

Report of:	Head of Economic Prosperity
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Portfolio Leader:	Innovation & High Streets
Key Decision:	Yes
Report Track:	Cabinet: 14/10/21

Cabinet
14 October 2021
Car Park Incentive Scheme Update

1 Purpose of Report

- 1.1 To provide Cabinet with summary details of how the car park payback pilot initiative operating in Cannock and Rugeley Town centres has performed to date.
- 1.2 To advise on a series of options that should be considered when making decisions on how best to proceed with the pilot initiative.

2 Recommendation(s)

- 2.1 That Cabinet consider the options presented in paragraph 5.15 and agree which option that they wish to proceed with.
- 2.2 If Option B is selected by Cabinet i.e., extend the Pilot:
- (i) that Cabinet agrees to include the Car Parking Pilot in its current ARG policy and allocate an element of its ARG funding to fund the costs associated with the project.
 - (ii) that Cabinet agrees to delegate authority to the Head of Economic Prosperity in consultation with the Portfolio Leader for Innovation and High Streets to implement all actions required to deliver the pilot initiative.
- 2.3 If Option C is selected, Cabinet agrees to delegate authority to the Head of Economic Prosperity in consultation with the Portfolio Leader for Innovation and High Streets to develop other options for initiatives/projects to encourage footfall back into the town centres utilising the Council's Additional Restrictions Grant funding allocation.

3 Key Issues and Reasons for Recommendations**Key Issues**

- 3.1 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.
- 3.2 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.
- 3.3 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.
- 3.4 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.
- 3.5 Members need to consider if the total value of sales (£36,951.28) achieved to date exceeds the amount of total grant (£24,500.00) given are sufficient grounds to justify the pilot extension.
- 3.6 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.
- 3.7 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.
- 3.8 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.
- 3.9 Businesses not actively promoting the scheme themselves has a direct effect on the number of vouchers being redeemed. It is difficult to police and enforce marketing expectations upon participating businesses.
- 3.10 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.
- 3.11 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.

- 3.12 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.

Reasons for Recommendations

- 3.13 The car park pilot was originally approved by Cabinet to be implemented for a period of 3 months and was funded by the initial Additional Restrictions Grant monies awarded to the Council. This trial period ended on 21st September 2021. A review of how effective the pilot was in drawing additional visitors into the two town centres was scheduled to take place towards the end of the pilot period. This report captures how the pilot has performed to date.
- 3.14 The Council has received a further top up payment of Additional Restriction Grant Monies to that it originally received, thus allowing for the potential pilot extension (if proven to be successful) to be considered by Cabinet, without any financial impact been placed upon the Council.
- 3.15 There are several options that need to be considered before making any final decision of how best to proceed with the pilot initiative. These options are set out within the report for Cabinet to consider.
- 3.16 The Economic Recovery Scrutiny Committee met on 15 September 2021 and received an interim review report at that time. The Committee considered the findings of the pilot initiative available at that time and Members recommended the following to Cabinet:
- (A) That, the additional information, and data in respect of the costs of administering the scheme and which businesses had done well from the pilot, including whether the businesses had done better on market days, be made available to Cabinet.
 - (B) That Cabinet consider extending the Car Park Payback Initiative pilot by 1 month and, based on the outcome of the data, to consider extending the pilot until Christmas.
- 3.17 Cabinet should note that it was not possible to immediately extend the scheme up to Christmas without a decision being taken by Cabinet first. Hence the options proposed within this report.

4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) Developing and encouraging additional footfall into our town centres to mitigate against the effects of Covid-19 directly contributes to the Council's corporate priority to support economic recovery.

5 Report Detail

- 5.1 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.

- 5.2 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.
- 5.3 A total of 49 businesses participated across the two town centres (34 in Cannock and 15 in Rugeley – please see Appendix 2 for full list of participating businesses). Grants awarded total £24,500.00 (£17,000.00 in Cannock and £7,500.00 in Rugeley)
- 5.4 As at the end of week 12 (of the 13-week trial period) collectively, there has been a total of 762 car parking £2 refunds been processed by the participating businesses. This equates to £1,524 of refunds being given to patrons of the businesses (Cannock: 650 refunds equating to £1,300.00. Rugeley: 112 refunds equating to £224.00). 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).
- 5.5 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 £36,951.28 worth of sales from the 49 businesses. (Cannock: £28,132.46 sales. In Rugeley: £8,818.82 sales).
- 5.6 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 £36,951.28 (Cannock: £28,132.46 sales, Rugeley: £8,818.82 sales).
- 5.7 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 Council has utilised funds from its Welcome Back Fund allocation to cover all costs for the marketing activities carried out to date.
- 5.8 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

5.9 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)

5.10 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.

5.11 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.

5.12 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 gross). This compares to July 2019 figures: Cannock Town Centre - £62,564.50 and Rugeley Town Centre £12,564.90.

5.13 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

5.14 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.

5.15 Options for consideration:

a) Keep closed - The scheme closed on 21st September 2021.

b) Extend the pilot up to Christmas 2021 or beyond (for at least a further 3 months) – utilising additional ARG monies received by the Council. If the pilot is extended, it is recommended that the following amendments are made to aid the effectiveness / take up of the scheme:

- Reduce the value of the transaction that a customer needs to make to qualify for a refund i.e., £2 refund based on a £5 transaction
- Reduce the amount of grant funding to be made available to participating businesses from £500 to £250

It is not recommended to extend the pilot for 1 month, before committing to a longer extension of 3 months (as recommended by Economic Recovery Scrutiny Committee) due to the administrative work required to do this.

c) Consider other ways of incentivising people to visit the town centre i.e., work with local traders to develop a customer loyalty / discount scheme and/or work up alternative schemes to present to Cabinet.

5.16 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 consider, the significant 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 so far does not appear to offer good value for money, but running it for a further period of time, would provide more data to determine the effectiveness of the scheme.

6 Implications

6.1 Financial

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.

6.2 Legal

Making sure ARG monies are spent in accordance with the funder's eligibility criteria is essential to avoid any potential clawback of monies from the Council.

6.3 Human Resources

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

6.4 Risk Management

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.

6.5 Equality & Diversity

None

6.6 Climate Change

None

7 Appendices to the Report

Appendix 1: Terms and conditions for participating businesses.

Appendix 2: Businesses participating in the scheme

Previous Consideration

Cabinet – 10 June 2021 – Car Parking Payback Pilot Initiative

Background Papers

None

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**

- **FORGE ROAD**
- **MARKET HALL**

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:	

Businesses Participating in the Car Park Incentive Scheme

Cannock

The Smoking Emporium	Bellissimon Beauty and Hair
Stitch and Knit	The Mix Up
Card Stop	Heavenly Treasures
Funky Shoes	Studio 15
P F Pet Supplies	Cannock Ink
Little Italy	Station Cafe
Lavender Blue	The Engraving Company
Hemline	Trade 2 Play
Nongs Hairdressing	Chase Fine Jewellery
A B Blinds	Chase Games Lt
Hair EBZ	Alcame Printing
Trendy Tanya	Rose Arch Florist
Chatwin Jewellers	Greetings from the Heart
Mims Moms Café	Café Del Nino
Swainy's Barbers	Portrait Studio
Bathaholic	Cannock Print
Beauty by Holly	Hannahs

Rugeley

The Cutting Edge	Blush Lingerie
Retro Hub	Reid Podiatry
Angela's Allsorts	Blueprint Designs
The Little Wool Shop	Rugeley Fireplaces
Great Living Overall Wellbeing	Daisy's Kitchen
Short n Sweet	Peak Health Foods Ltd
CLICKIT	Keerens Kardz
Lachmere	