

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET MEMBER FOR CLEAN STREETS, RECYCLING AND ENVIRONMENT AND THE CORPORATE DIRECTOR FOR PLACE
Report of:	SERVICE DIRECTOR PLACE - SPORT, EVENTS, OPEN SPACES AND WELLBEING
Date of Decision:	28th April 2017
SUBJECT:	IMPLEMENTATION OF CHARGING SCHEME FOR CAR PARKING IN CANNON HILL PARK AND APPROVAL TO UNDERTAKE ASSOCIATED IMPROVEMENT WORKS – FULL BUSINESS CASE
Key Decision: No	Relevant Forward Plan Ref:
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member for Local Services:	COUNCILLOR LISA TRICKETT – CABINET MEMBER FOR CLEAN STREETS, RECYCLING AND ENVIRONMENT
Relevant O&S Chairman:	Corporate Resources and Governance
Wards affected:	MOSELEY & KINGS HEATH

1. Purpose of report:

To seek approval to the Full Business Case for the introduction of car parking charges at Cannon Hill Park as part of an overall strategy to introduce charges across parks and to set out a phased programme of improvement works to the car parking infrastructure within Cannon Hill Park to improve the standard and safety of the facilities.

2. Decision(s) Recommended:

That the Cabinet Member for Clean Streets, Recycling and Environment jointly with the Corporate Director for Place:-

- 2.1 Approves the Full Business Case for the implementation of car parking charges within Cannon Hill Park, as part of an overall strategy to introduce charges across City Council parks.
- 2.2 Approves the implementation of an arrangement with the Midlands Arts Centre (MAC) which will establish shared responsibility for management of the car parking scheme and an income share arrangement between the City Council and the MAC as set out in paragraph 4.2.
- 2.3 Notes the implementation of experimental Traffic Regulation Orders in identified surrounding roads to mitigate the impact of displacement parking on local residents, attached in Appendix 1.
- 2.4 Approves prudential borrowing of £0.450m, to be repaid over a period of 10 years, to implement a phased programme of improvement and infrastructure works associated with surface improvements, CCTV and lighting as set out in Appendix 2 and notes the use of contractors on current procurement frameworks to carry out this work.

- 2.5 Authorises the Service Director of Sport, Events, Open Spaces and Wellbeing to place orders up to the value of £0.450m through existing contracts and in line with the Procurement Governance arrangements.
- 2.6 Approves the retention of surpluses from the implementation of these charges, to the extent that they exceed existing budget assumptions, for reinvestment in the parks service, in accordance with the business plan set out in Paragraph 4.2 and Appendix 5 of this Report.

Lead Contact Officer(s):	Steve Hollingworth, Service Director – Sport, Events, Open Spaces and Wellbeing
Telephone No: E-mail address:	0121 464 2023 steve.hollingworth@birmingham.gov.uk

3. Consultation

3.1 Internal

The Deputy Leader and the Cabinet Member for Value for Money and Efficiency have been consulted along with the Commercialism Board, who support the proposal. In addition the Cabinet Member for Transport and Roads has also been consulted in relation to traffic management issues.

Local Members for Moseley and Kings Heath have also been advised of the proposals and are supportive of the scheme alongside relevant parking measures in the surrounding community. Consultation and responses are attached in Appendix 6 of this report.

The Trusts and Charities Committee approved the scheme in principle at the meeting on 1 March 2017, subject to cabinet member approval.

Officers from City Finance, Legal Services, Procurement and Highways have been involved in the preparation of this report.

3.2 External

Management at the Midlands Art Centre have been consulted, including the Chief Executive and the Strategic Operations Director who are working alongside the Council to implement the proposals.

Public consultation on the introduction of car parking charges in City parks was undertaken as part of the 2016/17 budget process and feedback from that consultation has been noted. Following the feedback work has taken place alongside key stakeholders, including the MAC, to revise the scheme in line with feedback.

Following the development of a revised scheme public consultation on the relevant traffic orders for the park took place in April 2017. A summary of the public consultation is attached in Appendix 6 of the report and all views have been fully considered as part of the development of the scheme.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

The approach to introduce car parking charges in City parks has been very carefully considered since it was first proposed to ensure that its introduction is better understood and also to mitigate any negative impact on park users and other vulnerable groups.

The proposal specifically supports a number of the Council's strategies, which are:

- Promotion of public transport and green travel options – the implementation of car parking charges will incentivise the use of green travel and public transport options. As part of the introduction of the scheme alternative forms of travel to parks will be promoted and reinforced.
- Commercialism – the Council is embarking on a Commercialism approach that seeks to maximise the financial value of every asset that the Council holds, including seeking to generate new revenue for the Council. The implementation of this scheme will support the Commercialism approach and the scheme has been endorsed by the Commercialism Board while improving facilities and the availability of spaces for park users.

4.2 Financial Implications

(Will decisions be carried out within existing finance and Resources?)

The implementation of the car parking scheme is estimated to generate a total net revenue surplus prior to borrowing costs and distributions to the MAC of £0.117m in 2017/18 (assuming implementation by July 2017), increasing to £0.160m per annum from 2018/19 (the first full year of operation). An agreement has been put in place with the MAC, which will see a 50% share of operating surplus (i.e. before capital financing costs) paid to the MAC, who will manage the day to day aspects of the car park.

It is anticipated that the phased programme of infrastructure and improvements works to Cannon Hill Park will be necessary to support the proposed scheme, requiring capital investment of £0.45m, to be funded through prudential borrowing over a 10 year period, to be repaid utilising revenue surpluses generated from the implementation of car parking charges. A full business case is attached in Appendix 3.

The following table summarises the financial implications of implementation of the proposed scheme over the first 11 years of operation.

	2017/18 £'000	2018/19 £'000	2019/20 – 2027/28 £'000	Total (11 years) £'000
Capital				
Capital Investment (Appendix 1)	450	-	-	450
Prudential Borrowing	(450)	-	-	(450)
Net Capital Position	-	-	-	-
Revenue				
Car Parking Income	(132)	(175)	(1,575)	(1,882)
Operating Costs	10	15	135	160
Contribution to Commercialism Team	5	0	0	5
Borrowing Charges	0	49	441	490
Operating Surplus share to MAC	61	80	720	861
Net Revenue Surplus	(56)	(31)	(279)	(366)

Income and revenue assumptions are net of VAT and car park usage figures are based on a conservative case following a series of site surveys and have assumed a 20% reduction in usage following the implementation of the charges.

The City Council's net revenue surplus anticipated to be generated from the introduction

of these charges (of up to £31k per annum for each full year of operation) will be available for reinvestment in the Parks Service to the extent that surpluses exceed existing budget assumptions, including the implementation of further car parking charging schemes and to fund the development of further commercial and service improvement opportunities across the parks service.

4.3 Legal Implications

As landowner and sole corporate trustee Birmingham City Council is responsible for the management of parks held in trust. Although the Trusts and Charities Committee is ultimately responsible for the day-to-day management of all assets held in Trust, where the Council is Trustee, the management of trust parks and open spaces is currently delegated to the Parks Service via the Corporate Director of Place.

The original trust deeds require that Birmingham City Council shall hold Cannon Hill Park as public walks or pleasure gardens provided and maintained by them under s.64 of the Public Health Act 1875 but in addition to the general law applying to charitable trusts and the powers under the Trustees Act 2000. S83 -85 of the West Midlands County Council Act 1980 specifically permits the grant of leases within Cannon Hill Park not exceeding two acres to anybody, incorporated or not whose objects are charitable and comprise or include the provision of an art or cultural centre but not otherwise. Birmingham City Council is not the first local authority to introduce car parking charges in parks and it is not anticipated that this will cause any legal implications.

A Road Traffic Order is being put in place to designate the site as an off street car park and enforcement undertaken under the Council's citywide enforcement arrangements.

4.4 Public Sector Equality Duty

An Equality Assessment (number EA001949) accompanies this report in Appendix 4 and concludes that maintaining free parking for blue badge holders mitigates one of the key areas of equalities impact.

5. Relevant background/chronology of key events:

5.1 As part of the 2016/17 budget process a proposal was included to work alongside the MAC to generate a surplus of £0.02m by introducing car parking charges in parks across the City in addition to a previous commitment of £0.06m (citywide). These proposals were undelivered, but this proposed scheme is the first of a series of schemes that will enable the Parks service to meet or exceed this saving requirement.

5.2 In addition to the income target above, funding reductions to the Parks budget of 10% was agreed as part of the approved City Council 2017/18 budget, which will lead to a funding reduction in the region of £1.2m in 2017/18, increasing to £1.8m in 2018/19. This will have significant implications on the range and quality of services that can be provided in parks if corresponding income generating schemes cannot be identified. To help partially mitigate the impact on improving and investing in services of these funding reductions, the Parks Service and Commercialism Board commissioned a business case to explore the income opportunities and return on investment.

5.3 The section of the car park that is situated immediately outside Birmingham Wildlife Conservation Park is in a state of disrepair and in urgent need of improvement works. It has been identified that the initial phase of these improvement works are required before an effective charging scheme could become active.

5.4 There have been a number of safety concerns associated with the car park in Cannon Hill Park. This scheme will provide a means of funding improvement to parking infrastructure and therefore tackling safety issues through the implementation of lighting and CCTV.

- 5.5 The Council has been unable to significantly invest in the car park or safety infrastructure highlighted in paragraphs 5.3 and 5.4 due to a lack of funding. Therefore it was considered prudent to consider routes to generate income and enable investment in these assets.
- 5.6 Introduction of this proposed scheme will also provide a means of control on existing commuter parking, where it is felt that currently the car park is used as hospital car parking or a 'free park and ride' by some users and will assist in managing this situation, or at least gaining appropriate recompense from those persons parking for that purpose.
- 5.7 Consultation has taken place with the ward councillors for Moseley and Kings Heath to ensure that issues related to displacement car parking have been explored and appropriate measures have been put in place to mitigate the impact on local residents. An experimental Traffic Regulation Order is in place for the surrounding roads. The experimental Traffic Regulation Order provides the ability to amend the terms of the restrictions in line with feedback from residents.
- 5.8 Discussions with the MAC, the Trusts and Charities Committee and local park management teams established that in year one a charging mechanism of £2 for up to 4 hours and £3 for 4-16.5 hours is the most appropriate approach. The current proposed level of charges was established by benchmarking against schemes run by other local authorities and some initial market analysis. It is proposed to review these charges and the associated charging structure on an annual basis.
- 5.9 Currently a premium rate for the car park is charged by a third party for the operation of specific events (e.g. major match days at Edgbaston stadium). The intention is to retain the car park for these events and for the Council to consider a separate business case for operating direct management of such events from 2018.
- 5.10 Procurement is taking place on a schedule of rates basis, using existing frameworks. The frameworks being utilised are the ESPO Framework 509 'Parking Management Solutions' for the procurement of ticket machines and the Highways and Infrastructure Works Framework agreement (P0178) agreement for the delivery of physical works.
- 5.11 The value of the contracts is below the threshold for the BBC4SR to apply. However, the contractors on these frameworks are already Charter signatories and are committed to pay the Birmingham Living Wage.

6. Evaluation of alternative option(s):

- 6.1 **Do Nothing** – There is an option to do nothing and continue to provide access to parking at Cannon Hill Park at no charge. However this option is rejected as it would miss the opportunity to generate revenue to fund improvement to infrastructure and health and safety works in the car park and would impact on the ongoing development of a sustainable partnership with the MAC.
- 6.2 **Implement Full Programme of Improvements Prior to Go-Live** – Develop a full programme of improvement activity (likely to be in the region of 9-12 months) and do not implement a charging scheme until after all improvement works are undertaken. This option is rejected as it will lead to a delay in receiving income and likely to negatively impact on the ongoing development of a sustainable partnership with the MAC.
- 6.3 **Transfer the land to the MAC and receive a lease** – There is an option to transfer

responsibility for the Car Park to the MAC and receive a guaranteed lease for the asset. This option is rejected as it is likely to limit the Council's future gains from the scheme and result in loss of other income, such as parking on major match days at Edgbaston.

7. Reasons for Decision(s):

- 7.1 Implementation of the scheme will support the Council in accessing £0.16m pa to contribute to the achievement of agreed savings targets, invest in the park, car park and related facilities and also develop the ongoing relationship with the Midlands Art Centre
- 7.2 Introduction of the parking scheme will continue to support the Council's longer term principles to promote and support green transport options and reduce car use across the City.
- 7.3. The phased approach will balance the need to undertake urgent improvement works to elements of the car park with the opportunity to generate income for 9 months of the financial year 2017/18

Signatures

Date

Councillor Lisa Trickett
Cabinet Member for Clean Streets,
Recycling and Environment

.....

.....

Jacqui Kennedy
Corporate Director of Place

.....

.....

List of Background Documents used to compile this Report:

Report to Trusts and Charities Committee of the Assistant Director of Sport, Leisure and Parks –
1 March 2017

List of Appendices accompanying this Report (if any):

1. Appendix 1 – Map of parking scheme in residential area
2. Appendix 2 – Breakdown of phasing of work
3. Appendix 3 – Full Business Case for introducing charging for car parking in Cannon Hill Park
4. Appendix 4 – Equalities Impact Assessment
5. Appendix 5 – Business Case for use of surpluses
6. Appendix 6 – Consultation responses

Report Version		Dated	28/04/2017
-----------------------	--	--------------	------------