

Mid Sussex Parking Strategy

June - 2020

Addendum to consider the potential impacts of COVID-19 pandemic on the strategy

parking
matters



Introduction

This addendum considers the impacts of the 2020 Coronavirus Pandemic (COVID-19) on the Mid Sussex parking service and recently prepared draft Parking Strategy.

As it is far too early to predict with any degree of accuracy what the medium to long-term effects of the pandemic will be, we have used an approach which combines elements of Risk Assessment with SWOT Analysis (Strengths, Weakness, Opportunity, Threat).

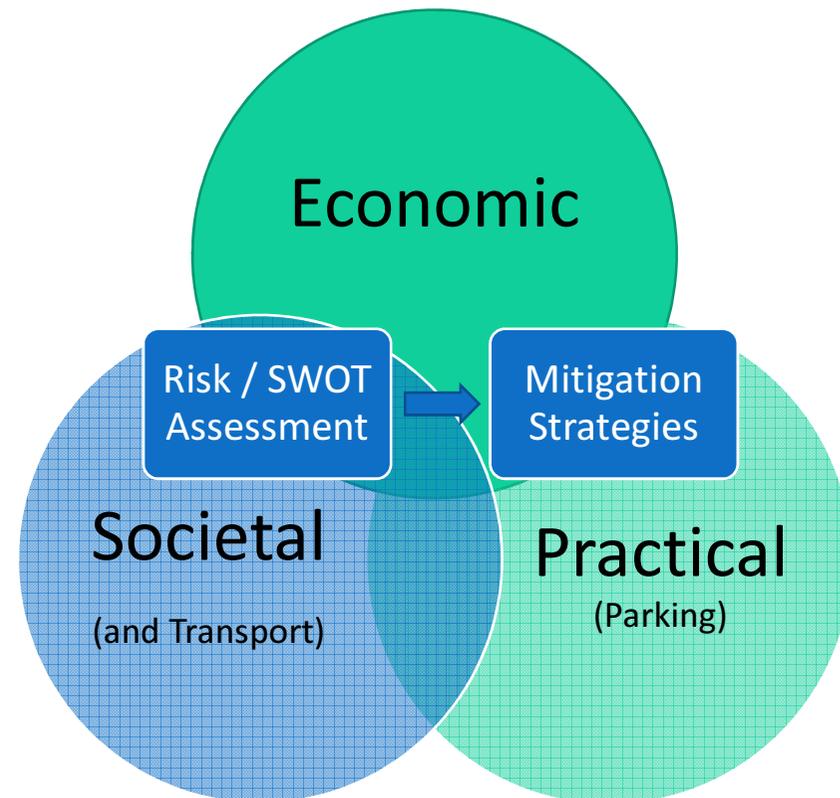
Potential 'economic', 'societal' and 'practical' variables are considered in turn, alongside the potential impact of these variables on the service (usually financial) and strategy.

Pot. Positive / negative	↗ ↘
Pot. Strong / positive negative	↑ ↓
Pot. Neutral / Unknown	→ ?

Recommendations for mitigation within the Strategy are then presented and the impact summarised.

The views expressed in this document are based on information available at the time and the collective experience and knowledge of PML with assistance from the officers' at Mid Sussex District Council (MSDC).

Methodology Employed



Economic

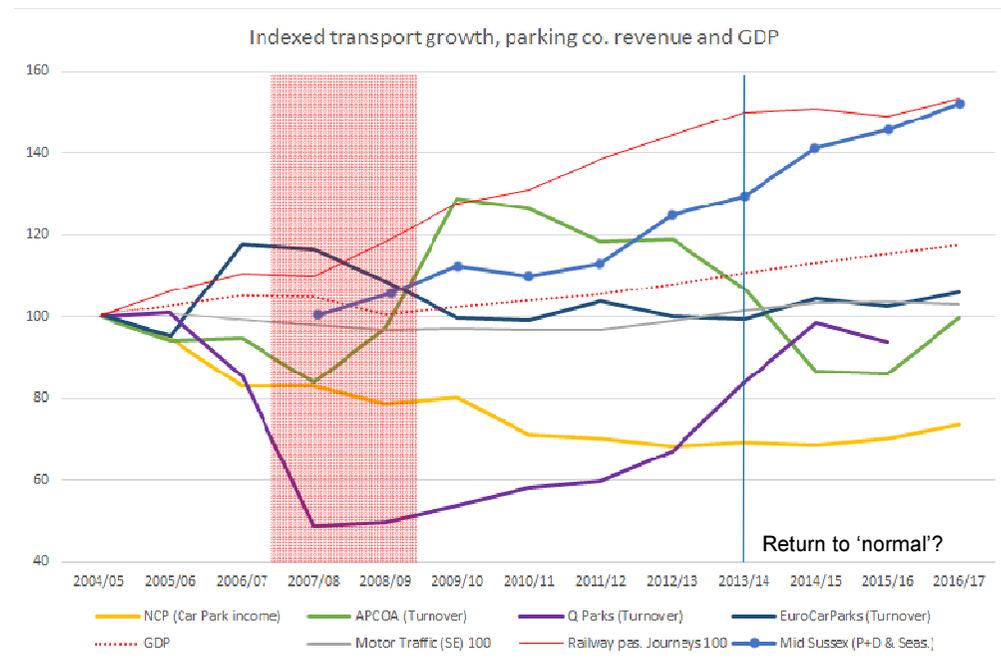
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The short term impact of COVID-19 has been a sudden and unprecedented drop in economic activity with UK GDP down by 3.9% from Q1 2019 (1). The length of any subsequent recession is unknown at this stage and will depend on huge number of factors.

Recessions measurably impact traffic levels, which in turn effects parking demand and so revenue. The 2007/08 recession caused upheaval within the parking industry, although given the myriad of factors in play, the direct impact of on parking turnover isn't clear cut. Whilst revenue and parking construction reduced across the industry (2), MSDC experienced a steady increase in revenue throughout this period.

Beyond the global impacts of economic activity on parking, there are longer term trends to the way we work and shop and it appears COVID-19 may have accelerated these. There is also pressure on public-sector parking operators to provide free parking periods or discounted parking, which would directly the impact financial bottom line (3).

Macro Economic impacts of – 2007/08 recession



- Q-Park were purchased by Byzantium BV (NL) and stopped filling UK accounts in 2017
- NCP disposed of on-street operations from 2006
- APCOA growing on-street/ leasing business from 07 onwards

(1) Fitch Credit Ratings – London, April 2020 - <https://www.fitchratings.com/site/re/10116672>

(2) Parking Today – Los Angeles, May 2010 - <https://www.parkingtoday.com/articledetails.php?id=903&t=post-crash-parking-market-up-down-or-out>

(3) Wirral and others - <https://www.wirralglobe.co.uk/news/18326766.councillor-calls-town-hall-lift-parking-charges-covid-19-pandemic/>

Economic

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Retail activity and spend experienced an unprecedented reduction in March / April 2020. The Main Report which accompanies the Strategy discusses the role of the car parks in Mid Sussex. It identifies that the majority of Pay and Display car parks show usage patterns that suggest most users are accessing retail and services (both in terms of time of arrival / departures and length of stay). The impact of a retail slump is therefore likely to impact parking revenue income.

This is against a background of a changing high street and a growth in online shopping, with the proportion of sales rising from 5% in 2008 to 18% in 2018 (1).

Whether the COVID-19 pandemic has accelerated these trends is unknown. In the short term, online and convenience shopping have fared well during the pandemic, as have sporting goods and cycles. Comparative goods and non-essentials have experienced significant declines with a shift to online and an overall reduction in spend (2).

The impact of social distancing on cultural activities and restaurants has been dramatic with wholesale temporary closure. Businesses are now re-opening and finding ways to deal with the new situation, for example cinemas in France are pre-booking seats to enforce social distancing since re-opening from 8th June.

The table overleaf assesses the potential economic variables and their potential impact on the Mid Sussex parking operation and Draft Strategy.

Great Britain, seasonally adjusted, April 2008 to April 2020



Source: Office for National Statistics – Monthly Business Survey – Retail Sales Inquiry

- (1) ONS, Oct 2019, 'How our internet activity has influence the way we shop'
- (2) The Guardian – June 2020, <https://www.theguardian.com/business/2020/jun/09/uk-retailers-face-declining-sales-amid-covid-19-shutdown>

Economic

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Variable	Description	Likely.	Impact	MSDC Impact	Dur.	Data Source
Short / medium term recession (Impact depends on depth and duration)	Reduction in economic activity results in fewer journeys and less parking demand	Likely		MSDC fared well in the 07/08 recession. Unclear if this will be repeated.	Short – Med	Financial data
Long term changes to retail activity. Potential to accelerate trends to online shopping.	Lock-down accelerates retail trends, more online shopping / less bricks and mortar shops. A long term change in habits.	Unk.		Retail offer in BH/HH limited. Will work-from-home increase journeys to local centres?	Med – Long	ONS and British Retail Consortium
More local use of centres for shopping and meeting	People shop and meet closer to their homes and within their communities	Unk.		Pot. Positive impacts to local centres	Long	CACI research
Pressure for free periods / free parking to support retail recovery and growth	Link between charges and retail vitality is not clear: more expensive parking in more attractive centres	Now		Very high financial impact	Short - Med	Experience of previous recessions
Social-distancing impacts for medium to long term in restaurants, cinema's etc.	Fewer trips / less density / unsustainability of businesses and cultural orgs.	Likely		Pot. Low. Already seeing market respond, book cinema seats before arrival	Short – Med	Press / media
Increased deliveries	More deliveries resultant in more short term on-street parking	Likely		Need for kerbside management. Delivery hubs?	Med – Long	Core City Councils
Residential developments	Drop in prices and change in preference	???		Lower values for residential development sites.	Long	Press

Economic – Potential Impact

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The impact of the pandemic on the wider economy is unclear with conflicting views and predictions against fast changing situation. Whilst demand for transport and parking falls during recessions, any view on whether a recession caused by COVID-19 outlives the pandemic would be pure speculation. It is clear though that in the short-term the financial impact on MSDC has been and will continue to be severe.

The potential longer term impact of the behavioural changes are perhaps more of a consideration. The pandemic has the potential to accelerate trends already taking place in town centres across the UK; a 'crunch' in casual dining; a shift from town centre retail to internet shopping, and the recovery of out-of-town retail after a decade of decline (1). Whilst Mid Sussex has no major out-of-town retail parks, there are some in neighbouring areas.

The retail offer in Burgess Hill and Haywards Heath is already reasonably limited. The potential failure of national chains would reduce retail choice further. East Grinstead, with more independent shopping may be potentially at more risk of business failure. This is something to consider as car parking usage patterns suggest that the parking is dominated by retail visits.

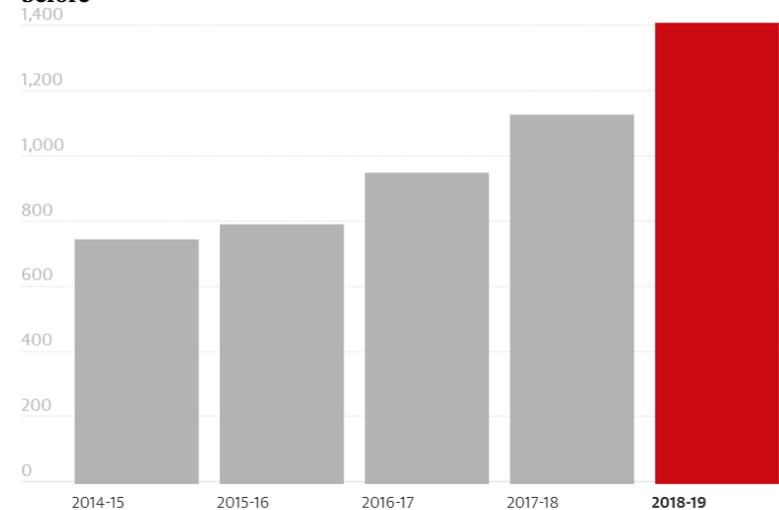
The link between town centre vitality and car park charges is far from clear (2), but tends towards higher charges in centres with more to offer. Keeping charges as they are, or even reducing them is unlikely to result in a measurable positive impact for centres, and the reverse may be true, as parking availability is the more important factor in centre choice.

(1) Report for Chichester City Council, 2016 - <http://www.chichester.gov.uk/CHttpHandler.ashx?id=29361&p=0>

(2) See Main Report, S3.1

(3) CACI – Long Term Consumer Trends, June 2020 - <https://www.rli.uk.com/caci-reveals-five-new-long-term-consumer-trends/>

More than 1,400 UK restaurants collapsed in 2018-19, up 25% on the year before



Guardian graphic. Source: UHY Hacker Young

Recent CACI research offers potential positives; as people seem to value their local centres and communities more, and want to travel less. The impact of retail changes could be offset by shorter trips by residents to local centres, not only for convenience shopping but to meet up with colleagues and friends, potentially improving the vitality of the town centres (3).

Societal & Transport

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The most obvious impact of COVID-19 on behaviour to-date has been limiting contact between humans; firstly through 'lock down' measures and now through maintaining minimum distances between people in public alongside limiting the size and type of gatherings. These precautions have already proven to be effective in countries that have gained control of the epidemic such as S. Korea, Spain and Italy (1).

Whilst this effects parking demand in terms of events and cultural activities, the bigger impact for MSDC could arise from the trend of working from home, which looks set to become a long term trend for companies with office-based businesses or staff (2).

There are a huge number of organisations across all sectors adopting work from home as the 'new normal' (3). The ONS reports that around 8.7m or 30% of the workforce has worked from home as a result of COVID-19.

Barclays CEO Jes Staley said crowded corporate offices with thousands of employees "may be a thing of the past."

Three examples of how different organisations have responded to COVID-19:

1 - NHS City Centre Hospital

having struggled with home working as a concept for years, through necessity, have embraced it and signified that they will not be returning to high density full time office based working in the future.

2 - Aeronautical Engineering Company

Software and IT needs make home working impractical for some engineers; abandonment of 'Hotdesking' with the conversion of an additional building to reduce office density and maintain distancing.

3 – Financial Services Company

Homeworking has been such a success that they are considering reducing the space leased in one of London's most famous landmark buildings at the earliest opportunity.

- (1) Euronews, June 2020 - <https://www.euronews.com/2020/05/16/coronavirus-latest-italy-to-lift-travel-restrictions-from-june-3>
- (2) ONS, March 2020 – 'Coronavirus and Homeworking in the UK'
- (3) Fastcompany – May 2020 - <https://www.fastcompany.com/90508784/heres-an-ever-growing-list-of-companies-that-will-let-people-work-from-home-forever>
- (4) Crowd Sourced List - 'LifeShack' – June 2020 - <https://remote.lifeshack.io/>

Societal & Transport

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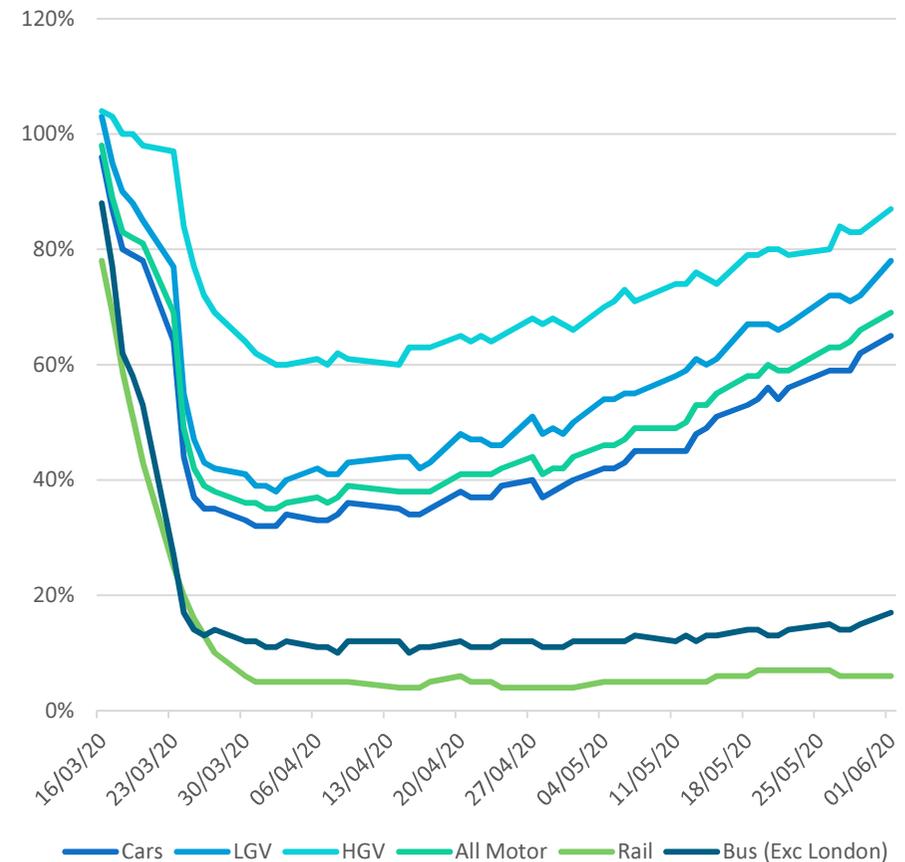
Data shows how road, rail and bus use generally rise and fall in line with the economy. The key difference with the COVID-19 pandemic is the need to avoid large numbers of people in confined spaces. This has very clear implications for public transport. To date rail and bus trips are recovering at a much slower rate than road (see right).

A shift from public to private transport could be one of the biggest long term impacts of the pandemic. IPSOS and the RAC have carried out surveys considering consumer intention to purchase cars and have found that it has increased (1), although consumer confidence in making large purchases is low. At the same time central government is promoting walking and cycling as safe travel alternatives, with some cities and towns re-allocating road and on-street parking to pedestrian and cycle use.

Specifically, railway parking could be highly impacted, with a triple whammy effect of; lower economic activity, more working from home, and, a desire to avoid public transport. This would impact Queens Crescent and Railway Approach as well as season ticket sales in Haywards Heath.

The table overleaf assesses the potential economic variables and their potential impact on Mid Sussex parking operation and Draft Strategy.

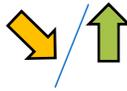
Impact of COVID-19 on Traffic and Travel
% against same days in previous years,
(weekdays, data release 03/6/20)



(1) IPSOS, May, 2020 - <https://www.ipsos.com/en/automotive-purchase-intention-driven-covid-19-social-distancing-concerns>

Societal & Transport

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Variable	Description	Likely.	Impact	MSDC Impact	Dur.	Data Source
Less public transport use / more car purchases and use	Social Dist/ fears of infection result in fewer PT trips and higher single occupancy driver rates (as seen in China already)	Now		Neg. impact on Station car parks e.g. Queens Cres. Perhaps pos. in 3 towns.	Med	RAC Foundation MORI poll China
Increased working from Home	Changes 'bed in' and become long term.	Now		Neg. impact on commuter car parks in HH. BH.	Long	Multiple announcements
Lower office density – fewer people in more/same space	Less desks p/m2	V likely		Impact on commuter car parks, easing pressure?	Med - Long	World economic Forum post
Political pressure need to assist key workers and healthcare staff to get to work easily and affordably	There is pressure politically (and morally?) to improve QoL of key workers esp. healthcare staff	Likely		There is a growing awareness of healthcare worker needs which could lead to pressure to provide permit systems	Short – Med	BPA
'Lock in benefits' of air quality resulting of COVID	Pressure to reduce car parking / opposition to new car parks	???		Impact on investment strategy	Med – Long	Press
Changes to built environment	Removal of on street parking for cycle / wider pavements	Now		Loss of on-street parking	Med – Long	Trade Press
Stronger policy towards favouring EVs to maintain air quality levels in the face of higher private car use	Pot. Govt. push towards preferential treatment of EVs, through 'Green Plates' for e.g. and through requirements for more infrastructure	???		May need to respond to central govt policy, and the need to monitor take up and use of EV charging	Med	Trade Press / Press

Societal & Transport - Potential Impacts

There are no easy answers as to how behavioural changes in society and transport might impact parking in the long term. A key unknown is how the variables interact. For example: whilst there may be less commuting overall, more of this may be by private car, negating the impact.

Lower employment densities within offices may also take the pressure off private car parks leading to less overspill into on-street and car parks.

Walking and cycling infrastructure may start to take precedence over on-street parking, as is being seen in some of the larger cities in England (and globally) already. The UK government has made £2bn available to local authorities to provide temporary to permanent facilities stating that *“Local authorities in areas with high levels of public transport use should take measures to reallocate road space to people walking and cycling, both to encourage active travel and to enable social distancing during restart”*.

Whilst car park season Tickets are likely to be less attractive to car park users, in Mid Sussex, given the heavy discount offered and value-for-money the impact may not be all that significant in MSDC’s case.



(1) Official DfT templates for signage

Practical / Parking

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The British Parking Association (BPA) has considered the impact of COVID-19 on behalf of its members and produced a toolkit for responding to the pandemic. This includes a Risk Assessment Template to help operators assess the risk of disease transmission in car park and template signage which can be employed at parking sites. MSDC are aware of this toolkit and are using it.

The risks involved in day-to-day operations from COVID-19 are to staff and customers and arise from parking equipment and places within car parks where people linger, queue or potentially crowd together. The risk primarily comes from stairwells, payment machines, lift lobbies and the lifts themselves (1).

With regards to the longevity of the risk, it seems likely that this will be around for as long as the pandemic, so completely unknown.

For MSDC the risk to off-street is reduced significantly as all but one of their car parks are surface, with only one multi-storey, itself due for redevelopment and without having lifts.

At the same time, new opportunities may start to arise. Until now the use of car parks as hubs for mobility and as part of logistics supply chains as 'last mile delivery' has been the subject of pilot projects. It could be that the growth in home shopping creates demand for localised hubs for collection and delivery (2).

The table overleaf assesses the potential economic variables and their potential impact on Mid Sussex parking operation and Draft Strategy.



(1) British Parking Association, 2020, Template Risk Assessment, Members Area

(2) CBRE - Parking Repurposing, 2018 - <https://www.cbre.fr/en/united%20kingdom/research-and-reports/our-cities/underground-parking-repurposing>

Practical / Parking

Issue	Description	Likely	Impact	MSDC Impact	Dur.	Data Source
Social Distancing at car parks / protecting staff	Payment machines, queuing, design of MSCP and payments	Now		Only 1 MSCP (scheduled for demolition) Retrofitted design or new equipment.	Long	BPA
Acceleration of online and mobile payments	Payment prior to parking or via apps	Now		Payment before arrival? New payment systems / software needed? Data Platform	Long	BPA
Cashless Parking. Cash is infectious and cards that require a PIN machine may also be a risk	General move towards pay-by-phone payments across sectors. Issue of increased transaction costs for car park operators	✓ likely		MSDC has cashless parking. Transaction costs of cashless.	Long	BPA
Other uses, for example as micro-freight hubs for collection and delivery	Car Clubs and freight delivery uses for the 'last mile'	???		Unknown at this early stage.	Long	BPA
Relaxation of enforcement by CCTV and ANPR. Currently LAs are still required to issue PCNs manually through a CEO.	Temporary relaxation of enforcement rules to allow CCTV/ ANPR camera enforcement to protect traffic lanes and reduce physical contact for CEOs could become permanent	Now		Could help to make enforcement more efficient (although off-street operation on its own may make this uneconomic)	Long	BPA

Potential Impacts

MSDC are already using the BPA's advice and implementing measures to protect their staff and customers. Charging has resumed in the off-street car parks and lock-down measures are relaxed.

The long term changes to equipment (fewer or anti-viral touchscreens) and car park layout, can be considered through the Investment Strategy.

Impacts for the Strategy

The SWOT analysis, right, summarises key findings of the technical work underpinning the draft Strategy and considers whether they represent a strength, weakness, opportunity or threat within local context.

It is important not to overstate the long term impact. Whilst in the depths of the pandemic and measures designed to contain it, it may seem that the changes to the way we live and work seem incredibly dramatic. But, countries which have managed to control the spread of the virus (S Korea & Germany for example) are starting to see life return to a sort of normality. Schools and business are re-opening, traffic is starting to return to normal levels, and people are getting back to work.

With reference to parking, the main impacts of the COVID-19 pandemic so far, appear to be:

- An economic recession of unknowable duration and depth;
- An acceleration of trends already underway (e.g. retail, home working);
- Long term changes to the way we interact with each other to maintain social distancing;
- Environmental benefits.

<p>Strength</p> <p>Local centres with character that serve their communities</p> <p>Retail / service car park use which may be less impacted by reductions in commuting</p> <p>Surface car parks which can respond to social distancing reqs.</p> <p>Well run service with in-house expertise and knowledge</p>	<p>Weakness</p> <p>Reasonably limited retail offers and reliance on national chains in Haywards Heath and Burgess Hill</p> <p>Outdated tariffs which do not reflect the diversity between the three towns</p>
<p>Opportunities</p> <p>Investment Strategy can respond to changes required in car park design</p> <p>Acceleration of cashless parking and technologies</p> <p>'Other uses' for cars parks as they arise</p> <p>Pot. permanent changes to enforcement methods (CCTV/ANPR)</p>	<p>Threats</p> <p>Macro-economic impacts of a recession</p> <p>Changes to retail activity and a shift to online</p> <p>Threat to regeneration projects and development proposals (e.g. proposed Cinema in Burgess Hill)</p> <p>Pressure to reduce / keep tariffs without any evidence of impact.</p>

Impacts for the Strategy

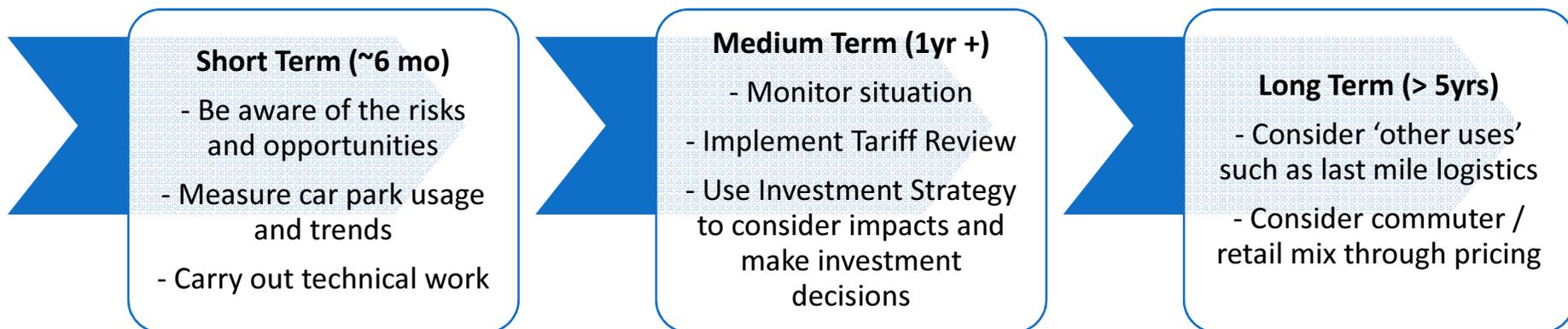
The table below considers the key themes of the strategy and the main actions set out in the Action Plan.

Key Theme and main Actions (summarised)	Response
Investing in the Estate	
Commission an Investment Strategy. Renew the Asset Management Plan and deliver.	Starting the Investment Strategy and Asset Management Plan work as soon as practical will put the Council in a strong position to respond to the 'new normal' if one emerges in 6-12 months time. Consultation on the Investment Strategy, especially with business will provide insight into customer needs.
Sustainable Growth	
Work with WSCC to support sustainable travel initiatives including EV charging and infrastructure.	The potential acceleration of trends towards technology and different types of mobility represent an opportunity to MSDC. This should be done through the Investment Strategy and will need to involve WSCC as the Highways Authority.
Explore using season tickets to support businesses and inward investment.	Home working could result in changes being needed to Season Ticket regimes, MSDC should consider national practice and advice as it emerges and listen to its customers.
Supporting Vitality	
Annual review of P+D and season ticket tariffs. Introduction of differential tariff and regimes between different towns, and in the other settlements	Although implementation may need to be delayed, tariff review is still urgently needed. The disruption caused by COVID may provide the impetus needed to progress this work.
Customer Experience	
Improve through investment, develop digital platforms to provide virtual season tickets	Cashless and contactless are already available and virtual permitting in progress. The Investment Strategy will further set out how technology investment will be made alongside investing in the Parking Estate.
Respond to WSCC CPE review	This remains a threat to the Parking operation and service. MSDC should continue dialogue with WSCC to see if the work has been impacted by COVID-19.

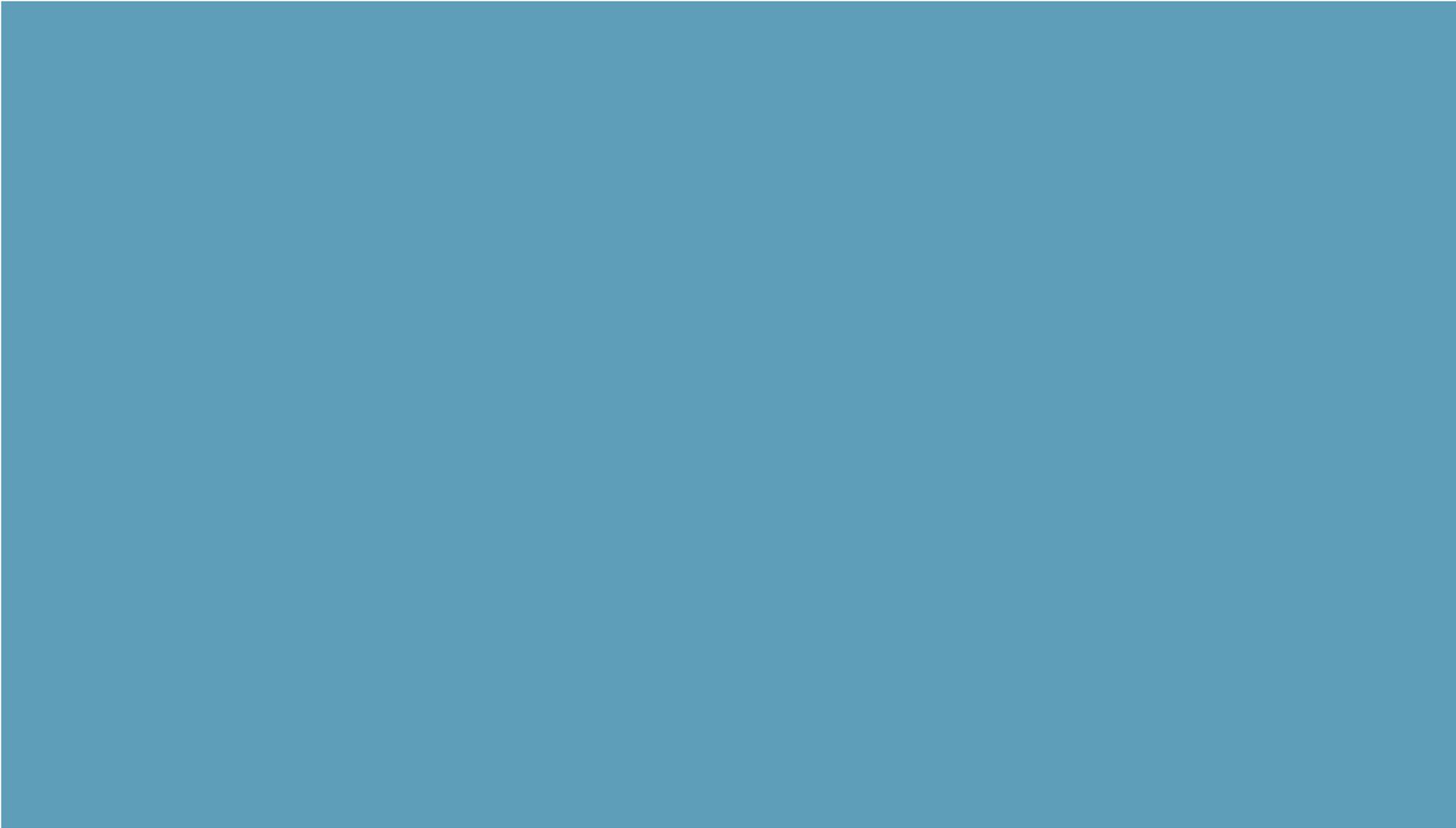
Conclusions

The Strategy set out to provide a flexible framework and direction of travel within which to respond to external factors and support other Council policies. **As such we consider it sound even in the face of such disruption.** The mitigation strategy below sets out how MSDC should respond.

Mitigation Strategy:



In the short term, MSDC will experience a significant reduction in income, but in the medium to long term, there is no reason to believe that the Councils' parking estate, suited as it is for town centre trips and insulated from what appear to be the worst impacts on commuting and public transport use, will suffer a long term or permanent reduction in use. The significant impacts on car park design, will in the main apply to future development and can be dealt with in the Investment Strategy.



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