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Economic Recovery Scrutiny Committee
30 March 2022
Briefing Note - Car Parking Pilot Scheme

1 Purpose of Briefing note

- 1.1 The purpose of this briefing note is to provide Members with feedback on how the extended car park incentive / payback initiative has performed and been operated across Cannock and Rugeley Town centres during 1st November 2021 to 30th January 2022.

2 Key Issues

- 2.1 Cabinet agreed in October 2021 to extend the car park pilot incentive scheme for a further 3 months from November 2021 to 30th January 2022.
- 2.2 The pilot and extension were both funded as part of the Additional Restrictions Grant Policy adopted by the Council. Additional Restrictions Grant (ARG) monies were allocated to the Council primarily to assist those businesses that were affected by Covid 19 and to help recovery.
- 2.3 All ARG funding has to be spent by 31st March 2022 and therefore, there is no further funding available to extend this initiative further without additional budgetary provision being made available.
- 2.4 Based on the pilot feedback (obtained during June 2021 to September 2021) and Cabinet approval in October 2021 the level of grant awarded to participating businesses in the extended scheme was reduced from £500 to £250 per business.
- 2.5 Changes to the qualifying spend amount were agreed by Cabinet and subsequently implemented for the extension e.g., changes to the transaction amount from £10 reduced to £5 or more in the extension. This change was to try to capture more customers and was envisaged to increase the volume of refunds being given. This has not been evidenced through the data captured for the extension.
- 2.6 A key finding from both the pilot and extension is that none of the participating businesses have refunded car parking vouchers to the value of the grant provided.
- 2.7 An initial PR & marketing campaign promoting and advertising the pilot was financed to run in parallel with the initiative period. The funding for additional

marketing to continue for the extended period was not incurred. That said all businesses were given window decals, promotion leaflets and signage/banners were maintained throughout the pilot and extension.

- 2.8 The overall take up rate of participating businesses in the extension has been lower than during the pilot (dropped from 49 to 22 for both combined areas). Feedback received from businesses has identified that this has been partly due to the monitoring requirements as part of the Terms and Conditions and auditing requirements of providing car park ticket refund ticket evidence. This could also be a consequence to the introduction of a minimum refund requirement of 3 tickets during the pilot period as a pre-qualification requirement to participation in the extension.
- 2.9 Rugeley Town Centre car park voucher reimbursement rates may have been affected by the number of existing free short stay parking facilities at the local supermarkets that are all within walking distance of the town centre. This has meant that there has been little advantage in seeking a car park refund by customers shopping in the town centre through the initiative.
- 2.10 Businesses have not actively promoted the scheme to customers, and this has had a direct effect on the number of vouchers being redeemed. It is difficult to police and enforce marketing expectations upon participating businesses, but every encouragement was given for businesses to be proactive with their social media accounts and in store customers to facilitate this.
- 2.11 Other material external factors outside of the Council's control have potentially led to lower than anticipated footfall and sales/transactions figures being evidenced:
- Footfall was lower due to the emergence of the new Omicron variant being prevalent in the Community and the introduction by the Government of Plan B restrictions.
 - It should be noted that the extension period ran into the Christmas retail trading period which was largely welcomed by the traders. However, FREE car parking was also operated on all Saturdays during December without the need for any refund by the Customer or pre-qualification.
 - Christmas and New Year holidays (several town centre businesses closed for an extended period to normal due to the Omicron situation), so the trading period was reduced.
 - The post-Christmas period is renowned for lower sales on the High Street - and this is evidenced by the reduced number of car park refunds being given.

3 Detail

- 3.1 In accordance with the ARG Policy, Terms and Conditions were drawn up for all participating businesses to adhere to. The pilot was only rolled out in Cannock and Rugeley Town Centres as Hednesford Town Centre already has free car parking operating in the area.
- 3.2 All administration of the pilot has been carried out by the Economic Development Team.

- 3.3 The extension saw a total of 22 businesses participate across the two town centres (15 in Cannock and 7 in Rugeley – please see Appendix 1 for full list of participating businesses). Only half of the businesses that participated in the pilot qualified or chose to participate in the extension.
- 3.4 The total value of grants awarded across both areas is £5,500 (£3,750 in Cannock and £1,750 in Rugeley)
- 3.5 The extension resulted in a total of 261 car parking £2 refunds being processed by the participating businesses. This equates to a value of £522 of refunds being given to customers of the businesses (Cannock refunds equate to 213 tickets i.e., £426, Rugeley refund tickets 48, equates to £96) The data shows that many of the refunds have been made by a small number of businesses in each of the town centres. Furthermore, analysis shows there has been no significant effect in the levels of ticket reimbursements made on market days (no correlation between the two) linked to Cannock Town Centre.
- 3.6 As part of the Terms and Conditions, businesses were expected to capture the value of each transaction that related to the voucher refund. Transactions had to be to the value of £5 or more. Collectively a total of £6,340.89 worth of sales from the businesses. (Cannock £5,099.57, Rugeley £1,241.32) were recorded during the extension period.
- 3.7 It is difficult to say if the transactions above are solely due to the car park refund initiative, or whether these sales figures would have occurred even if the extension scheme was not operating. Furthermore, if comparing solely the total number of transactions versus the total amount of grants awarded, the scheme has been successful in generating additional business. However, when broken down to the two town centres Rugeley is slightly below the level of grants awarded compared to sales. Grants awarded total £5,500 (Cannock £3,750 and £1,750 in Rugeley). Transaction's total £6,340.89 (Cannock £5,099.57 sales, Rugeley £1,241.32 sales)
- 3.8 If we consider the total administration (Economic Development staff costs) and operating costs (marketing, ticket machine adaptations) incurred by the Council for the extension, the scheme did not offer value for money based purely on the sales achieved.
- 3.9 Savings were achieved linked to the extension of the scheme where possible e.g., ticket machine adaptation and re-use of marketing materials and original signage installed/banners.
- 3.10 Feedback from participating businesses during the extension period have been obtained (summarised below) on what they thought of the initiative

Positive comments and testimonials include :

- How good the scheme was for the town centre
- For me it was a success
- Cannock Town Centre Partnership: We write to you relating to the Car Parking refund initiative we have supported and find that a good take up on the first round was followed up by a lesser take up on the second round of the initiative.

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- Rugeley Town Council: When we heard about this scheme we were delighted to promote this to our local businesses and anticipated a good take up. Unfortunately, my understanding is that that the take up was not popular with businesses because of the complexity of the scheme in the set-up phases.
- I feel that offering free parking on Saturdays would have worked just as well.
- Make it clearer for shoppers at the ticket machines
- We saw a much bigger difference in trade on free parking days in the run up to Christmas.

Lessons learnt and areas to consider further:

- Timing is crucial for a one-off initiative and can be detrimentally affected if not timed appropriately - co-ordination on Free car parking initiatives needs to be addressed as does the perceived inequality of some areas being included and other excluded etc.
 - The significant amount of resource required to administer and monitor the scheme when it is externally funded, audited, and monitored can be seen as onerous on both those carrying out the monitoring but also the participating businesses.
 - Staffing resource should not be underestimated (the number of physical visits to collect the necessary data and evidence is considerable) and should be considered in the context of other priorities being delivered at the time. The available resource must be set against the size of the Team and be realistic if changes occur outside of the control of the Council which demand re-direction of all resources.
 - The reliance on businesses to electronically submit information e.g., monitoring returns was not achievable. This places extra pressure on resources and whilst it did build up relationships and engagement with our businesses it has been difficult to manage.
- 3.11 When comparing historical car parking income for the same period as the pilot the Council has no ticket data for 2020. The car park ticket machines had SIM card issues from May 2020 until the machines were changed in December 2020 (when new SIMS were installed). Therefore, we only have cash data from the ticket machines once emptied.
- 3.12 A snapshot of actual car park income received by cash from machines and pay by phone during the pilot period, from 1 November 2021 to 30 January 2022 was £193,185.08.
- 3.13 Ticket sales for the same period above are 114,667
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| Cannock | - | Redeemed 213 vouchers |
| Rugeley | - | Redeemed 48 vouchers |
- Showing 0.23% redemption of tickets issued.

- 3.14 It is worth stressing overall car parking income to the Council is down approx. 40% since COVID, therefore it is risky comparing any like for like figures against previous years. People have changed their shopping habits and lockdowns, limited high street openings have all impacted on the car parking figures. There is no way of determining whether the Refund Initiative has brought people back to the high street through this comparison.
- 3.15 In summary, the extension has received a mixed take up by the business communities benefiting from the initiative and if purely assessed on the VFM case are not justified on financial grounds. That said, there are significant material factors outside of the Councils control that no doubt affected the take up of the initiative, so timing has affected the results of the initiative.
- 3.16 The positive messages achieved through direct engagement with businesses operating in the town centres by the Council, especially at a time that has been a particularly challenging period should be acknowledged.

4 Implications

4.1 Financial

The Scheme and its extension have been funded from ARG monies awarded to the Council from BEIS; any ARG money unspent by 31st March 22 will need to be refunded to BEIS. ARG money cannot be used to replenish lost Council Income from the operation of the Scheme; it can only be spent on those businesses that have been or continue to be affected by Covid-19.

5 Appendices

Appendix 1: Businesses Participating in the Extended Car Park Incentive Scheme.

Businesses Participating in the Extended Car Park Incentive Scheme

CANNOCK:

- Bellissimo Beauty and Hair
- Funky Shoes
- Heavenly Treasures
- Cannock Ink
- Lavender Blue
- Trade 2 Play
- The Engraving Company
- A B Blinds
- Trendy Tanya
- Chase Games
- Alcame Printing
- Greetings from the Heart
- Cannock Print
- Hannah's
- F A Studios

RUGELEY:

- The Cutting Edge
- Blush Lingerie
- Peak Health Foods Ltd
- The Little Wool Shop
- Great Living Overall Wellbeing
- Rugeley Fire Place
- Blue Print