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Discounted car parking initiatives

1 Overview

This paper examines the prevalence of discounted town and city centre parking initiatives as a policy response to declining town centre high streets.

2 Background and context

There has been a well-documented decline in town centre 'high streets' over the last number of decades leading to a number of analyses and reports. The [UK Government's] Department for Business, Innovation and Skills commissioned consultants to bring this information together into one study, "...*that will inform central and local government decision making regarding town centres, high streets and local economic growth [and] to be a key input to the Independent Review of the High Street led by Mary Portas.*"¹ The resulting document: *Understanding High Street Performance* identified a number of factors which have brought about this decline in high streets and town centres:

- Wider economic circumstances and government policies have played their part in the decline of the traditional high street;

¹ GENECON LLP and Partners (2011) *Understanding High Street Performance*. Department for Business, Innovation and Skills [online] available from: <http://nia1.me/wz>

- Prime locations, whether in city centres or out-of-town retail parks providing large-format stores, accessible by car and where all shopping is done under one roof, dominate the market to the detriment of traditional high streets.
- It is clear that consumers are choosing out-of-town shopping centres, major supermarkets and retail parks instead of high streets and town centres.
- There is currently a limited treatment and understanding of the potential impacts of demographic changes on the high street, and on consumer preferences in general.
- At the local level, it is evident that 'town centre first' policies have not been sufficient to create thriving town centres and high streets.
- There is a growing critique that town centres and high streets are not well managed and as a result are disadvantaged compared with supermarkets and shopping centres.²

2.1 Car parking

The subsequent *Portas Review* of UK high streets singled out car parking as one area in which out-of-town shopping centres have a significant advantage over town centres:

"It just wouldn't be possible to tackle the challenge of the high street without looking at parking. I know there are many very sensible environmental arguments as to why we shouldn't be using our cars. But to remove controlled free parking from our town centres puts them at a massive competitive disadvantage. Cars are an intrinsic part of the way many people shop and so many of our high streets simply aren't catering for our 21st century shoppers. The ease with which out-of town retailing can be reached by car means that high streets do not have the luxury of pretending that car-based access is not convenient for shoppers. It is. And yet in many town centres I have visited for this review parking has been run-down, in an inconvenient place, and most significantly really expensive."³

With regards to car parking the *Portas Review* recommends:

"Local areas should implement free controlled parking schemes that work for their town centres and we should have a new parking league table."⁴

This recommendation to offer 'free controlled parking' while at the same time to show transparency on pricing is one of 28 recommendations designed to combat the dominance of out of town shopping centres and it should not, therefore, be considered in isolation.

² GENECON LLP and Partners (2011) *Understanding High Street Performance*. Department for Business, Innovation and Skills [online] available from: <http://nia1.me/wz>

³ Portas, M. (2011) *The Portas Review: An independent review into the future of our high streets* [online] available from: <http://nia1.me/x2> PAGE 27

⁴ Ibid. PAGE 27

Portas goes on to describe the 'shopper comes first' environment provided by out-of-town centres, where ample free parking is complemented with "...wide footways, pedestrianised streets, and good public transport links such as free buses."⁵ It is this overall package with which town centres must now attempt to compete.

3 Car parking policy in Northern Ireland

As is the case in England, Northern Ireland's towns and cities have suffered from significant decline over many years, principally due to the increased presence of out of town retail developments. This was a key conclusion of the NI Assembly's Social Development Committee Inquiry into Town Centre Regeneration in 2009.⁶ This inquiry along with the Northern Ireland Independent Retail Trade Association (NIIRTA) have stated that this decline has been intensified by both a lack of available parking and high parking rates.⁷

Following significant cuts to its latest budget the Department for Regional Development (DRD) identified car parking as an area where significant revenue could be generated. Currently only three cities (Belfast, Lisburn and Newry) in Northern Ireland have on-street parking charges. However, the 2011 draft budget proposed introducing on-street charging to most of main towns and cities across Northern Ireland.⁸

Following the 2011 Northern Ireland Assembly election the new Regional Development Minister Danny Kennedy conducted a review of this policy, which included consultation with traders and representative groups including NIIRTA. As a result of this review the Minister did not implement this proposal:

As part of my review, I have consulted widely with local public representatives, town centre traders, local chambers of commerce and the Northern Ireland Independent Retail Trade Association (NIIRTA). I want to pay particular tribute to the association and its chief executive, Mr Glyn Roberts, for providing a major contribution to the review.

I visited Comber, Cookstown, Dungannon, Enniskillen, Magherafelt and Portadown, to name but a few, to hear what local people had to say on the matter. I also received representations from traders in Carrickfergus, Kilkeel, Downpatrick, Newtownards, Bangor, Larne and Armagh. The overwhelming view across Northern Ireland was that the proposal would have a detrimental impact on towns and, more importantly, the local economy.

⁵ Portas, M. (2011) The Portas Review: An independent review into the future of our high streets [online] available from: <http://nia1.me/x2> PAGE 27

⁶ Social Development Committee (2009) Social Development Committee Inquiry into Town Centre Regeneration [online] available from: <http://nia1.me/x8>

⁷ (NIIRTA) Northern Ireland Independent Retail Trade Association (2012) NIIRTA Submission to the Department for Regional Development Consultation on Public Transport Reform

⁸ (DRD) Department for Regional Development (2011) *Draft Budget 2011-15: Spending and saving proposals within Department for Regional Development* [online] available from: <http://nia1.me/x1>

*Having listened to viewpoints across Northern Ireland, and after careful consideration, I have decided that I will not introduce new on-street car parking charges in the proposed 30 towns and cities. I have heard a united voice in opposition to the proposals and believe that not introducing the charges is the right decision in the current economic climate.*⁹

During this statement to the Assembly the Minister announced that in order to offset the £8.8 million shortfall in the Department's budget as a result of this decision, he would seek to generate income of £2.1 million from off-street parking charges in provincial towns and on-street charges in some cities.¹⁰

The details of this proposal were presented to the Committee for Regional Development at its meeting on 18 April 2012 where the Minister stated his intention to introduce a car parking charge to an additional 25 off-street car parks. The charges will range from 20p to 40p per hour with a number of car parks charging 30p for a three hour stay; these charges are due to be implemented by June 2012. In addition the Minister increased the fine for penalty charge notices from £60 to £90. This increase, he stated, was required to:

*"Maintain front-line services, such as pothole repairs and street light maintenance [and] to avoid further annual increases in car-parking charges over the lifetime of the budget."*¹¹

The Minister continued:

"I have ensured that there is free off-street or on-street car parking in all towns across Northern Ireland [and while] the off-street car parks may be a walk from the town centre [they] offer a free alternative to charged parking."

It could be argued that the Minister has sought to find a balance between the need for his Department to generate income to supplement a greatly reduced budget with the needs of town centre economies. However, the situation is complicated by the cross-departmental responsibilities with regards to town centres and parking in particular. The confusion was highlighted by the Committee for Social Development in its inquiry into town centre regeneration:

The Committee recommends that the Department [of Social Development] (with other departments) clarifies the roles and responsibilities in relation to the provision of car parking capacity and the control of car parking charges. The Committee further recommends that car parking capacity and related

⁹ Northern Ireland Assembly Official Report, 13 September 2011[online] available from: <http://nia1.me/x7>

¹⁰ Ibid.

¹¹ (DRD) Department for Regional Development (2012) Kennedy sets out plans for first year review of car parking charges [online] available from: <http://nia1.me/x3>

charges be developed in sympathy with town centre and/or edge-of-town regeneration activities.¹²

To clarify:

- DRD's Roads Service is responsible for on and off street car parking including maintenance and enforcement.
 - The Department of the Environment (DOE) is responsible for planning and therefore it makes decisions on car parking capacity and out-of-town developments. With regards town centre parking, DOE Planning Policy Statement 5 (PPS5) indicates an unwillingness to increase capacity to meet demand,¹³ highlighting the need to find a balance between car parking and:
 - strategic objectives of reducing travel by car;
 - the mobility requirements of people who have no alternatives to private car travel;
 - the need to ensure the commercial viability of town and city centres; and
 - traffic management and safety.
- PPS 5 also suggests a 'town centre first' policy with regards to retail outlets. However, as is the situation in England, many commentators believe this policy has not been appropriately implemented.
- The Department for Social Development (DSD) is responsible for urban regeneration.

4 Parking policy in England

PPS5 attempts to limit car parking provision in town centres thereby encouraging shoppers to use public transport or to walk and cycle. This policy mirrored that of the Labour Government and it was seen as an effective tool in reducing CO₂ emissions as part of a wider sustainability drive. The Portas review has however shown that this policy has had a detrimental effect on town centres and the Coalition Government has implemented measures to correct this policy.

In August 2011, Eric Pickles, Secretary of State for Communities and Local Government, abolished central restrictions on parking in town centres stating:

"Families and local firms face a parking nightmare under existing rules. Stressed-out drivers have to run the gauntlet of parking fines, soaring parking charges and a lack of parking spaces. These parking restrictions have hit small shops the hardest, creating 'ghost town' high streets which can't compete with out-of-town supermarkets. We want to see more parking spaces to help small shops prosper in local high streets and assist mums

¹² Social Development Committee (2009) Social Development Committee Inquiry into Town Centre Regeneration [online] available from: <http://nia1.me/x8>

¹³ PPS 5: PPS 5: Retailing and Town Centres Town Centres: Access to Town Centres Para 33

struggling with their family shop. We are standing up for local high streets."¹⁴

The National Planning Policy Framework, published on 27 March 2012, replaced existing planning guidance. This takes a more holistic approach to parking, requiring authorities to consider local conditions in terms of accessibility, car ownership levels etc. It also explicitly states that car parking charges should not *undermine the vitality of town centres*.

39. If setting local parking standards for residential and non-residential development, local planning authorities should take into account:

- the accessibility of the development;
- the type, mix and use of development;
- the availability of and opportunities for public transport;
- local car ownership levels; and
- an overall need to reduce the use of high-emission vehicles.

40. Local authorities should seek to improve the quality of parking in town centres so that it is convenient, safe and secure, including appropriate provision for motorcycles. They should set appropriate parking charges that do not undermine the vitality of town centres. Parking enforcement should be proportionate.¹⁵

A key feature of UK parking policy is that ultimately it is set at the local level. In announcing his review of planning policy Mr Pickles stated:

*"The Government believes councils and communities are best placed to set parking policies that are right for their area and based on local need - not Whitehall. Local people know the level of parking that is sustainable for their town centre."*¹⁶

While local authorities will now have powers to increase parking capacity they must also deal with the issue of charging. Ultimately car parking provides revenue which supplements the funding they receive through rates collection and central government funding. Local government funding was cut significantly in the latest budget and therefore, much like the decision which faced the DRD Minister, local authorities have to find a balance between the need to stimulate footfall in town centres with the need to raise revenue.

Local authorities across England have experimented with a number of discount schemes in recent years but particularly since the publication of the Portas Review. The main aim of all of these has been to increase footfall on the high street. The Portas review gave an example of such a scheme in Swindon and this is discussed below.

¹⁴ DCLG Press Release, High streets get boost from fairer parking, 1 August 2011 [online] available from: <http://nia1.me/xa>

¹⁵ DCLG (2012) National Planning Policy Framework [online] available from: <http://nia1.me/xc> PAGE 11

¹⁶ DCLG Press Release, High streets get boost from fairer parking, 1 August 2011 [online] available from: <http://nia1.me/xa>

The Swindon case is one of four case studies included in this paper each of which examines different approaches to discounted parking.

4.1 Case study 1: Swindon Borough Council reduced rates

In June 2010 Swindon Borough Council took the decision to reduce short stay car parking charges in its three premium rate 'pay on foot' multi-storey car parks and all car parks in Old Town for the one year, to 31st July 2011. The objectives of the reduction in tariff were to encourage more people into Swindon town centre and Old Town and increase the length of stay of shoppers (dwell time).

The Council undertook detailed monitoring and evaluation of the scheme, using quantitative data relating to car parking usage and footfall (up by 8.17% against a national fall of 2.2%), and qualitative data from retailers on retail performance. General feedback on retail performance gathered through surveys was overwhelmingly positive from both retailers and customers, with many anecdotal comments on increased dwell time and spend, brought about by the revised charging structure which encouraged a 4 hour stay. The Council also reported that interest in letting units increased.

The cost implications from a reduction Council of car parking income was estimated at £0.5m in the financial year. Despite this, the Council made the changes permanent, subject to a normal annual review process.¹⁷

4.2 Case study 2: Rotherham Borough Council 'free after 3' parking scheme

Rotherham Borough Council (RBC) introduced a pilot 'free after 3pm' parking initiative in May 2009. This enabled people to park in all Council owned off street car parks and on street bays free of charge between 3 and 6pm Monday to Friday. The main purpose of this scheme was to encourage more shoppers into the town centre, and so contribute to regeneration, at a time when the town centre is traditionally not as busy.

Feedback from town centre businesses indicated strong support for the initiative with the majority feeling that trade had improved as a consequence. Only the main local bus operator objected based on the potential negative impact the scheme would have on patronage and local traffic conditions. To complement this scheme, RBC also introduced free parking on the six Saturdays prior to Christmas 2009. Almost two thirds (64%) of town centre traders indicated that trade and footfall had increased as a result of this initiative.

These parking initiatives had cost implications for RBC. Their figures indicated that continuing with free parking after 3pm would cost the Council £79,000 in lost parking per year while it was also estimated that to introduce free parking on Saturdays would cost the Council a further £211,500 in lost income for the same period. The council

¹⁷ GENECON LLP and Partners (2011) *Understanding High Street Performance*. Department for Business, Innovation and Skills [online] available from: <http://nia1.me/wz>

would also face one off costs to amend the existing traffic signs, to make the appropriate traffic regulation orders (estimated at £5000), and to market the scheme (estimated at £26,500). Due to a lack of funding both schemes were not taken forward.¹⁸ Interestingly a council official commented that “*our footfall numbers haven't fallen since the removal of this initiative or for that matter an initiative that introduced free Saturday parking too.*”¹⁹

4.3 Case study 2: Basildon Council free weekend parking

Basildon Council introduced free weekend parking at all council-owned car parks in Basildon, Wickford and Billericay (from 6pm on Fridays to 8am on Mondays) in April 2009.²⁰ The scheme has proved to be successful and will now run until [at least] March 2013. In addition, short stay car parking fees have also been reduced by 20 per cent on weekdays in Basildon and Wickford to encourage short-term shopper parking. The scheme costs an estimated £85,000 per annum in lost revenue.²¹

According to the council this policy is designed to save people money and boost trade for local businesses by attracting more shoppers to the high street. The scheme has attracted praise from the Essex Federation of Small Businesses (EFSB):

“The Mary Portas Review of town centres emphasised the way high car parking charges deterred shoppers from using town centres with the impact that has on the viability of businesses, especially independent retailers so the news that Basildon Council is to provide free parking from 6.00pm Friday until 8.00am Monday in council run car parks in Basildon, Billericay and Wickford is excellent news for those town centres.”

4.4 Case study 4: Colchester

To overcome public perception that town centre car parking was too expensive Colchester Borough Council established a working group of officials and local traders. The group, led by the towns Parking Manager, was called *Choose Colchester*, and effectively it developed a series of special offers for parking.

The offers were set for off-peak times parking offers and give motorists the option of additional time for a set fee. When entering a car park motorists are asked to press a yellow button to select the offer; the ticket machine then switches to a different tariff of £2.50 for 4 hours. The usual tariff for four hours on short stay car parks is £3.90.

The special offer is available after 9.30 am to keep traffic away from the peak hours. The standard “core tariff” applies at other times.

¹⁸ Rotherham Borough Council (2010) *Free after 3 scheme ends* [online] available from: <http://nia1.me/wx>

¹⁹ Andy Butler, Rotherham Borough Council. Personal Email on Wed 30/05/2012

²⁰ Department of Innovation, Universities and Skills (2010) *Looking after our town centres* [online] available from: <http://nia1.me/wy>

²¹ Basildon Borough Council (2012) *Basildon Council extends popular free parking scheme* [online] available from: <http://nia1.me/x0>

The offers have been “*stunningly successful*” since their introduction as demonstrated by the increase in shoppers shown in figure one. A marketing campaign was also introduced to inform shoppers about the offer (figure 2)

Figure 1: Increase in Shopper numbers as result of parking offers in Rotherham²²

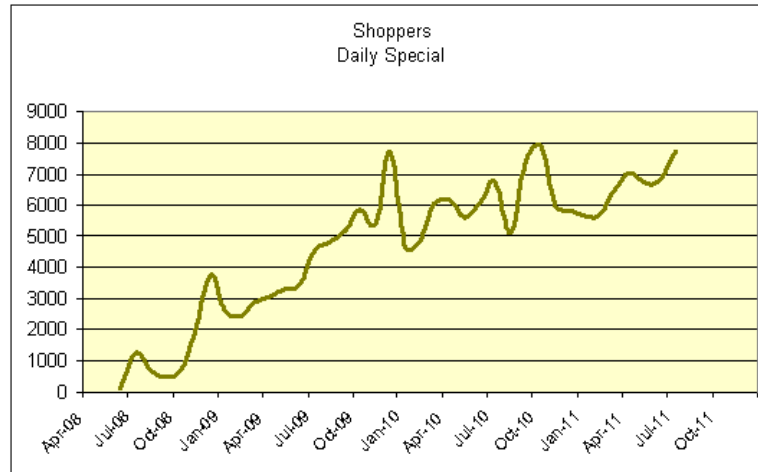


Figure 2: Marketing poster for Choose Colchester²³



*When launched the introductory price for the offer was £2.00.

Since this scheme was introduced other offers have been introduced. Another Partner authority, Braintree, has also introduced a 10p after three offer which works in a similar way to those described.²⁴

²² Richard Walker, parking partnership group manager. Information provided by Ojay McDonald: Research and Policy Manager Association of Town Centre Management (via email: 30/05/2012)

²³ Ibid.

²⁴ Ibid.