

MINUTES

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

4 JULY 2023

Present:

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| Councillor Freedman (Chair) | Councillor Guest |
| Councillor Capozzi | Councillor Hannell |
| Councillor Gale | Councillor Pound |
| Councillor Reynolds | Councillor Elliot (Vice-Chair) |
| Councillor Santamaria | Councillor Cox |
| Councillor Adeleke | Councillor S Hobson |
| Councillor Stewart | Councillor Wyatt-Lowe |

Officers:

Catherine Silva Donayre (Strategic Director, Corporate and Commercial) (Virtual)
Nigel Howcutt (Chief Finance Officer)
Ben Hosier (Head of Commercial Development)
Matt Brookes (Assistant Director, Legal and Democratic Services)
Trudi Angel (Democratic Support Officer)

Also in attendance:

Councillor Sally Symington (Portfolio Holder for Corporate and Commercial)

The meeting began at 7.30 pm

1 MINUTES

The minutes of the previous meeting held on 6 June 2023 were approved as an accurate record and signed by the Chair.

2 APOLOGIES FOR ABSENCE

Apologies were received from Cllr Williams. Cllr Wyatt-Lowe substituted for Cllr Williams.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 PUBLIC PARTICIPATION

It was noted that a member of the public from the Local Reporting Service was in attendance.

5 CONSIDERATION OF ANY MATTER REFERRED TO THE

COMMITTEE IN RELATION TO CALL-IN

None.

6 ACTION POINTS FROM THE PREVIOUS MEETING

Officers were thanked for providing responses to all the action points and it was confirmed there were no matters to be discussed. It was suggested that anyone with comments or updates regarding the responses contact T Angel within the next week, and that these items would otherwise be marked as closed off after that time.

7 PARKING FBC

C Silva Donayre gave a brief overview of the work, explaining that it was from work undertaken as part of the parking business case and had looked at how to use council assets most effectively and ensure parking charging policies were fair and appropriate, highlighting proposed changes to tariff and charging policies including removing free or partially free parking across the borough, policies relating to chargeable hours, and the rationalisation of long and short stay parking tariffs, the details of which would be determined through consultation following cabinet approval. Proposed parking tariff increases were identified to be 40p for all off-street parking, which would mean an estimated 25% increase in off-street income and broadly reflects the 25% inflation since the last increase in 2019, plus a standardised hourly charge for on-street parking of £2 per hour across the borough. The report was confirmed to include details on the context and impact of the proposed changes, as well as work undertaken to explore the potential benefits of smart technology and parking, with a proposal for parking commissioning work to be undertaken over the next year, and timescales and the consultation process.

B Hosier referred to page 23, point 2.5 and table 4, which showed an indicative timeframe for tariff and policy review, explaining that consultation would typically take 24 to 26 weeks to complete, plus getting a traffic regulation order signed, after which information boards could be manufactured and placed along with the update of information on the website, pay-and-display machines, and payment applications. It was noted that consultation would rely on a decision by the cabinet, and the results of the consultation would also have a potential impact on timelines and actions.

Cllr Freedman asked B Hosier to detail the consultation process, specifically how people would be notified, who would be asked for feedback, and how feedback would be collated and measured. B Hosier explained that in the case of changes with limited impact, typically the council employs a consultant to carry out the consultation, with every household impacted by the change contacted using a questionnaire with a range of questions for feedback and a free text area for general comment. In regard to a change with a wide range of impact, such as a change to tariffs, B Hosier explained that everything was done online, with adverts and notifications to direct individuals who wish to provide feedback appropriately. Cllr

Freedman further asked how feedback would be incorporated into a proposal. B Hosier confirmed that the proposal would be set out and approved by the cabinet, and questions would be asked around the proposals put forward, which the consultants would then use the feedback from to generate a report that would be published online for transparency.

Cllr Wyatt-Lowe wondered why the increases were being proposed at the current time, and what the justification for the size of the increase was. B Hosier reiterated that 25% was the increase in inflation over the last four years since the tariffs last changed, following the precedent of increasing charges once every administration, noting that it was a proposal, and the charges would remain one of the cheapest in the country. Cllr Wyatt-Lowe further wondered whether cost increases would cover inflation or if there would be a surplus and what would be done with it if so. B Hosier explained that there was ring-fenced income from on-street charging, and income from PCNs either on- or off-street, with the trading account historically operating at a loss, adding that because the ring-fenced income could not run at a deficit it had to be balanced, with any surplus from the account going towards travel and transport related expenditure. Cllr Wyatt-Lowe finally asked what consideration had been given to the impact on those with lower incomes who would feel the increase the most. B Hosier confirmed that all tariffs had been treated equally, noting that many local shopping centres still had free parking, and that there would still be free parking areas. C Silva Donayre reiterated that the increase would still be cheaper than private car parks and compare favourably with other local authorities, adding that alternatives still existed for on-street parking, and that removing certain areas of free parking would be bringing those areas in line with the rest of the borough.

Cllr Pound asked for clarification regarding the areas where it was proposed that free parking be removed. B Hosier confirmed that there were four free car parks, being Gadebridge Park in Hemel Hempstead, The Nap and Langley Hill in Kings Langley, and Canal Fields in Berkhamsted, plus three car parks with the first hour free, being The Forge and Frogmore East in Tring, and Cowper Road in Hemel Hempstead. It was also confirmed that there were a number of limited-wait bays that were free to use and on-street, with the proposal to change these into paid on-street car bays. For reference, B Hosier explained that there were currently 18 limited-wait car park bays in Berkhamsted High Street, 12 in Tring High Street, 26 in Hemel Hempstead Old High Street, 53 in Kings Langley High Street, and 16 on London Road.

Cllr Guest noted that removing the free hour in Tring would have an impact on parents of children attending Bishop Wood School and wondered if there would be any special consultation with the school and parents. B Hosier agreed that it could be built into the consultation and highlighted with the consultants, but noted that there was usually a lot of unregulated highway near schools that could be used instead. Cllr Guest also wondered how businesses would be consulted based on potential impact on footfall. B Hosier confirmed that anyone could take part in the consultation. Cllr Guest further wondered whether there would be a means for respondents to

indicate whether they were private individuals or businesses. B Hosier explained that there would be an optional area for details such as name and address to be provided, but that it was not mandatory. It was clarified that fields for respondents to indicate their status could be included, but would be highly reliant on the decision of the respondents to give that information. Cllr Guest finally wondered if the decision to increase charges was to maintain services, or also to deter car use. It was explained that financial reasons included having an equitable parking policy across the borough, charging the right fee for the product, and making the best use of assets, but that other aspects included modal shift from cars to cycling or walking, as well as improving customer experience on the high street.

Cllr Elliot asked for confirmation that it would be Tring where the free period was proposed for removal. B Hosier confirmed the proposal was to remove the free parking across the borough, not just Tring. Cllr Elliot wondered if B Hosier could expand on the idea of smart technology and what it would entail. B Hosier explained that some smart technology had been reviewed, and there was a business case for its use in supporting parking enforcement, giving an example of an ANPR camera in a car park to allow automatic payment for registered vehicles and simplification of the payment process, with potential benefits to the council in regard to self-enforcement of car parks and civil enforcement officers being more available for on-street locations. Cllr Elliot further wondered if there would be separate apps for each car park. B Hosier clarified that a commissioning process was about to start to determine whether awarding a contract for utilising smart technology as part of the parking enforcement contract, or as a standalone, suggesting that it should be one contract covering all suitable car parks across Dacorum. C Silva Donayre added that studies had shown other benefits including increased dwell time, increased compliance, and agile tariffs based on car types. Cllr Elliot noted that individuals with more polluting vehicles tended to be lower down the affordability scale, and expressed concern in regard to penalising individuals unable to afford greener vehicles. It was agreed that the concern was valid, and noted that the process was just starting, with the paper outlining possible opportunities and options. Cllr Elliot wondered what the proposals were in regard to payment options, whether it would just be online, or whether card and cash options would remain. B Hosier confirmed a number of payment options remained, with some incurring cost for the individual and some incurring cost for the council, noting that there would be further discussion of options later on and that the intent was to ensure everyone had an opportunity to pay for the service being used.

Cllr Freedman added that he would have liked to see more in the report about payment mechanisms, noting that there was an over-generalisation in regard to those who struggled with payments as 'non-smartphone users' and highlighting that pay-as-you-go phones on certain tariffs were unable to phone premium rate numbers that were required to register to pay in some car parks. B Hosier reiterated that nothing had been ruled in or out regarding payment methods, which was why nothing specific had been added to the report, with a review and policy decision expected following the commissioning process.

Cllr Capozzi referred to the previous month's report and a drop in car park usage, which had contributed to a loss of around £600,000 in the previous financial year, noting that the report had not included a baseline and suggesting that there be a comparative value of some sort, as well as an indication of the overheads for the car park services, potential surplus for additional services, and drivers of change in those values. Cllr Capozzi also suggested that there should be more detail regarding the additional income forecasts, and reviews of the main towns of Tring, Berkhamsted, Hemel Hempstead, and Kings Langley showing what that impact might be, and expressing concern that a blanket approach may not be the solution. Cllr Capozzi referred to free parking in neighbourhood shopping areas, asking why people using the current free hour parking were being penalised in comparison and the report had not suggested pay machines in each DBC-owned car park. B Hosier clarified that the land in question could be found in most towns and some villages and wasn't necessarily owned by the council, acknowledging that it was a valid point and could be added for the consultation. Cllr Capozzi explained that the main issue was the apparent lack of evidence for the assumptions, insinuations and forecasting in the report. It was confirmed that prior to Covid income from parking had been about £2.9 million, during Covid there had been a reduction of over 70% off peak, and post Covid there had been a 20% reduction in terms of behavioural habits, leading to the £600,000 drop in income to £2.3 million in 2021-2022 and 2022-2023 with that shortfall funded using reserves. It was reiterated that the first part of the proposal was to increase the tariffs to catch up with inflation since the last change in 2019, which was expected to bring in several hundred thousand pounds to just under £1 million additional income. In regard to the assumptions, it was explained that the 40p increase did not have price elasticity due to a lack of cheaper alternatives, with allowances made for people parking less or in free spaces and using alternative transport. It was admitted that data on free parking was not great in some areas, but an assumption of at least 50% use going forward had been made. It was further emphasised that it was likely to be the first round of a wider range of policies on transport, parking, and the green agenda not just for Dacorum but also for Hertfordshire County Council and central government, and that this had led to the assumption of further policy changes and consequently an assumption of no increases or decreases, leading to straight lines from year two. It was reiterated that neighbourhood areas and parking areas could be discussed, but noted that neighbourhood areas were used more for non-shopping parking, including residents parking semi-permanently, which was why payment had not been proposed in those areas.

Cllr Capozzi wondered at the assumption of residential parking in the neighbourhood areas, and B Hosier explained that there were typically residential flats above the businesses. It was clarified that there were currently questions without answers or solutions, such as what provisions could be made for residents if neighbourhood parking was not free, and that the new administration had yet to clearly dictate the direction of travel. Cllr Capozzi expressed her concern regarding plans to charge for

recreational-adjacent free parking such as Gadebridge and Canal Fields, as well as for the impact on small businesses, reiterating the request for the consultation questionnaire to include a checkbox for respondents to indicate their status as a private individual or business. B Hosier highlighted that due to the nature of the consultation, it was highly unlikely that responses would be positive. Cllr Capozzi noted that the 40p increase was not 25% for all tariffs depending on the length of stay. C Silva Donayre added that the equitable approach of removing free parking across the borough was to end the situation where certain areas were effectively subsidising services in other areas. Cllr Capozzi disagreed that comparisons with other local authorities was helpful due to differing catchment areas, expressing her belief that Dacorum car parks were more likely to be used by Dacorum residents rather than people from outside the area. It was agreed that it was a fair point, but that a range of local authorities had been included for that reason, and that smart parking might be a means of charging resident and non-resident fees.

Cllr Santamaria asked if B Hosier could explain where people who might park in Gadebridge and walk a bit further were expected to park. B Hosier noted that they could park on any road that was not restricted. Cllr Santamaria highlighted that parking around town was completely full most of the time, and people would be parking on residential streets. B Hosier confirmed that there was nothing to stop it. C Silva Donayre added that on-street parking would effectively have a premium due to its proximity to their destination, but that the hope was they would move to an off-street car park within the council's provision and walk a little further.

Cllr Adeleke wondered how comprehensive the consultation would be in terms of explaining the implications to residents and businesses. B Hosier explained that it would set out the proposed changes in detail along with the reasons and goals of those changes, and that it was not possible to put anything into a traffic regulation order that had not been consulted on, adding that it was a process carried out every time the tariffs were changed. Cllr Adeleke further wondered if it would include being transparent about intentions such as discouraging the use of certain types of cars. B Hosier agreed that it could be included for context, but noted that the consultation had not yet been drafted and would be based around the proposals as eventually agreed. C Silva Donayre reiterated the need to be clear that the current proposals were aimed at bringing charges in line with inflation and having an equitable parking policy for the borough, clarifying that the potential to charge based on car type had been mentioned as a possible next step in relation to smart technology and was not part of the current proposal.

Cllr Pound noted that The Nap in Kings Langley was located near a community centre, doctors' surgery, and a library. B Hosier pointed out that there was also Kings Langley High Street, with Langley Hill just above and The Nap just below.

Cllr Wyatt-Lowe wondered why the DBC's shopping centres were being excluded when free parking near parks and recreational spaces were not. B Hosier stated that

they had not been included at this stage due to the number of residents using them, but adding them could be discussed. Cllr Wyatt-Lowe further wondered how smart technology would work for blue badge holders. B Hosier explained that registry on the payment system could include indicating that a blue badge was held. Cllr Wyatt-Lowe clarified that the badge is registered to an individual, who might then be in different vehicles if friends or relatives were providing assistance with transport. B Hosier noted that enforcement could not be done with cameras, so a PCN would have to be issued physically and could be waived if the civil enforcement officer saw a blue badge, but reiterated that being at the start of the process it was something that still needed to be investigated and discussed.

Cllr Gale referred to the report's allusion to income from parking services contributing to the council's overall sustainability, noting that effectively car drivers were subsidising non-car-drivers and wondering how that differed from paid parking subsidising free parking. N Howcutt agreed that the council was effectively a business, with profitable services subsidising other areas, explaining that council tax was approximately 75% to 80% of the income, with fees and charges making up most of the rest, adding that car parking, commercial profit, and the garage service all made a profit that then went into the rest of the corporate plan and wider objectives. The budget report was highlighted as indicating where all funds were spent. N Howcutt further noted that the policy would drive a lot of financial and non-financial benefits, and that if it was not approved, the £1 million would need to come from elsewhere in the budget, which could lead to even less favourable decisions. Cllr Gale suggested that the argument of making the charges equitable might be less important than the economic reality. N Howcutt explained that the modal shift in transport use was key, guaranteeing that car parking income was going to reduce in future based on the government's environmental agenda, and reiterated that the idea was to look at strategy, reviewing the current organic policy with a view to making charges equal for all residents.

Cllr Stewart referred to page six, table two, noting that policies had been bundled into two rows, being the removal of free parking, and all other policies, and wondered if it was an all or nothing proposal. B Hosier clarified that the current discussion would be summed up at the end to form the proposals, ideas and options put to the cabinet, who would make a decision to make changes or not, after which cabinet and council would receive it for approval. Cllr Stewart further wondered what size of hole the policy was trying to fill. B Hosier explained that the policy was not to fill a hole, but to provide an equitable, fair, and transparent policy driving other core corporate policies, and aligned with the administration's agenda. C Silva Donayre reiterated that the maximisation of income and review of asset use to ensure efficiency was a strong part of the whole organisation, and confirmed that the bundled policies would be separated out if and when the proposal went to consultation.

Cllr Freedman firstly referred to point 1.3 in the introduction, which mentioned the commercial strategy objectives, and reminded members and officers that part of the

commercial strategy objectives was the intent to not charge residents more than they were already paying for services, such as with the green bins. He suggested that the proposal was rather in keeping with the medium-term financial strategy, rather than the commercial strategy. N Howcutt noted that the commercial strategy was wide ranging, with a focus on maximising all income to the council, including maximising existing sources of income. Cllr Freedman secondly referred to the mentioned benefit of encouraging people to find alternative transport to cars, noting that the proposal alone would not achieve that and there would need to be other things also assisting which wouldn't really fall in the council's remit, suggesting that the report should contain references to external activities that would have a positive impact. It was noted that Hertfordshire County Council had a consultation out currently around a demand responsive bus service across Dacorum, funded by BSIP and using Uber technology to determine routes, and that buses were subsidised with a maximum fare of £2. N Howcutt reiterated that the proposal was part of a much wider strategy. C Silva Donayre explained that they had wanted to include some mention and give context of wider policy plans for the future, but that the intention and primary subject of the current report was not about the wider policy, just the rationale for the tariff increase. Cllr Freedman thirdly wondered if, rather than removing the one hour free car parking entirely, it would be possible to reduce the spaces offering it and monitor the effects before wider implementation. B Hosier explained that it would make it very difficult from an enforcement perspective. N Howcutt expressed his concern for the fairness to residents, as well as operational issues, adding that implementing pilots would also have a significant impact on timescales. C Silva Donayre confirmed that specific committee comments could be made known to cabinet, although it wouldn't necessarily change the recommendations put forward. Cllr Freedman finally wondered if nearby clubs and businesses could be asked to contribute to keep the free parking, giving Canal Fields as an example with the nearby Tennis and Bowls clubs. B Hosier agreed it could be put to cabinet for discussion, with a possible sticking point being that members of the club wouldn't be guaranteed parking spaces. C Silva Donayre suggested that the free parking could be removed and a club could have a chargeable permit, reiterating again that the intention was to avoid case-by-case solutions.

Cllr Hannell noted that the previous increases in tariff had been in circumstances with a much lower level of inflation, suggesting that 25% was too much considering the cost of living crisis, mortgage rate increases, and wage increases not keeping up with inflation, and expressing his hope that free parking in neighbourhood shopping centres would not be stopped.

Cllr Symington asked if the cost of adjusting the tariff annually could be explained for context. B Hosier noted that there was a table showing the implementation cost, including carrying out the consultation, and updating signage and payment machines, which would be £27,000 for every change, with the process taking 24 to 26 weeks each time, leading to the current approach of making a change once per administration.

Cllr Capozzi wondered where in the report the cost of making the currently free car parks chargeable was discussed, and whether that expense would negate the expected income. B Hosier explained that there were currently about 80 pay and park machines across the borough that could be moved around as needed with an installation charge of a few hundred pounds, and that those assets would be renewed in a couple of years' time as part of the parking enforcement contract, but would link in with smart technology to enable people to pay through alternative measures.

Cllr Symington thanked the officers for the report, and councillors for their feedback requesting more information, noting that there would likely be more detail within the cabinet papers to come. She reviewed the fact that inflation had been between 25% and 30% over the past four years, with cost increases also impacting how the council generates income, reiterating that the two aspects of the report were firstly, using assets within the council's control to generate income, and secondly, seeking a behaviour change around car use in line with environmental policies and targets. Cllr Symington also suggested that to avoid a race to the bottom it was not necessary to remain within the lowest quartile of parking charges in the county or locally, when the additional income could go towards other improvements for residents in relation to parking enforcement, provision of blue badge spaces, addition of cycle racks etc. It was acknowledged that retailers were suffering in the face of Covid, climate change, and online competition, and conceded that the price increases were skewed in favour of longer stays, but suggested that the matter needed to be considered holistically, as part of a larger programme of changes.

M Brookes noted that the recommendation would be to go out to consultation, with another decision-making process to follow. A recommendation was made to note the proposals put forward, with feedback and comments to be taken onboard the following day.

Cllr Freedman thanked everyone for their input, and summarised the items of concern around taking this step now, and the current level of detail, explaining his understanding that the committee would have a problem with going to public consultation with just the information within the current report, while acknowledging the report was not intended to be used for public consultation. Cllr Freedman also noted that in regard to the need for change and policy, the portfolio holder should have enough feedback to take to cabinet such that cabinet could make an informed decision.

Cllr Freedman asked the committee whether they were happy to note the report subject to the comments raised.

Cllr Elliot noted his support for point C, but that he would abstain from points A and B.

Cllr Guest requested whether it was possible to have a recorded vote. M Brookes explained that the scrutiny committee's comments would be taken forward for cabinet to make the decision, so a vote would have no purpose.

Cllr Freedman reiterated the question of whether the scrutiny committee agreed to note the report, and there was general agreement.

8 WORK PROGRAMME

Cllr Freedman noted that he had not received any items for discussion, and reiterated that these could be submitted at any time.

There being no other business, the meeting was closed at 9:25.

The Meeting ended at 9.25 pm