Financial Implications

7.1.

Car parks are accounted for as a part of the Roads Revenue budget with an approved budget for 2023/24, to generate a surplus of £163,800.

7.2.

As set out in section 3.2 above, car park charges are an exception to the budget setting strategy in respect of increasing existing charges.

8. Legal Aspects

Section 35C of the Road Traffic Regulation Act 1984 (as amended) makes provision for the charges to be paid in connection with the use of off-street parking places to be varied by notice.

9. Contact Officers

Hayley Green, Corporate Director for Neighbourhood Services and Infrastructure, extension 2309, Email hayley.green@orkney.gov.uk

Lorna Richardson, Head of Neighbourhood Services, extension 2322, Email lorna.richardson@orkney.gov.uk

Kenneth Roy, Team Manager Roads Support, extension 2326, Email kenny.roy@orkney.gov.uk

10. Appendices

Appendix 1: Breakdown of Income Options.

Appendix 2: Parking Charges in other Local Authority Areas.

Option 1																Total	Total Amount Charged	New Amount Charged	Difference
Description	Rate	New Rate	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Total Count	Total Amount Charged	New Amount Charged	Difference	
1 hour winter	£0.00	£0.50	18424	0	0	0	0	0	17132	19341	20083	16304	16147	17938	125369	£0.00	£62,684.50	£62,684.50	
2 hour winter	£2.70	£2.00	1263	0	0	0	0	0	1379	1042	1165	783	913	967	7512	£20,282.40	£15,024.00	£-5,258.40	
3 hour winter	£5.70	£4.00	329	0	0	0	0	0	344	249	341	189	237	266	1955	£11,143.50	£7,820.00	£-3,323.50	
1 hour summer	£1.20	£1.00	0	9079	7669	7699	8602	8003	0	0	0	0	0	0	41052	£49,262.40	£41,052.00	£-8,210.40	
2 hour summer	£2.70	£2.00	0	2122	1917	2273	2578	2022	0	0	0	0	0	0	10912	£29,462.40	£21,824.00	£-7,638.40	
3 hour summer	£5.70	£4.00	0	446	424	511	662	518	0	0	0	0	0	0	2561	£14,597.70	£10,244.00	£-4,353.70	
Total															189361	£124,748.40	£158,648.50	£33,900.10	

Option 2

Description	Rate	New Rate	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Total Count	Total Amount Charged	New Amount Charged	Difference
1 hour winter	£0.00	£0.50	18424	0	0	0	0	0	17132	19341	20083	16304	16147	17938	125369	£0.00	£62,684.50	£62,684.50
2 hour winter	£2.70	£2.70	1263	0	0	0	0	0	1379	1042	1165	783	913	967	7512	£20,282.40	£20,282.40	£0.00
3 hour winter	£5.70	£5.70	329	0	0	0	0	0	344	249	341	189	237	266	1955	£11,143.50	£11,143.50	£0.00
1 hour summer	£1.20	£1.20	0	9079	7669	7699	8602	8003	0	0	0	0	0	0	41052	£49,262.40	£49,262.40	£0.00
2 hour summer	£2.70	£2.70	0	2122	1917	2273	2578	2022	0	0	0	0	0	0	10912	£29,462.40	£29,462.40	£0.00
3 hour summer	£5.70	£5.70	0	446	424	511	662	518	0	0	0	0	0	0	2561	£14,597.70	£14,597.70	£0.00
Total															189361	£124,748.40	£187,432.90	£62,684.50

Option 3

Description	Rate	New Rate	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Total Count	Total Amount Charged	New Amount Charged	Difference
1 hour winter	£0.00	£0.00	0	0	0	0	0	0	0	0	0	16304	16147	17938	50389	£0.00	£0.00	£0.00
2 hour winter	£2.70	£2.70	0	0	0	0	0	0	0	0	0	783	913	967	2663	£7,190.10	£7,190.10	£0.00
3 hour winter	£5.70	£5.70	0	0	0	0	0	0	0	0	0	189	237	266	692	£3,944.40	£3,944.40	£0.00
1 hour winter	£0.00	£0.50	18424	0	0	0	0	0	17132	19341	20083	0	0	0	74980	£0.00	£37,490.00	£37,490.00
2 hour winter	£2.70	£2.70	1263	0	0	0	0	0	1379	1042	1165	0	0	0	4849	£13,092.30	£13,092.30	£0.00
3 hour winter	£5.70	£5.70	329	0	0	0	0	0	344	249	341	0	0	0	1263	£7,199.10	£7,199.10	£0.00
1 hour summer	£1.20	£1.20	0	9079	7669	7699	8602	8003	0	0	0	0	0	0	41052	£49,262.40	£49,262.40	£0.00
2 hour summer	£2.70	£2.70	0	2122	1917	2273	2578	2022	0	0	0	0	0	0	10912	£29,462.40	£29,462.40	£0.00
3 hour summer	£5.70	£5.70	0	446	424	511	662	518	0	0	0	0	0	0	2561	£14,597.70	£14,597.70	£0.00
Total															189361	£124,748.40	£162,238.40	£37,490.00

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Option 4																		
Description	Rate	New Rate	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Total Count	Total Amount Charged	New Amount Charged	Difference
1 hour winter	£0.00	£0.00	0	0	0	0	0	0	0	0	0	16304	16147	17938	50389	£0.00	£0.00	£0.00
2 hour winter	£2.70	£2.70	0	0	0	0	0	0	0	0	0	783	913	967	2663	£7,190.10	£7,190.10	£0.00
3 hour winter	£5.70	£5.70	0	0	0	0	0	0	0	0	0	189	237	266	692	£3,944.40	£3,944.40	£0.00
1 hour winter	£0.00	£1.20	18424	0	0	0	0	0	17132	19341	20083	0	0	0	74980	£0.00	£89,976.00	£89,976.00
2 hour winter	£2.70	£2.70	1263	0	0	0	0	0	1379	1042	1165	0	0	0	4849	£13,092.30	£13,092.30	£0.00
3 hour winter	£5.70	£5.70	329	0	0	0	0	0	344	249	341	0	0	0	1263	£7,199.10	£7,199.10	£0.00
1 hour summer	£1.20	£1.20	0	9079	7669	7699	8602	8003	0	0	0	0	0	0	41052	£49,262.40	£49,262.40	£0.00
2 hour summer	£2.70	£2.70	0	2122	1917	2273	2578	2022	0	0	0	0	0	0	10912	£29,462.40	£29,462.40	£0.00
3 hour summer	£5.70	£5.70	0	446	424	511	662	518	0	0	0	0	0	0	2561	£14,597.70	£14,597.70	£0.00
Total															189361	£124,748.40	£214,724.40	£89,976.00
Long Stay Car Park Income																		
Description	Rate	New Rate		2022	2023										Total Count	Total Amount Charged	New Amount Charged	Difference
4 hours	£2.40	£2.40		6461	662										7123	£17,095.20	£17,095.20	£0.00
8 hours	£3.30	£3.30		2770	418										3188	£10,520.40	£10,520.40	£0.00
Total															10311	£27,615.60	£27,615.60	£0.00

