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Report to: Cabinet

Date of Meeting: 2 July 2014

Public Document: No

Exemption: Para 3 Schedule 12A Information relating to the finance or business affairs of any particular person



Agenda item: 26

Subject: Reserved car parking spaces, Sidmouth town centre

Purpose of report: To consider options for the future management of 58 reserved off-street parking spaces in Sidmouth.

Recommendation: To approve a revised rental charge for Sidmouth town centre reserved parking bays of £1500 + VAT + business rates per annum.

Reason for recommendation: Section 122 of the Road Traffic Regulation Act 1984 sets out the duties of all local authorities in respect of a range of traffic related functions including the provision of off-street parking.

We always need to exercise care in finding the right balance between the needs of residents, especially in this case, those people who live in Sidmouth town centre with a car of their own and no access to their own off-street parking space, the likely impact on the local economy arising from the revised charge and of course, our own asset management responsibilities in respect of these car park which are effectively valuable Sidmouth town centre land holdings.

We believe that the recommended action will not interfere with the security of (or access to) any other premises and we believe that it will not be prejudicial to the amenity of the locality and they are in all other material respects consistent with other relevant factors including our desire to support Sidmouth's town centre economy.

Officer: Andrew Ennis, 01395 517452 aennis@eastdevon.gov.uk

Financial implications: Financial implications are contained within the report.

Legal implications: Any increase in the fees payable for use of these spaces would need to be advertised pursuant to statutory regulations.

It is advised that the new arrangement (the grant of a three year term) is documented by way of 'contracted out' leases to avoid any subsequent argument by the occupiers of these spaces that they have security of tenure. A standard form lease should be prepared to ensure consistency and to speed up the process. Potential occupiers should however be requested to contribute towards the Council's legal costs in invoking the contracting out procedure/putting these leases in place.

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Equalities impact: Low Impact

The Council's 46 reserved parking spaces in Mill Street and the additional 12 spaces in the former Northcott's Garage site have never been allocated according to need. The 58 spaces are assessed to be insufficient to form the basis of any objective needs based assessment that might for example consider age or mobility as criteria for entitlement. This Council and Devon County Council have other policies elsewhere that offer adaptations under the [Blue Badge Scheme](#). The premium reserved spaces are therefore being offered on a first come first served basis at what is considered to be the correct market price. Residents who require alternative town centre parking will continue to be able to find convenient and accessible "unreserved" spaces in East Devon's other town centre car parks.

Risk: Low Risk

The recent tendering exercise undertaken by our Estates team colleagues has enabled us to assess the current market value of these parking spaces. There is of course a risk that we have undervalued them and could potentially achieve a better return or that we have overestimated demand and the spaces will be underutilised but we are confident that a reasonable price has been identified.

Links to background information: None

Link to Council Plan: Living in, working in, enjoying and funding this outstanding place.

Sidmouth Town Centre Parking Options

Sidmouth still has a reasonable level of limited waiting and unrestricted on-street parking but in the town centre, the latter in particular is very much in demand. It is also clear that Sidmouth was not designed with off-street car parking in mind and of course many of the town centre dwellings and businesses do not have dedicated off street parking of their own. Reserved off-street parking in the town centre is therefore very much in demand. In addition to our 58 reserved parking bays, East Devon District Council currently offers another 658 unreserved off-street parking spaces within or close to the town centre available for permit holders and pay and display / pay by phone customers on a first come first served basis. Town centre residents or regular visitors without alternative off street parking are able to purchase permits at attractive rates for 3 days (£15) up to 1 year (£132).

Reserved Parking Demand

The Council currently has a waiting list of around 100 people for a town centre reserved parking space permit, currently charged at £480 per annum + VAT + business rates for residents and £960 + VAT + business rates for non-residents.

Previous Consideration by AMF and Cabinet

AMF considered this situation in 2012 following the agreed sale of 6 nearby reserved spaces in York Street (for a sum of £120,000). It was suggested that the 46 spaces in Mill Street car park should be put out to tender and there was an expectation that they might achieve around £1,500

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per space per annum. On 30 January 2013 Cabinet approved the Environmental Health and Parking Services Manager's recommendation to seek tenders for these reserved spaces.

Tender response

The Council's Senior Estates Surveyor prepared tender documentation and offered the three spaces that have since become vacant to the market rather than to the waiting list at the current rent. The tender closed in March 2014 and the three top bids were £1,500, £1,015 and £1,001 per year for three years (all prices are plus VAT and business rates).

Potential income generation

During 2013/14, 3 spaces were held vacant pending the outcome of this process, the remaining 43 spaces were let to seventeen people at full price and twenty-six residents at half price.

The annual charge was £912 (with 50% reduction for residents).

Revenue from business users was £15,268 and £11,897 from Residents giving a total income for for Mill Street car park of **£27,165**.

There are 12 spaces in Northcotts Garage that have not generated any revenue during construction of Holmdale in 2013/14.

If we achieve £1500pa for all 46 spaces in Mill Street, then annual revenue would be **£69,000**, plus an additional **£18,000** from Northcotts Garage (Holmdale).

Alternatives

Clearly these tenders might suggest a lower market rent value than the £1,500 figure discussed with members of the Asset Management Forum in 2012.

The site of the former Northcott's Garage has recently been released back to the Council following the Holmdale housing development on part of that site and is now offering 12 (presently unoccupied) reserved off-street parking bays. These sites, comprising 58 spaces in total, continue to present the Council with a number of options including, subject to obtaining the necessary consents, other uses including a potential housing development or disposal to provide town centre residents with the opportunity to acquire a long term interest in a parking space to complement their main land holding.

Conclusion

Members are asked to consider the long term value of these sites and in the interim, to approve a revised annual rental based on the highest tender received and after offering them to our existing customers on the new terms and conditions, to offer any remaining spaces to the market on those terms and conditions.