

Item: 6

Policy and Resources Committee: 19 May 2021.

Kirkwall BID – Request to Introduce One Hour Free Parking.

Report by Executive Director of Development and Infrastructure.

1. Purpose of Report

To consider a request from Kirkwall BID to introduce one hour free parking from May to September 2021 for all pay and display car parks in Orkney as a response to the anticipated ongoing impacts of COVID-19 on the summer season.

2. Recommendations

The Committee is invited to note:

2.1.

That, on 2 March 2021, when setting the Council Tax and revenue budget for 2021/22, the Council approved a number of efficiency savings, including a 50% price increase for all pay and display car parks in Orkney.

2.2.

That Kirkwall BID has submitted a request to the Council to introduce one hour free parking for the period May to September 2021 for all pay and display car parks in Orkney.

2.3.

That the COVID-19 outbreak has significantly impacted on retail footfall due to ongoing restrictions, impacts which are realistically expected to continue throughout summer 2021.

2.4.

That the proposal from Kirkwall BID fits with the principles of the Council's Coronavirus Response Fund in supporting business recovery in response to the COVID-19 pandemic.

2.5.

That, in order to amend charges applicable in pay and display car parks, the Council is required to publish a Notice of Amendment, which must be published for a minimum of three weeks prior to the amendments coming into effect.

It is recommended:

2.6.

That, for the period 1 July to 30 September 2021, the first hour of parking in all pay and display car parks be free of charge, with the estimated cost, at up to £100,000, to be met from the Council's Coronavirus Response Fund.

3. Background

3.1.

The impact of the COVID-19 pandemic on town centre businesses has been significant, with restrictions resulting in temporary business closures, decreased customer footfall, reduced trading capacity and increased overheads to ensure compliance with health and safety requirements.

3.2.

The COVID-19 pandemic has accelerated the rising trend in online shopping, whilst brick-and-mortar stores have endured significant restrictions.

3.3.

High-street retailers are now facing a more challenging trading environment than ever before and require to persuade customers back into stores, rather than consumers continuing to opt to shop online. This shift in customer behaviour will be crucial for the retail sector to recover from the pandemic successfully.

3.4.

The existing Winter car park tariffs allow free parking for the first hour in the Council's pay and display car parks, this runs from 1 October to 30 April each year.

3.5.

Summer car parking tariffs come into force from 1 May to 30 September each year. As part of the budget setting process for 2021/22, the Council agreed an increase in tariffs of 50% as follows:

Duration.	2020/2021 (£).	2021/2022 (£).
1-hour.	0.80.	1.20.
2 Hours.	1.80.	2.70.
3 Hours.	3.80.	5.70.

4. Requested Proposal

4.1.

The proposal from Kirkwall BID is to introduce one hour free parking for the period May to September 2021.

4.2.

It is hoped that the removal of charge for the first hour of parking will help encourage customers back into retail premises, thus aiding trading recovery from COVID-19 through increasing footfall and sales.

4.3.

The anticipated cost is based on an assessment of total income for all tariffs for the past three years prior to COVID-19 where the revenue difference shown in the table below is mainly attributed to the one hour free parking tariff during Winter months.

Year	Winter	Summer	Revenue difference
2017/18	£38,767.17	£81,795.84	£43,028.67
2018/19	£37,947.23	£85,595.52	£47,648.29
2019/20	£39,561.34	£86,701.35	£47,140.01

4.4.

During 2020/21, the one hour tariff increased from £0.70 to £0.80 and so, with 90,045 one hour tickets issued between October 2020 and February 2021, the cost to the Council for the 5 months was £72,036.

4.5.

The more recent 50% increase on a one hour ticket this year has increased the tariff to £1.20. Based on the number of one hour tickets issued from October 2020 to February 2021, this would have generated an income of £108,054 over 5 months.

4.6.

In order to amend the tariffs, the Council is required to publish a notice detailing the changes. The notice must be published in a local newspaper and be displayed in the affected parking places for a minimum of three weeks before the amendments come into effect.

4.7.

Whilst it is not possible to project a cost based on comparable summer months of the one hour free tariff data, the above assessment broadly estimates the cost range to the Council over the period June to September at the £1.20 tariff level as between £86,000 and £100,000. It is proposed that this cost could be met from the Council's £5 million Coronavirus Response Fund.

5. Appraisal

5.1.

Retail businesses are entering a key period of recovery from the financial impact of the pandemic.

5.2.

Recovery of retail outlets in Orkney is essential to the economic recovery in ensuring employment levels remain high and the high streets remains prosperous.

5.3.

Although temporary removal of one hour parking tariffs over Summer would result in a loss of income for the Council, the potential benefits this may bring to retailers in terms of increased footfall and sales should help give local businesses the best chance to bounce back from the impact of COVID-19. There is little or no additional data around the business benefits of free parking beyond addressing the strongly held concerns of the Kirkwall BID business community that charging presents a level of disincentive to town centre trading.

5.4.

The proposal to cover the cost of the one hour free parking tariff from the Council's Coronavirus Response Fund is considered to be appropriate, as it would provide an incentive for customers to shop in town and thus supporting the retail business sector in its recovery from the pandemic.

5.5.

With the requirement to publish a notice for a minimum of three weeks prior to the amendments coming into effect, it will not be possible to implement the proposed recommendation of free parking until July.

6. Links to Council Plan

6.1.

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority of Enterprising Communities.

6.2.

The proposals in this report relate directly to Priority 4.2. Strategic investment in projects to generate income and/or deliver significant community benefits.

7. Links to Local Outcomes Improvement Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priorities of Strong Communities and A Vibrant Economy.

8. Financial Implications

8.1.

The cost of removing the one hour charge will be met by the Council's Coronavirus Response Fund.

8.2.

The estimated cost of the tariff removal is up to £100,000. It should be possible to verify the number of free tickets issued and therefore the cost of the initiative in October 2021.

8.3.

The total grant and loan commitments made from the Council's £5 million Coronavirus Response Fund as at 23 April 2021 was £2,990,033.

9. Legal Aspects

9.1.

There are statutory Traffic Regulation Orders in place in respect of all the Council's pay-and-display car parks. In accordance with Section 35C of the Road Traffic Regulation Act 1984 (as amended), where an Order makes provision as to the charges to be paid in connection with the use of off-street parking places, the authority making that Order may vary those charges by notice.

9.2.

The procedure to be followed for giving notice under Section 35C is set out in the Local Authorities' Variation of Charges at Off-street and Designated Parking Places (Notice Procedure) (Scotland) Regulations 1997. These regulations provide that, at least 21 days before a notice comes into force, the local authority shall publish the notice in one or more local newspapers and display a copy of the notice in one or more prominent positions in the parking places affected.

9.3.

The notice must state, among other things, the date when the provisions will come into force. To allow a lead-in time to prepare notices and allow publication and display in the relevant car parks, it is unlikely that any variations would come into effect prior to 1 July 2021.

9.4.

As the recommendation for the first hour of parking in pay and display car parks to be free of charge is contradictory of a decision of the Council taken on 2 March 2021 to apply an uplift in car parking charges by 50%, Standing Order 23.1 (which provides that a motion shall not be competent if it is contradictory of a previous decision of the Council made within the last 12 months) will require to be suspended in order for the recommendation to be considered and/or approved. Standing Order 23.1 may only be suspended if two-thirds of the Members present, rounded up the nearest whole number, so agree.

10. Contact Officers

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