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ECONOMIC RECOVERY SCRUTINY COMMITTEE
15 SEPTEMBER 2021
BRIEFING NOTE REGARDING CAR PARK PAYBACK PILOT INITIATIVE

1 Purpose of Briefing note

- 1.1 The purpose of this briefing note is to provide Members with summary details of how the car park payback pilot initiative operating in Cannock and Rugeley Town centres has performed to date.

2 Key Issues

- 2.1 Cabinet agreed to carry out a 3 month pilot initiative back in June 2021 as part of the Additional Restrictions Grant Policy adoption by the Council.
- 2.2 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 The Council are carrying out this review to evaluate the effectiveness of the pilot initiative and to make recommendations as to whether it should continue for a further 3 months utilising the top up Additional Restriction Grant monies awarded to the Council.
- 2.4 The level of grant initially awarded to those businesses participating in the scheme was £500 per business. A key finding is that none of the businesses have refunded car parking vouchers to the value of the grant. Refunds range from £0.00 to £130.00 giving an average refund made of £27.00 across all the businesses. A key consideration should the pilot be extended would be to reduce the level of grant awarded to the participating businesses to reflect the actual amount of voucher refunds being given.
- 2.5 Members need to consider if the total value of sales (£31,251.29) achieved to date exceeds the amount of total grant (£24,500.00) given are sufficient grounds to justify the pilot extension.
- 2.6 Consideration should be given to the Economic Development staffing implications of extending the pilot based on available resources and established Council priorities. This scheme would be one of several new ARG initiatives that would run in parallel with one another managed by the same section.

- 2.7 There has been extensive marketing campaigns advertising the pilot, however, the overall take up rate has been lower than anticipated. Feedback from businesses has identified that this has been partly due to the monitoring requirements as part of the Terms and Conditions and auditing requirements.
- 2.8 Rugeley 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.
- 2.9 Businesses not actively promoting the scheme themselves has a direct affect on the number of vouchers being redeemed. It is difficult to police and enforce marketing expectations upon participating businesses.
- 2.10 Businesses have requested if the qualifying spend level of £10 or more could be lowered to capture more customers, this could potentially increase the take up rate.
- 2.11 It should be noted that if the pilot was to be extended into the Christmas period this would be welcomed by the traders as this is considered the peak trading period for town centre businesses.
- 2.12 As demonstrated by the feedback from the businesses, the overwhelming response is that the initiative has been well received and, in some instances, has been a lifeline to help keep their business operating.

3 Detail

- 3.1 In accordance with the ARG Policy, Terms and Conditions were drawn up for all participating businesses to adhere to and are shown in Appendix 1. 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, with exception to the initial referral process where support was provided by Rugeley Town Council and Cannock Town Centre Partnership.
- 3.3 A total of 49 businesses participated across the two town centres (34 in Cannock and 15 in Rugeley). Grants awarded total £24,500.00 (£17,000.00 in Cannock and £7,500.00 in Rugeley)
- 3.4 As at the end of week 10 (of the 13 week trial period) collectively, there has been a total of 654 car parking £2 refunds been processed by the participating businesses. This equates to £1,308.00 of refunds being given to patrons of the businesses (Cannock: 565 refunds equating to £1,130.00. Rugeley: 89 refunds equating to £178.00)
- 3.5 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 £10 or more. Collectively, a total of £31,251.29 worth of sales from the 49 businesses. (Cannock: £24,483.16 sales. In Rugeley: £6,768.13 sales).

- 3.6 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 pilot 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 £24,500.00 (£17,000.00 in Cannock and £7,500.00 in Rugeley), transactions total £31,251.29 (Cannock: £24,483.16 sales, Rugeley: £6,768.13 sales)
- 3.7 If we consider the total administration (Economic Development staff costs) and operating costs (marketing, ticket machine adaptations) incurred by the Council for the pilot, it will not offer value for money based purely on the sales achieved. If the pilot is extended some of the initial set up costs would be saved as marketing materials could be re-used. Please note the Welcome Back Fund has covered all costs for the marketing activities carried out to date.
- 3.8 Feedback has been sought from participating businesses on what they thought of the initiative, any suggestions on how to improve the initiative and what they would use any remaining grant funds for.
Highlights from the feedback forms include:
- Good idea as customers say it helps with parking costs
 - Great to get people into the town
 - Nice to see small businesses being supported and promoted
 - More advertising in different formats Parish newsletters.
 - Make it more obvious on voucher
 - Lower the qualifying spend level
 - Keep it running up to and over Christmas
 - Use surplus grant monies to: In store promotional activities, advertising, repaint shop internally. Buy new equipment and new product lines.
Operational costs to keep business running
- 3.9 A marketing plan was put in place to support the pilot, this included:
- A suite of social media adverts with key messages (Facebook, Twitter and Instagram)
 - Facebook adverts – pre and post launch
 - A section on the Council's website with a front-page feature/advert
 - Window stickers displayed in shop windows
 - An article in Chase Matters
 - Banners on railings in town centre (6ft x 2ft)
 - Dibond poster displays (A4) on posts around car parks
 - A press release issued to the local media
 - Briefing notes to staff, Members and partners
 - Sign up flyer for businesses

- Radio advertising on Cannock Chase Radio (4 weeks campaign)

3.10 Facebook analytics show the pilot had:

- 11 posts on Facebook from 16 June – 1 September
- The link to the web page for more information has been clicked 212 times
- The various posts have been shared 45 times
- The reach in total was 29,561 (this number means our posts were seen by this number of individuals during the period above)
- Engagement has been good. The Councils engagement rates always increase when using paid advertising as this extends out of our current audience of followers which is currently 11,339.

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 monthly income received (cash from machines) during the pilot period i.e. from w/c 5 July 2021 to w/c 26 July 2021 was £40,172.50 for Cannock Town Centre and Rugeley Town Centre Car Park income was £9,855.20. This compares to July 2019 figures: Cannock Town Centre - £62,564.50 and Rugeley Town Centre £12,564.90.

3.13 Ticket sales for the same period above also show a reduction i.e :

	July 2021	July 2019
Cannock	25,480	41,334
Rugeley	6,410	9,456

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 Options for consideration:

- a) Close the scheme on 21st September 2021.
- b) Extend the pilot up to Christmas 2021 – utilising additional ARG monies received by the Council.
- c) Look at the potential to amend the scheme to make it more attractive to shoppers i.e. £2 refund based on £5 transaction.
- d) Consider other ways of incentivising people to visit the town centre i.e., customer loyalty / discount scheme and work up alternative schemes to present to Cabinet.

3.16 The Economic Recovery Scrutiny Committee are invited to comment on the options at 3.15 or suggest other options for consideration by Cabinet.

- 3.17 In summary, the Pilot has been well received by local traders. However, the data analysed so far does not indicate that the initiative has generated much in the way of additional footfall, as evidenced by the number of refunds issued to shoppers by participating businesses and looking at car parking income / sales levels. Furthermore, members should take into account, the considerable amount of resource required to administer and monitor the scheme and should any extension of the pilot be approved, staffing implications would need to be considered alongside other priorities of the Economic Development Team. Based on the available data, the pilot does not appear to offer good value for money.

4 Implications (if applicable)

4.1 Financial implications

The pilot initiative is funded from ARG monies awarded to the Council from BEIS. Any pilot extension would be funded from ARG top up monies received by the Council. ARG monies need to have been spent in full by 31st March 2022. ARG cannot be used to replenish lost Council income from operating the Pilot. ARG can only be spent on those businesses that have been or continue to be affected by Covid – 19.

4.2 Legal implications

Making sure ARG monies are spent in accordance with the funders eligibility criteria is essential to avoid any potential clawback of monies from the Council. The Council uses the application process to capture evidence from applicants regarding their eligibility and utilises the business rates system 'Comino' to maintain an audit record of the decisions taken and evidence obtained.

4.3 HR implications

As detailed in the report the Council must be mindful of staffing resources required to administer and operate the initiative and any extension.

4.4 Risk implications

Managing the risk of clawback from the funders is controlled as much as possible through the application procedures and terms and conditions that have been put in place. The ARG policy adopted by the Council clearly identifies eligibility criteria for accessing support and this is published on the Councils' website.

5 Appendices

Appendix 1	Terms and Conditions for participating businesses
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Background Papers

None

Appendix 1

TERMS & CONDITIONS – EXAMPLE

Dear Town Centre Business,

You have expressed an interest in participating in the 3-month Town Centre Car Parking Payback Pilot Initiative. This initiative will commence 21st June 2021 – 21st September 2021, operating across Cannock & Rugeley Town Centres.

This email confirms your eligibility to participate in the initiative, subject to you accepting the Terms and Conditions below and completing and returning the enclosed declaration.

This email must be returned to qualify for the £500 grant.

This initiative is to support Cannock and Rugeley Town Centres to help recover from the pandemic by introducing a new pilot initiative aimed at boosting footfall and trade for local independent businesses.

The proposal is to offer shoppers the ability to receive a refund of £2 on the cost of their parking ticket if they spend £10 or more in participating independent shops and hospitality businesses in a single transaction.

Each participating business will be offered a cash grant of £500 from the Council's Additional Restrictions Grant funding allocation from HM Government to be able to issue the refunds to customers with a valid ticket/voucher and in return they would be asked to monitor the number of tickets refunded and submit weekly returns to the Council.

Participating businesses will need to adhere to the following **Terms & Conditions**:

- This initiative is only available to independent traders/businesses operating from fixed permanent units within Cannock & Rugeley town centre (boundaries as defined by the local plan and Rugeley area action plan)
- Participating businesses need to have reached an agreement with the council (e.g. email) whereby both parties have consented to be part of the initiative.
- A grant of £500 will be paid to each participating business to cover the 3 month trial period and to cover the reimbursements.
- Businesses will need to display the window decal supplied by the council, informing the shopper that they can claim their £2 refund in this establishment.
- Participating council owned car parks are: -

Cannock council-owned car parks:

Rugeley council-owned car parks:

- **BEECROFT ROAD**
 - **AVON ROAD**
 - **BACKCROFTS**
 - **DANILO ROAD**
 - **RAILWAY STATION, GIRTON ROAD**
 - **FRONT OF COUNCIL CIVIC CENTRE OFFICES**
 - **BRUNSWICK ROAD (REAR OF COUNCIL OFFICES)**
- **FORGE ROAD**
 - **MARKET HALL**
 - **MARKET STREET**
 - **TAYLORS LANE**
 - **ST PAULS ROAD**
- Car parking ticket machines will be configured to issue two tickets, one for display in the vehicle and the other for the customer to take with them and present for redemption in store.
 - If the customer has purchased their ticket by phone then the business would need to see this on the handset and make a note of any reference number/time/date purchased/which car park
 - A customer must spend £10 or more, in one transaction, one shop – to qualify for the £2 refund.
 - The customer must hand their second car parking ticket to the retailer/business for retention. Only 1 transaction per ticket
 - The retailer/business must carry out audit checks on the ticket, namely they should check that the date is the date of purchase and redemption, that it was purchased in a council-owned car park (see list above)
 - Once satisfied that all is compliant, £2 cash would be given to the customer from the £500 grant that the council have issued
 - The business completes a monitoring form provided by the council showing details of the parking fee being refunded
 - The monitoring form must be emailed to the council each Monday (we will accept either an electronically completed form or a photograph of a handwritten form)
 - The business retains any original paper tickets for a period of 6 months
 - If parking is purchased by phone, then relevant details shall be completed on the form
 - The person issuing the refund would then initial the monitoring form to say £2 handed to the customer and all checks completed.
 - The Council reserves the right to visit participating businesses to check for compliance with the scheme e.g. to check signage and original tickets
 - All businesses participating shall consent to having their names/details displayed on social media to encourage more visitors/shoppers into the town centres and emphasise where they can obtain their refund.
 - If after the 3 month trial there are funds remaining from the £500 grant, the business can reinvest this back into their business and is not required to return any funds to the council.

- Any business shown not to be actively participating after signing up to the initiative will be deemed as not to be acting in the spirit of the agreement between the two parties

Any grant monies not used by the business on issuing refunds to customers can be retained by the business to support other operational costs, this is in recognition that the retailers and hospitality businesses are recovering from the pandemic and will benefit from direct financial assistance from the Council.

To take part in this initiative please complete the declaration below and return to EconDev@cannockchasedc.gov.uk by no later than **14th June 2021**.

To the Business Grants Team,

Declaration

I confirm that by completing and submitting this form, I am agreeing to abide by the above Terms & Conditions. I also understand that the grant is taxable and that the Council has a duty to prevent and detect fraudulent claims so will share my details with HMRC and other Government Agencies as appropriate.

Company or Business Name	
Name of Person making application	
Position within the company:	
Date:	