

FALKIRK COUNCIL

Subject: FREE CAR PARKING INITIATIVES FALKIRK TOWN CENTRE
Meeting: EXECUTIVE
Date: 2 DECEMBER 2014
Author: DIRECTOR OF DEVELOPMENT SERVICES

1.0 INTRODUCTION

- 1.1 This report advises the Executive of the outcome of the introduction of the 'Free after Three' car parking initiative into the Council's managed car parks in Falkirk town centre and provides an update on free town centre car parking provision during the festive period each year.

2.0 BACKGROUND

- 2.1 In a report to the Executive at its meeting on 14th January 2014, Members were asked to approve the introduction of free car parking to Council operated Falkirk town centre car parks after 3pm until April 2014, with a further evaluation to be considered thereafter. The Executive agreed to this and to further extend this initiative named 'Free After Three' until the start of the annual, free all day, car parking during the festive period, effective from the beginning of December 2014 until the beginning of January 2015.
- 2.2 The Council is committed to improving the strength and viability of Falkirk town centre and the introduction of the 'Free after Three' car parking initiative complements other Council activity. This was important to sustain during the period of economic downturn which commenced in 2008. Trading in the town centre continues to be reported by the retail sector as extremely difficult and the introduction of the Free after Three initiative was considered a positive supportive step by the Council. There is a need to continue to monitor the work of town centres in the context of the performance of the wider economy and the Council has initiated a review of its town centre regeneration strategy to have regard to this.

3.0 FREE AFTER THREE TRIAL PERIOD EVALUATION

- 3.1 The introduction of the 'Free after Three' initiative sought to encourage increased footfall to the town centre retailing environment. It was promoted in partnership with Falkirk Delivers using local signage, social media, publications and through events involving retailers. The scheme was delivered over the agreed targeted period of 10 months where car parking charges were not levied in Council town centre car parks after 3 pm from end January 2014 until end November 2014.
- 3.2 Critically from the outset, Members were made aware that a key impact of delivering this initiative was its direct impact on Council income through loss of car parking revenues after

3pm. Over the 10 month trial period, as advised to the Executive in the January 2014 report, this has been confirmed as a revenue reduction of £44k (equating to £4,400 per month) to Development Services as well as incurring a £4.5k additional cost of introducing amendments to car park signs to support 'Free after Three'.

- 3.3 Analysis of ticket sales between March and August 2014 shows an 18% decrease in sales over the the same period for previous year. The predictions for losses to the revenue budget made no allowance for existing car park users migrating to the 'Free after Three' period. Since the commencement of the initiative cheaper town centre car parking has been introduced by private operators. With free festive parking during December the total current car parking revenue loss to the Council anticipated as a consequence of Free after Three and free festive car parking is estimated at £74k. This is unbudgeted expenditure and is contributing to the overspend in the Development Services budget.
- 3.4 The scheme has been evaluated by Falkirk Delivers, by interviewing and recording impact with 50 town centre businesses including the Howgate Shopping Centre, to ascertain any improvement gained in footfall and spend patterns. The results of the evaluation undertaken by Falkirk Delivers are set out in further detail within Appendix 1. In summary the evaluation confirmed the following;
- 100% of businesses were aware of the car parking initiative
 - 60% of businesses have used the initiative
 - 64% of businesses have seen an increase in footfall after 3.00 pm
 - 70% of businesses have seen an increase in sales after 3.00 pm
- 3.5 Additionally, a similar on-street survey of 98 shoppers was undertaken by Falkirk Delivers staff again set out in *Appendix 1* confirming;
- 87.7% of shoppers questioned were aware of the Free after Three initiative.
 - 78.6% of shoppers had used the free car parking initiative
 - 21.4% of shoppers advised they did not use the Free after Three initiative.
 - 25.5% of all shoppers stated they had used the initiative between 1 and 10 times only, 22.4% of all shoppers between 11 and 20 times and 24.6% of shoppers more than twenty times
 - 6.1% considered the initiative was not applicable to them.
- 3.6 Retailers and shoppers were canvassed for thoughts about the future of the Free after Three initiative:
- *Retailers* - 98% of businesses wished to see permanent operation of the initiative with 98% of businesses thinking the initiative is essential for the town centre.
 - *Shoppers* – 96% of shoppers thought the initiative would encourage them to shop after 3 pm with 100% of shoppers questioned considering the initiative is essential for the town centre.
- 3.7 Traders have, in the most part, been greatly appreciative of the free festive parking scheme put in place by the Council during December and early January. The scheme removes car parking charges over the Christmas festive period with an estimated loss of revenue to the Service budget of up to £30k. Traders have recently commented that this initiative be reviewed, with concerns that car parking was being taken up for large periods by town centre business staff, thereby removing the benefit to shoppers, visitors, footfall and turnover. The traders have

suggested that consideration be given to removing the festive period initiative and extending Free after Three during the month of December, maintaining car park charging up to 3 pm.

- 3.8 The options and implications of changing the present free car parking arrangements are as follows:

Option	Annual Cost	Implication
Maintain Free after Three and festive free car parking initiatives	£79k	<p>Incurs additional cost to the Council.</p> <p>Festive period free car parking initiative considered by town centre businesses not to be benefiting visitors and shoppers.</p> <p>Positive impact of Free after Three initiative maintained for traders and shoppers.</p>
Maintain annual Free after Three initiative only but withdraw festive free car parking	£53k	<p>Incurs additional cost to the Council.</p> <p>Positive impact for traders and shoppers in footfall and sales maintained</p> <p>Car parking charges up to 3.00pm reintroduced during festive period</p>
Maintain festive free car parking only but do not continue with Free after Three initiative	£30k	<p>Incurs additional cost to the Council during festive period only with no other car parking initiative delivered over the remaining year.</p> <p>Does not take cognisance of positive survey results of traders and shoppers of Free after Three pilot initiative.</p>
Do not proceed with Free after Three and festive free car parking initiatives	£0	<p>By stopping these initiatives the Council's revenue income is maintained.</p> <p>May risk loss of the benefits to town centre footfall and sales arising from these parking initiatives.</p>

4.0 IMPLICATIONS

4.1 Financial Implications

Delivery of both the Free after Three pilot initiative combined with the annual free festive car parking initiative has incurred an additional revenue cost to the Council of £79k. Reducing or removing one of the initiatives is anticipated to reduce this cost by £53k (in the case of removing Free after Three) or £30k (in the case of removing free parking during the festive period). Given the budget pressures on the Council for the period 2015-2018, scrapping both free car parking initiatives will remove the additional costs presently incurred by the Council.

- 4.2 In light of the additional budget pressures that would arise as a consequence of continuing one or both of these measures the Executive may wish to continue its consideration of this matter until its budget for 2015/16 is determined at the Council meeting in February. In the meantime, the Council could sustain both initiatives during this financial year at a total additional cost of £79k for financial year 2014/15.

5.0 CONCLUSION

- 5.1 Town centre regeneration is an important Council and Scottish Government priority and must be considered in the context of the performance of the wider economy and the prospects for individual town centres. Through bringing investors, retailers, the local community together, Falkirk Towns Ltd and the Falkirk BID, the Council plays a vitally important role in supporting and enhancing the economic and civic function for each community. From the results of the business survey and evaluation undertaken by Falkirk Delivers introduction of the Free after Three initiative, does record a positive impact on business turnover and footfall during what has historically been a much quieter trading period for Falkirk town centre businesses. It has introduced a helpful inducement to encourage shoppers to use their town centre in this period.
- 5.3 Notwithstanding this, the Council must consider if it can sustain both the Free after Three initiative and the festive free parking initiative, at an annual loss of £79k. It is suggested that Members may wish to sustain these initiatives during the present financial year and consider the capacity to continue the initiatives over the longer term at the Council's budget meeting in February.

6.0 RECOMMENDATIONS

6.1 It is recommended that the Executive:-

- (i) notes the impact and evaluation of the Free After Three initiative on Falkirk town centre businesses and shoppers
- (ii) notes the impact of both the Free After Three and free festive car parking initiatives on annual revenue budgets at £79k annually
- (iii) agrees to continue these initiatives during 2014/15, and
- (iv) agrees to consider the longer term prospect for these initiatives at the Council meeting in February.

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Director of Development Services

Date 3rd November, 2014

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LIST OF BACKGROUND PAPERS

1. Town Centre Regeneration Files – not for publication

Business Survey Results

50 town centre businesses were asked the following questions:

Are you aware that Falkirk has a Park Free After 3 initiative?

YES	50
NO	0

100 % of businesses were aware of the initiative.

Have you ever used the Park Free After 3 initiative?

YES	30
NO	20

60% of businesses have used FA3 and 40% have not.

Has your footfall increased after 3pm since this initiative started in April?

YES	32
NO	8
UNSURE	10

64% of businesses asked have seen an increase in footfall,
16% have seen no difference and 20% were unsure.

Have your sales after 3pm increased since this initiative started?

YES	35
NO	6
UNSURE	9

70% of businesses asked have seen an increase in sales after 3pm
since the start of the initiative with, 12% seeing no difference and
18% being unsure.

Do you think the permanent operation of the park Free After 3 initiative would encourage your customers to shop more often in the town centre after 3pm?

YES	49
NO	1

98% of businesses asked wanted to see the permanent operation of FA3. 2% did not.

Do you think the permanent operation of Free After 3 is essential for the town centre? (Please tick)

YES	49
NO	1

98% of businesses think the permanent operation of FA3 is essential for the town centre. 2% did not.

Summary of comments:

Vast majority of comments positive and supportive, saying there has been more footfall and clients/shoppers find FA3 convenient and helpful. A minority of businesses call for an earlier start than 3pm.

On Street Survey Results

98 people were asked the following questions:

What Postcode area do you live in?

FK1 – 32 / 32.7%

FK2 – 36 / 36.7%

FK3 – 7 / 7.1%

FK4 – 4 / 4.1%

FK5 – 8 / 8.2%

FK6 – 1 / 1%

FK8 – 1 / 1%

FK9 – 1 / 1%

FK10 – 2 / 2%

OTHER (OUTSIDE FK) - 6 / 6.1%

Are you aware that Falkirk has a Park Free After 3 initiative?

YES	85
NO	13

87.7% of people asked were aware of the initiative

12.3% were not.

Have you ever used the Park Free After 3 initiative?

YES	77
NO	21

78.6% of people asked had used FA3 with 21.4% never using the service.

How many times have you used the Free After 3 service?

0 times	21 respondents 21.4 %
1-10 times	25 respondents 25.5%
11-20 times	22 respondents 22.4%
21-30 times	12 respondents 12.3%
31 + times	12 respondents 12.3%
N/A	6 respondents 6.1%

Do you think the permanent operation of the park Free After 3 initiative would encourage you to shop more often in the town centre after 3pm?

YES	94
NO	2
UNSURE	2

96% of people asked think the initiative would encourage them to shop after 3pm, with 2% not agreeing and 2% unsure.

Do you think the permanent operation of Free After 3 is essential for the town centre? (Please tick)

YES	98
NO	0

100% of people asked think the permanent operation of this initiative is essential for the town centre.