

BRITISH PARKING ASSOCIATION

DRIVING ISSUES, RAISING STANDARDS



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Emailed to: ndr@communities.gsi.gov.uk

11 October 2016

Dear Ms Angelopoulou

Business Rates Appeals Reforms

The British Parking Association (BPA) welcomes your inquiry regarding business rates appeals reforms. As the largest professional parking association in Europe we represent around 700 organisations by promoting and influencing the best interests of these members and the parking and traffic management sector throughout the UK and Europe. These organisations are many and varied and include manufacturers, car park operators, local authorities, health authorities, universities and higher education facilities, airports, railway stations, shopping centres, theme parks, construction companies, learning providers and consultants.

For more information about the BPA please see the [endnote](#).

Accessibility and mobility underpins economic regeneration, as shown in the BPA's [Master Plan for Parking](#), proper and effective traffic management is absolutely essential and, without it, streets will become more congested and costs to local authorities will increase without significant economic benefits.

The BPA is concerned to hear that the consultation papers have been circulated ahead of the initial assessments. It seems that you are calling for evidence having already made assumptions. We recommend that rather than relying on anecdotal evidence you should conduct some comprehensive research to get at the facts before considering legislation or other action to change process and procedures for Appeals.

Increasing business rates generally can be counter-productive, it is suggested that the increased business rates proposed are unfair; many parking operators have been following government encouragement to invest in technology and improvements to their parking facilities, in part to support the regeneration of the High Street, whilst being assured business

rates would not rise. We believe the purpose of business is to create wealth for shareholders, employees, customers and society at large. Businesses create meaningful jobs and produce goods and services profitably. To change business rates is potentially counter-productive if it is not undertaken fairly, responsibly and recognising the full impact, especially unintended consequences. We believe a full Regulatory Impact Assessment should be undertaken, even though this isn't a specific requirement for taxation changes.

For many of our members it will be difficult to remain sustainable following the increases given the other costs associated with running parking services and especially in maintaining and operating a car park.

Pricing

The Government's high street agenda has been clear from the outset. David Cameron said before the general election that he wanted councils to invest in their town centres, returning our High Streets back into the vibrant and accessible places they once were.

We are repeatedly told that parking prices and quality has an impact on the volume of customers visiting and shopping in the high street. The rise in business rates is therefore counter-intuitive to the Government's high street agenda. The inevitable outcome of the increased business rates would mean that car park operators would need to raise their prices and reduce their operating costs substantially to avoid going out of business. This outcome would therefore be another set back for the high street.

Life care planning

The inevitable outcome of the increased business rates will be car park operators reducing their operating costs substantially to avoid going out of business. This will cause operators to put on hold significant investment in improving the car parks. The original investment could be in technology to improve customer service and access or could be on structure and safety.

We believe that good quality, well designed and properly maintained car parks can contribute significantly to the prosperity of Britain's towns and cities. The BPA works diligently towards this by sharing best practice, encouraging fair, reasonable and legitimate parking enforcement, and the promotion of safer parking through the Safer Parking Scheme and Park Mark award¹.

¹ The BPA manage the Safer Parking Scheme and the registered Park Mark on behalf of the Association of Chief Police Officers. The scheme is for public and private operators and aims at reducing crime and the fear of crime in parking facilities. Safer parking status, Park Mark, is awarded to parking facilities that have met the requirements of a risk assessment conducted by the Police. These requirements mean the parking operator has put in place measures that help to deter criminal activity and anti-social behaviour, thereby doing everything they can to prevent crime and reduce the fear of crime in their parking facility.

Some 20 years ago, there was a major failure in the structure of a UK car park (the Pipers Row failure) fortunately without the loss of life. Since then our members have placed much focus on the structural integrity of parking facilities and this costs money.

The BPA is concerned that Britain's many aging car parks are properly serviced and maintained. Funds should be made available by owners and operators to provide for regular safety and structural inspections which will identify defects and prompt repairs to minimise the risk of structural failure.

The lack of investment could significantly reduce visitors to the car parks and of course to the high street.

Conclusion

We believe a full Regulatory Impact Assessment should be undertaken, even though this isn't a specific requirement for taxation changes.

The Government should carefully consider the unintended consequences which might arise and the irony of promoting the regeneration of the great British High Street, bemoaning the high cost of parking and at the same time raising the taxation of parking companies who are committed to investment in the quality of their parking facilities.

We hope you will find these comments of interest. The BPA is already working with the government to achieve a resurgence in Britain's economic and social vibrancy in a sustainable way and we look forward to discussing with you how we can assist in taking these issues forward.

Please see the appendixⁱ for a case study from BPA member, Q-Park Limited on how the changes could impact the parking sector.

The BPA is always very willing to work with government to develop car parking policy and the Association is at your disposal to assist with any further information, advice or support in relation to this very important area of public policy.

Please do not hesitate to contact my colleague Kathryn Shipman by emailing consultations@britishparking.co.uk or calling 01444 447 317 if you require any further information.

Yours sincerely



Patrick Troy
Chief Executive

Endnote

About the British Parking Association:

The British Parking Association (BPA) is the largest professional association in Europe, representing around 690 organisations in the parking and traffic management profession. Our members include manufacturers, learning providers, consultants, local authorities, car park operators, including those managing parking on private land such as retail parks, healthcare facilities, universities and railway stations. We have 144 members managing parking on private land and 250 local authority members. We provide our members with knowledge and a range of benefits and resources that assist them in their day to day work.

As the recognised authority within the parking profession, we represent, promote and influence the best interests of the parking and traffic management profession throughout the UK and Europe. We also manage initiatives for the sector including the Safer Parking Scheme (on behalf of the Association of Chief Police Officers), the Approved Operator Scheme (for those managing parking on private, unregulated land) and our stakeholder engagement group, the Parking Forum.

We place the consumer at the heart of our thinking and as the recognised authority in parking we actively represent and promote the sector by advancing knowledge, raising standards and professionalism, and using our influence to deliver excellence for the benefit of all.

For more information regarding us here at the BPA, please click [here](#).

ⁱ Appendix

Case study from Q-Park Limited illustrating the likely impact on the parking sector

We are a large parking company with facilities across the UK. We have had extensive experience of business rates for over 10 years and have worked internally and with specialist rating advisors to understand assessments under the 2005 and 2010 lists. We understand and respect the rating system, and the basis behind re-assessments which should rebalance the overall rating bill between those whose properties had increased in value and those that had fallen.

We have been somewhat concerned about the consultation papers which have been circulated ahead of the initial assessments, for example the “Check, Challenge, Appeal” paper which appears to make the appeals process more difficult for those appealing and increases the incentive for local councils to receive higher business rates.

Subsequent to 30 September 2016 when the 2017 list was released we have been shocked at the proposed assessments and the increases proposed. We had been anticipating a reduction in rateable values as there has been a general decline in car park rentals so the figures we have seen released have been a major shock to us. The other thing which jumps out from this is the significant variances across different local authorities which are prevalent in this list.

While some local authorities have been consistent with previous lists, other councils have chosen to vastly increase the way they have calculated the rating assessment without any obvious justification. Most local authorities base their rating assessments for car parks on gross receipts. For an average sized car park (say 400 spaces) in a large city this would be in the region of 30%; it may vary by +/- 5% depending on various circumstances. However some cities in this list have increased their assessments to 50% or even more of gross receipts. Obviously this valuation officer would also therefore anticipate the market value of the property to be 50% and at these levels we do not believe that any car park in the country would be sustainable given the other costs associated with maintain and operating a car park.

The inevitable outcome of these changes would therefore mean that car park operators would need to increase their prices and reduce their operating costs substantially to avoid going out of business. We are repeatedly told that parking prices and quality has an impact on the volume of customers visiting and shopping in the high street. So such an outcome would appear to be another set back for the high street and for customers visiting the high street.

To give an example we have already looked at car parks in Liverpool which are significantly impacted by the draft assessments and have put on hold significant investment in improving the car parks further since the assessments were announced. We have also looked at how we could counter the increased business rates costs and believe that a tariff increase of in excess of 10% would be required to counter the additional costs from business rates. So a direct result of these assessments would be to increase parking tariffs significantly and to reduce investment in the parking facilities. This could in turn mean reduced visitors to the car parks and of course to the high street.