

## Minister for Infrastructure

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Economic Affairs Scrutiny Panel  
Scrutiny Office

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Our ref: KL/TD/ah

Dear Deputy,

### **Retail Review – Request for Written Submission**

Thank you for your letter of 4 September 2018 and your request for information for your Retail Review, in particular transport information relating to the impact of free parking initiatives and comparative parking costs with other authorities.

#### **Free Parking**

Please find attached some background narrative (October 2013 St Helier Parking Pricing Policy Review - Free-parking in St Helier on Saturdays) and technical report on the last piece of work which was undertaken in conjunction with the Economic Development Department (EDD) in 2013, on the benefits of reducing the cost of parking to support retail in St Helier.

The conclusion of the report was that free parking on Saturdays would not provide the expected benefit of reducing internet spend, it would merely abstract spend from other out-of-town activities and reduce bus ridership, increasing contract costs and environmental harm. The dis-benefit to the island economy was estimated to be as high as £500,000 for free Saturday parking. Given these findings, it was considered that better value would be provided by granting funding to retailers to invest where they saw fit, using their commercial expertise.

Hence, the Town Retail Group were provided by EDD with a fund of circa £300,000 to support the sector. Tellingly, none of the funding was invested in free parking, which was on offer at the time.

While not directly involved, the Department for Infrastructure (DfI) understood that the fund was used to support customer service training, events to create a customer friendly experience and other measures to make the St Helier retail offering more attractive. Given that 90% of the Island's working age population are in town five days a week for work, it is not so much an issue of getting people into town, but rather persuading them to part with the cash out of their pockets. It was deemed sensible for the Town Retail Group to try to differentiate the quality of St Helier's appeal from the internet.

## **Bench Marking Parking Charges**

Please find attached a November 2014 Technical Report (Parking Costs Benchmarking November 2014).

Benchmarking St Helier's parking charges with a number of UK towns indicates that based on population, parking charges on-street are commensurate but somewhat lower (around 20%) than towns of similar size in the UK for off street parking. Unlike St Helier, many comparable towns are charging for evenings, overnight and on Sundays.

When residential rents are used to benchmark, providing a better indication of land value and the economic attractiveness of the area, St Helier can be seen to be offering considerably lower tariffs on-street and (long stay) off-street. When considering all day charges, there is scope for a 40% increase for St Helier to be consistent with the average of the group identified in the report.

Further benchmarking of St Helier in relation to 5 seaside towns in the UK, undertaken by Growth Housing and Environment in September 2018, revealed that parking charges in Jersey are lower for all times of the day in all on and off street city-centre locations. The average hourly charge for an on-street space in the towns surveyed was £2.14p.

## **Other Parking Matters**

Other improvements have also been made to St Helier's parking offer:

- Flexible parking payments using technology such as ANPR in Sand St and PayByPhone in all other multi-storey car parks and on-street.
- Real time parking availability information via the 'Love Jersey' App or the States of Jersey website, which updates are regularly broadcast as part of the Island's radio stations traffic news.
- Spaces remaining signing outside the multi-storey car parks.
- The modernisation of the interiors of the multi-storey car parks to provide more attractive, brighter and cleaner facilities with improved amenities for families and persons with disability.

## **Public Transport**

The role of public transport should not be underestimated when considering the vibrancy of the town centre, as 12% of Jersey's households do not have access to a car.

The 'October 2013 St Helier Parking Pricing Policy Review' showed bus users typically spent more money and dwelt longer in town than a car user, this is likely to be due to bus users making a planned trip as opposed to more speculative visits made by motorists. This finding mirrors research on public transport and retail undertaken in the UK.

Bus ridership has grown by 40% since the start of the LibertyBus contract in 2013. [LibertyBus's 2017 Social Impact report](#) found that 20.6% of users stated that using the bus had improved their access to facilities such as the shops, while 28.4% had improved their ability to meet friends and go out for dinner etc. The benefit of this to the town economy should not be underestimated.

With regards to taxi-cabs, regulatory reforms are supporting the development of a more flexible service more able to meet demand and accommodate modern technology, such

as card payments and dispatching Apps. This will benefit the night-time economy, as well as have the potential improve day-time access to shops.

### **Sustainable Transport Policy**

The way we travel in and around Jersey can positively influence wider sustainability and health objectives, but the car dominates our transport system and pattern of movement. This results in a higher rate of accidents, congestion; localised air quality issues, noise and greenhouse gas emissions. Unnecessary vehicular traffic detracts from the quality of our town and public realm. We need to create a balanced transport system that that gives Islanders real choice about how they make journeys, with benefits to health; the quality of streets and spaces; and the wider environment.

To do this the Sustainable Transport Policy seeks to deter single occupancy peak hour trips to and from town, where there are alternative transport options available. However, the policy also recognises that for some activities, such as shopping, the car will often remain the best option. Thus the Department has worked maintain and where possible increase the number of shopper parking places available.

This has been done through temporary measures such as changes to the Esplanade and Ann St Car Parks, as well as, new permanent facilities such as those being constructed at Anne Court.

A recent analysis of car park data has revealed that there is usually spare capacity in States car parks at all times of the day, however there remains an issue of communicating where spaces are available to prevent 'hunting' for spaces.

### **Improving St Helier as a place to live, work and visit**

St Helier can be enhanced with the development of more attractive public spaces to visit, walk and dwell. For islands and overseas visitors alike, this creates a customer experience and sense of occasion that e-commerce cannot provide.

Schemes to improve the public realm such as, the pedestrianisation at Charing Cross underpin this ambition. Further opportunities to improve town have already been identified in the 'Future St Helier Group' traffic management appraisal report, and could be taken forward should funding be prioritised.

I trust that information provided is helpful in your Panel's retail review.

Yours sincerely,



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#### Enclosed Reports

1. October 2013 St Helier Parking Pricing Policy Review – Free Parking on Saturdays, with Appendix A
2. Parking Costs Benchmarking November 2014

# PARNSENS BRICKERHOFF

## PARKING COST BENCHMARKING REPORT NOV 2014

### 1.1 Parking Costs Comparison

1.1.1 Our initial approach to benchmarking parking costs has been based on comparing parking pricing tariffs to other towns in the UK with similar population sizes to St. Helier. We have selected a more affluent set to be more representative of the general situation within St Helier.

**Table 0-1 - Comparison of Parking Costs in Towns with similar population sizes to St. Helier**

Parking Type	Time Period	Windsor (31,225)	Harpenden (30,240)	Wilmslow (35,945)	Haywards Heath (33,845)	Sevenoaks (29,506)
On-Street	1 Hour	£0.60	£1.20	£0.60	£0.80	£0.40
	2 Hours	£1.60	n/a	£1.50	£1.20	£0.60
Off-Street	1 Hour	£1.00	£1.20	£0.60	£0.80	£1.30
	3 Hours	£3.00	£3.00	£2.30	£2.00	£2.70
	All Day	£9.00	£10.00	£5.50	£6.00	£6.80
Evening		£1.80*	£3.00*	£2.30*	£2.00*	£1.00
Sundays		£2.00	£1.00	£1.00*	Free	Free
Overnight Parking		no charge	£10.00	£3.30	no charge	no charge

Source: Parkopedia 2014

Evening charge based on cost of 3 Hours' Stay after 18.00;

Sunday charge based on Cost of 3 Hours' Stay 12.00-15.00

\* some locations are uncharged

Residential Permit for on street parking in central area per annum

Overnight Parking taken to be off-street from 19:00- 08:00

1.1.2 This approach does not perhaps correctly represent St Helier as its own economic centre with significant wealth generation and a high value for land. The availability of jobs at a given salary is often reflected through the housing rental market and therefore we have undertaken an alternative benchmarking approach by comparing parking prices to UK towns with similar residential rental values. As a comparator, we have used typical monthly rental for a one-bedroom flat. For St Helier, based on local rates, we have used a value of £1,200. We have then identified locations within the UK commanding similar rents. Many of these are in suburban locations within Greater London.

**Table 0-2 - Comparison of Parking Costs in Towns with similar rental costs to St. Helier**

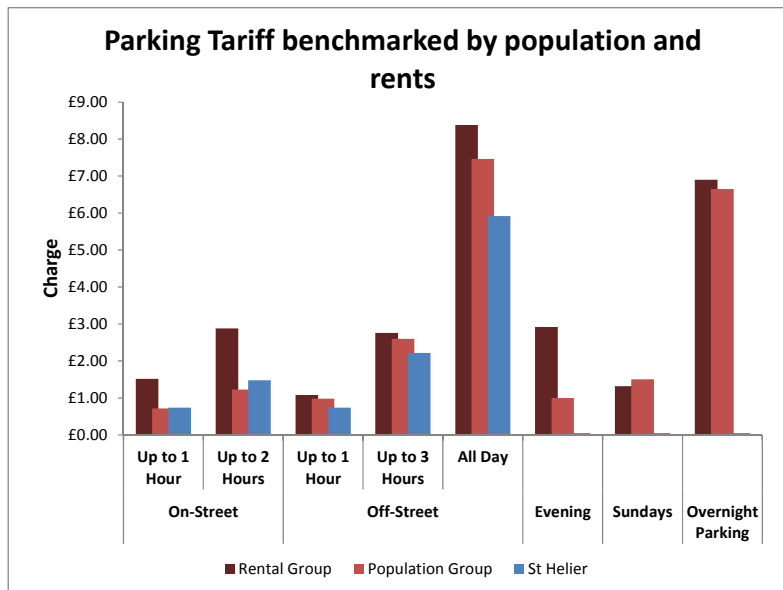
<b>Parking Type</b>	<b>Time Period</b>	<b>Bexley £981</b>	<b>Douglas IoM £1,080</b>	<b>Croydon £1,174</b>	<b>Bromley £1,274</b>	<b>St. Albans £1,310</b>
On-Street	1 Hour	£0.90	£1.60	£2.40	£1.50	£1.20
	2 Hours	£1.20	£3.20	£4.50	£3.00	£2.50
Off-Street	1 Hour	£0.90	£1.00	£1.30	£1.00	£1.20
	3 Hours	£1.60	£2.00	£4.20	£3.00	£3.00
	All Day	£3.80	£3.50	£16.20	£4.00	£10.00
Evening		£3.80*	£2.00*	£2.80	£3.00*	£3.00*
Sundays		£1.60*	no charge	£1.10	£3.00*	£1.00
Overnight Parking		£3.80*	no charge	£3.80	£3.00*	£10.00

Source: home.co.uk (Nov 2014)

\*Some locations are uncharged

- 1.1.3 Combining these tables and comparing the average tariff from the other towns with the equivalent in St Helier provides the following table and figure.

<b>Parking Type</b>	<b>Time Period</b>	<b>St Helier</b>	<b>Population Group Average</b>	<b>Rental Group Average</b>
On-Street	Up to 1 Hour	£0.74	£0.72	£1.52
	Up to 2 Hours	£1.48	£1.23	£2.88
Off-Street	Up to 1 Hour	£0.74	£0.98	£1.08
	Up to 3 Hours	£2.22	£2.60	£2.76
	All Day	£5.92	£7.46	£8.38
Evening		no charge	£1.00	£2.92
Sundays		no charge	£1.50	£1.32
Overnight Parking		no charge	£6.65	£6.90



- 1.1.4 By not charging for evenings, Sundays and overnight, St Helier is inconsistent with most other towns. It should be noted however, that in most towns examined, while charges were operated in key parking locations, there were locations where parking was available at no charge in these periods.
- 1.1.5 Based on population, parking charges in St Helier on street are commensurate but somewhat lower than towns of similar size in the UK for off street parking (around 20%). When residential rents are used to benchmark, St Helier can be seen to be offering a considerably lower tariff on-street and for longer duration stays off-street. Considering all day charges, there is scope for a 40% increase to be consistent with the average of the group considered here.
- 1.1.6 Consideration of how and what is right for parking tariffs has been examined in recent work by Mullens and Marsden (“Transport, economic competitiveness and competition: A City Perspective” Journal of Transport Geography 2014). They interviewed 31 stakeholders as part of a study on parking pricing and how towns compete in the UK. They concluded that the pricing within an economic area is basically set by the lead city. The only brake on this is the attractiveness of the offer and the availability of uncharged parking at competing out of town shopping centres. Otherwise, this lead city sets the rate to which all other towns and shopping areas within that economic functional area set their rates. Those towns then adjust and compare the charges set by their peers, the costs at out of town competitors and lower order neighbourhood locations. Indeed this approach is not inconsistent with the collaborative approach advocated by the IHT in 2005 (IHT Parking Strategies & Management).
- 1.1.7 The relevance of this to Jersey is that St Helier is the centre of the economical functional area. On this basis it can set its parking rate subject to considering the competition only from out of town locations and perhaps competition from other media based on the attractiveness of those choices as a competitor in terms of retail offer. Given the limited alternative bricks and mortar retail offer in terms of scale or choice and responses to the work earlier this year on the extent to which parking charges affect the choice to use the internet (Parsons Brinckerhoff – 2014, found that the cost of parking in St Helier did not feature as a consideration for those using the internet to make purchases on line) this does indicate that the primary control on pricing tariff applied to St Helier is past experience and public expectation.

## OCTOBER 2013 ST HELIER PARKING PRICING POLICY REVIEW

### FREE-PARKING IN ST HELIER ON SATURDAYS

#### **Free-parking in St Helier on Saturdays might not benefit Jersey's economy**

Parsons Brinckerhoff (PB), was appointed by Jersey's then Transport and Technical Services (TTS) in conjunction with the then Economic Development Department (EDD) in October 2013 to assess the likely benefit impact on retail sales in St Helier and the cost of the measures being proposed (Appendix A). The intention was to either reduce or remove parking charges within St Helier as a way of stimulating retail trade in town and making budget available to offset the loss in revenue that the Jersey Car Parks would incur.

The review detailed in the report was to help inform the debate as to whether this would be a good use of EDD's money<sup>1</sup> through two potential new Saturday parking policies: providing free parking at short stay sites in town or providing free parking at all town sites.

Reducing or removing parking fees on a Saturday in Jersey's capital St Helier might reasonably be expected to provide a welcome boost to retailers struggling to boost their trade after the recent difficult recessionary years and challenges from the internet.

Therefore it was no surprise that the study confirmed that would indeed be the case. The company assessed that town centre retailers could potentially see revenues increase by more than £20,000 on a Saturday as a consequence of generous free parking measures being adopted.

However, what was perhaps not so expected was that the study also revealed, when accounting for other losses - trade at alternate shopping locations, bus fare losses and the car park revenues losses - the free parking policies could actually mean an annual loss the island's economy of more than half a million pounds.

Although this is a worst case scenario, the assessment was quite stark in terms of the implications and unintended consequences.

#### **Benefits to the St Helier retail**

The intention was to draw additional car-borne traffic to St Helier - principally through additional shopping, business and leisure activity. While some of this spend might transfer from the internet, and be of a net benefit to Jersey, other spend would just

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<sup>1</sup> EDD provide grants to support businesses where merited and supported by States policy. The funding generated by Jersey Car Parks is required for the maintenance and replacement of parking infrastructure and supporting mobility and sustainable travel initiatives, such as concessionary bus travel for persons with disability and road improvements for vulnerable users, such as pedestrians and cyclists.

be abstracted from other out-of-town shopping locations across the island, providing no overall benefit at all.

Surveys with the public were set up at four locations on the island with questions at each adjusted from a template list. Part of the innovation of this approach was that it allowed bespoke questions to be asked of just the bus users while also asking equivalent questions about the internet to all users across the whole sample.

It was estimated that this policy would re-direct some three to five per cent of the 2,300 cars observed visiting other retail centres across the island, into St Helier on a Saturday.

The States of Jersey Statistics Department provided information that allowed PB to estimate that the total spend on retail, personal business and leisure in St Helier on a typical Saturday was in the order of £1 million.

Using Office of National Statistics data that around nine per cent of UK retail is through the internet, for the purposes of the review, it was assumed a similar percentage would apply for Jersey's low estimate with 12 per cent for the high estimate.

The surveys with shoppers revealed that neither car parking costs nor availability of parking were primary factors in their choice to buy their last purchase online.

### **Costs of the proposed measures**

PB considered three key cost streams as consequences of the policy - lost trade to other locations, bus fare losses and car park revenue losses.

For the first, it was clear that out-of-town shopping locations would lose a similar amount of retail and retail leisure spend to that gained by St Helier. It was also clear that the bus operator would lose fares if passengers chose to use their cars and benefit from free parking.

Surveys from the bus station revealed that 24 per cent of bus travellers had access to a car as an alternative. They showed that up to 11 per cent would switch if short stay parking was free, while if long stay parking was free, bus users travelling for work purposes would also switch taking the potential loss of ridership up to 18 per cent. Such a move could also potentially jeopardise the viability of some rural bus services.

Lost car park revenues were assessed using data readily available on St Helier car park usage on a number of Saturdays.

### **Conclusion**

The findings were interesting given how topical at the time car park charging was nationally regarding high Street viability, though the debate subsequently moved on



to rates. It became quite clear that free parking would improve sales in the town centre, but the unintended consequences of such a policy meant that the overall effect was not so clear cut.

PB found that town centre retailers would see an increase in turnover of between £5,700 (low) and £23,600 (high) on a Saturday as a consequence of free parking. Based on other research 30% (high) and 15% (low) of this was gross profit. Thus traders would result in an additional gross profit of between £900 and £7,100 per Saturday.

Considering the lost trade to other shopping locations on the island, the bus fare losses and the car park revenues losses, the total costs of short stay free parking would be between £6,700 and £7,300 per Saturday. The total costs of all day free parking would be higher at around £11,500 per Saturday.

PB used an annualisation factor of 52 (supported by car park utilisation data) to reveal that a short stay free policy would create a net annual loss to the island's economy of between £15,600 and £306,800, whilst the long stay free policy would result in a net annual loss of between £234,000 and £551,000.

Net benefit of the proposed policy to the Island (Benefits to Retail Trade<sup>1</sup> – Costs<sup>2</sup>) ranges as follows:

	Benefit to St Helier Traders <sup>1</sup>	Costs <sup>2</sup>	Weekly Net Benefit	Total annual net benefit to Island
<b>Free Shopper Parking Only</b>				
High Range Estimate	£7,100	£7,300	(£300)	(£15,600)
Low Range Estimate	£900	£6,700	(£5,900)	(£306,800)
<b>Free Commuter and Shopper Parking</b>				
High Range Estimate	£7,100	£11,500	(£4,500)	(£234,000)
Low Range Estimate	£900	£11,500	(£10,600)	(£551,200)

Notes:

- 1) Out of town spend transfer + Internet spend transfer
- 2) Bus revenue loss + Parking revenue loss + Loss of profit to out of town businesses

Based on these findings the EDD consulted with the town's retailers to assess whether there are other spending options that, based on a budget of what the cost of paying for free parking would be, could help support footfall in the town.

A fund of circa £300,000 was provided to the Town Retail Group to allocate as they felt would provide the best benefit to their sector, in the event the group elected not invest any of the funding into free parking.

**APPENDIX A**

**Parsons Brinkerhoff**

**ST HELIER PARKING PRICING POLICY REVIEW**

**EXECUTIVE SUMMARY**

**Oct 2013**