

***NOTE:** In the case of non-members, this agenda is for information only

DEREHAM TOWN COUNCIL

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10th April 2025

To All Members of the Town Council

Dear Sir/Madam

You are hereby summoned to attend an Extraordinary Full Council meeting of **Dereham Town Council** which will be at the Memorial Hall, Dereham at 7.30pm Tuesday 15th April 2025 to consider the items on the Agenda below.

Yours faithfully

L Monument

**Councillor L Monument
Mayor of Dereham**

Members requiring further information, or with specific questions, are asked to raise these with the appropriate officer at least two working days before the meeting. If the information requested is available, this will be provided, and reported to Council.

AGENDA

1. To consider apologies for absence.
2. **Declaration of Interest.**
In accordance with the Localism Act 2011, Members are asked at this stage to declare any Disclosable Pecuniary Interests or Other Registerable Interests; as defined by the Code of Conduct adopted by the Council. Councillors shall declare such interest as soon as it becomes apparent, disclosing the nature and extent of those interests. Failure to disclose any Disclosable Pecuniary interests or to knowingly give false or misleading information is a criminal offence under section 34 of the Localism Act 2011.
3. To consider taking over car parks from Breckland Council.
4. **Exclusion of press and public**
To pass a resolution to exclude the Press and Public from the meeting on the grounds that the Business to be transacted is confidential and publicity would be prejudicial to the public interest.
5. To consider any terms for the taking over of car parks from Breckland Council.

Dereham Town Council
Extraordinary Council Meeting

15th April 2025

Agenda Notes

3. To consider taking over car parks from Breckland Council.

As per previous notes, these notes come with a ‘health warning’, if a decision in principle is made to take over the car parks, there is further ‘due diligence’ work to be undertaken before a final decision is made.

3.1 Does the Town Council have the Powers to provide car parking?

Parish and community councils may provide off-street parking places under section 57(1) of the Road Traffic Regulation Act 1984 where it is of the opinion that that they would be necessary for the purposes of preventing congestion or preserving local amenities.

3.2 What would be the benefit of the Town Council taking over car parks?

Local Government reorganisation is a reality, with a new unitary council likely to be in place in a few years time. There may be concern that any unitary is going to be more remote than Breckland District Council. A new unitary may not place as much emphasis on the vibrancy and financial sustainability of Dereham town centre as Breckland Council has done. Income generation may be a new unitary’s primary focus, either through a charging policy or the disposal of some car parks.

If Dereham Town Council had responsibility for the car parks, it would have the residents of Dereham as its primary focus. A new unitary may look at the benefit of a wider geography than Dereham.

3.3 What has been offered to the Town Council?

There are two broad options.

Option 1 – A lease of up to 25 years, at a peppercorn rent with no break clause on the part of the landlord. There will be a service charge to cover long term maintenance such as resurfacing.

Option 2 – The Town Council purchase the freehold from Breckland Council.

For both Options, the cost of maintenance is the same, albeit that under Option 2 the Town Council would have more control. The estimated costs of Dereham Car parks are set out below.

Number of spaces	Area	Actual	Pro rata contribution per space in town car parks					Total
		Business rates 23/24	Capital replacement programme	Repairs and maintenance	Staffing costs	winter works (gritting, etc.)	Services - (electricity, water, waste collection etc.)	
650	Dereham	£52,722	£59,172	£9,467	£10,355	£5,917	£3,846	£141,479

There would be additional costs on top of this to cover the CCTV and there may also be other liabilities which are not yet known, such as boundary walls.

Option 2 involves the additional cost of purchasing the car parks from Breckland Council. The purchase would need to be financed through a loan, it would therefore be the cost of financing the loan.

The cost of purchasing the car parks is estimated at around £1.8 million. Although Breckland Council can sell at less than market value if there was a wider economic or social benefit in doing so. It might also be said that; as the residents of Dereham have already paid for these car parks (through the Urban District Council) they should not have to purchase them a second time.

The cost of servicing a loan of £1.8 million would be around £75,000 per year on a 50 year loan.

Option 1 would cost - around £142,000 per year and Option 2 would cost £217,000 per year.

Option 1 is less costly, has the ongoing complication of a landlord and tenant relationship, the Town Council will never own the assets or have full control over the assets.

Option 2 is more costly, but the Council will own the assets and have full control.

Note – Councillors will need to be aware that there will be a 6 month gap between taking on the car parks and additional income either from precept or charging. This could be a £40k bill in this financial year. This would come from reserves which would be replenished over a number of years.

3.4 If the Town Council took over car parks, should it keep them free at the point of use?

If the Town Council did wish to keep the car parks free at the point of use, it would add the following to a band D Council Tax bill:

- Option 1 - £25 per year
- Option 2 - £37 per year

The question then arises as to whether it is right or fair that Dereham residents pay for the car parks through their Council Tax, but people from the surrounding parishes pay nothing?

3.5 If the Council were to decide that the cost of car parks should be met through parking charges, what might the charges be?

It is much more difficult to assess what charges would be needed to cover the costs of the options as this would be dependent on the charging policy. For simplicity, the following estimate is based on all visits of more than 30 minutes, charged the same i.e. total cost / total visits over 30 min = potential charge per visit.

This gives an idea of potential parking charges, if free parking period is introduced, then people parking for longer would need to be charged more. This is not a straight forward calculation as around 65% of all car park visits are for less than 2 hours.

The following figures are from the 2016 ANPR car park survey conducted by Breckland Council. Extrapolating Wednesday visits over 5 days, assuming that Sunday visits would be 50% of Saturday and not making any adjustments for bank holidays; the total number of car park visits of more than 30 minutes is around 417,000 per year.

On this basis, to recover the cost of car parks from charging, Dereham Town Council would need to charge:

Option 1 - £0.34 – per visit over 30min.

Option 2 - £0.52 – per visit over 30min.

If one free hour is given, then the number of chargeable visits drops to around 322,500 per year, so the minimum charging for each option would then be:

Option 1 - £0.44 – per visit over 60 min.

Option 2 - £0.67 – per visit over 60 min.

These figures are to give an indication, there will be other costs that come to play such as CCTV, boundary walls, insurance etc, but this provides the kind of ball-park figure that parking may need to be, to cover the costs of the two options. So to cover other unknown risks including a drop in visitors, a charge of £1 per visit should cover costs.

3.6 If the Town Council introduces parking charges how will this be managed?

Once parking charges are introduced, this introduces the issue of collecting money, maintaining equipment and enforcing non-compliance. Realistically the Council would need to engage the services of a company which specialize in these matters. The Town Council would set the overall policy on charging, with day-to-day operation contracted with a third party. This would still require some management from Town Council staff and staff would need to develop a certain level of expertise on the subject.

From an initial search, there appears to be a number of companies which take on this type of day-to-day management. From talking to one management company, they derive all their management fees, including the cost of installing equipment, from penalty notices.

3.7 VAT – Implications.

The Town Council is currently able to reclaim VAT on what is classed as business activities below a threshold of around £9,000 a year. If the Council took over the car parks and charged, it would go over this threshold and no longer be able to reclaim the £9,000 a year. This may not be the case if management is carried out by a management company, if the Council does decide to take on the car parks, the Council should get advice on any VAT implications.

3.8 Risks.

With any initiative of this magnitude there are risks, some of these risks are:

Risk	Possible mitigation
The numbers from the 2016 car park study are either inaccurate or have significantly changed.	Allowance made in calculating budgets.
Numbers of visits reduce if charges are introduced.	Allowance made in calculating budgets.
Other unknown costs	Allowance made in calculating budgets
Management time – time taken away from other projects while taking the areas on.	Deal with the matter as quickly as possible and get day to day management transferred to management company.

There are also risks with doing nothing, and leaving the car parks to the control of an new unitary council.

3.9 The Council needs to decide

Due to the tight time scale, the Town Council needs to decide quite quickly whether it wishes to progress.

Key decisions needed to progress this matter:

1) Does the Town Council wish to take over the responsibility for the Car Parks in Dereham?

If yes.

2) Does the Council wish to consider leasehold or freehold?

3) If freehold, it would need to decide whether the cost of car parks would come from Dereham Council Tax payers or from parking fees or a combination of the two. The reason being that to acquire the requisite borrowing approval, the Council would need to carry out public consultation to show that residents support the principle of borrowing and any increases in council tax.

The issue of long stay and short stay areas can be looked at a later date.