

<b>Meeting:</b>	<b>Cabinet</b>
<b>Meeting date:</b>	<b>3 December 2015</b>
<b>Title of report:</b>	<b>Review of off street parking tariffs</b>
<b>Report by:</b>	<b>Head of technical and parking services</b>

## **Classification**

Open

## **Key Decision**

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function to which the decision relates and because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

## **Wards Affected**

Countywide

## **Purpose**

To agree the new off-street council car park tariffs for implementation in 2016.

## **Recommendation**

**That the off street car park tariffs, including the relevant staff car park tariffs in Hereford, outlined in the appendix of the report are approved for implementation from February 2016.**

## **Alternative options**

- 1 Not to increase off street parking tariffs. The local transport plan (LTP) requires the management of the supply and pricing of parking to encourage the use of sustainable modes of transport. Feedback from the council's priorities and budget consultation 2016-2020 indicated a general preference for the option to increase parking charges

across the county, as opposed to most of the alternative options. This option is therefore rejected.

- 2 Not to increase council staff parking charges in council car parks in Hereford. The council staff car parking policy acknowledges that charges will be reviewed annually. In line with the objectives of the LTP, staff who do not require the daily use of their vehicle are encouraged to consider sustainable modes of transport where possible. This option is therefore rejected.

## Reason for recommendations

- 3 The LTP parking strategy has a number of objectives relating to the management of supply of parking to encourage economic growth, help reduce peak hour congestion and encourage use of sustainable modes of transport. The recommendation will support these objectives in addition to maintaining a revenue stream which through contributing to the council's overarching transport strategy will support greater economic growth.

## Key considerations

- 4 A key objective of the LTP parking strategy is the management of the supply and pricing of parking to encourage the use of sustainable modes of transport, whilst acknowledging that car travel is the most important form of transport in what is one of the most rural counties in England. The price of parking can be a driver for behavioural changes and encourage a change in travel habits from driving to walking, cycling or public transport. If a reduction in car use is realised, a general tariff increase serves to support the LTP through a change to less polluting and healthier forms of transport thereby reducing congestion, improving air quality and journey time reliability, whilst supporting economic growth. This, however, needs to be balanced against prices that cause car users to alter their destination to areas or locations with cheaper or free parking, and/or shorter duration trips, both of which can have an adverse impact on the local economy. The proposals aim to provide a suitable balance which supports the economic viability of the county.
- 5 Whilst the price of off street car parking charges is part of a broad economic mix there is in fact limited hard research evidence to support a direct link between parking charges and either a strong or weak local economy. Much of the available evidence indicates that the issues are much more complex and include the size of a town centre, public transport alternatives, and proximity of other destinations and importantly a town's retail, commercial, leisure and tourism offer. A report by the Association of Town and City Management, the British Parking Association, Springboard Research, and Parking Data and Research International (2013) confirmed the 'anecdotal evidence, opinion and speculation', but found no conclusive evidence that parking tariffs are influencing decline in the high street. Some emerging trends were identified that led to the conclusion that further research is needed on this relationship. The report did point to the need for car park operators to set charges that reflect the amenities on offer in an area and there was evidence that those who did not may suffer a decline in footfall.
- 6 A recent car park charges review by Alpha Parking, independent parking consultancy, has highlighted that;
  - Overall council car parks are assessed as average to very good in important areas such as; access to customer attractions, internal signage, exits and

entries, vehicle and pedestrian flow and internal and external appearance which are all at a consistently good standard.

- The responses to a focus group review show that the level of the tariff is not perceived as the most important factor in choosing to use a car park. Accessibility to the destination and ease of finding a space are both considered to be more important.
- There are no growth factors from TEMPro (central government's national trip end model presentation program) which suggest any cause for concern about the capacity of the car parks in the coming 20 years.

7 The report by Alpha Parking includes benchmarking against similar sized towns/cities and a range of tariff proposals for consideration in Hereford city. The proposed tariffs are, in general, cheaper than the medium-level tariffs. The report indicates limited increases in the market towns.

8 A limited range of changes to tariffs charges was introduced In June 2014 and the charging period was extended to 10pm. The last general tariff increase was Nov 2012

9 Prior to finalising proposals a detailed consultation was carried out with the market town councils, Hereford City Council and local stakeholders. Feedback indicated a level of concern with the proposed tariffs. However a number of those responding proposed concessions to help support economic, leisure and transport objectives. In addition to putting forward a number of concessions Ledbury, Leominster and Ross-on-Wye town councils submitted redesigned charging structures and tariffs levels. The redesigned charging structures have been considered and generally accepted as alternatives to those which formed part of the consultation.

10 The concessions incorporated in the final recommendations are;

- Free parking from 6pm in Leominster and Ross, and the continued free evening parking in Ledbury.
- Free bank holiday parking in Ledbury.
- A single £1 all day Sunday tariff in Leominster and Ross which is cheaper than current charges.
- A £1.00 one hour tariff for Hereford car parks (in the control of the council) after 6pm and a £1.50 all evening tariff for those wishing to stay longer than an hour.
- A £1.00 one hour tariff for St Martins 1 car park, in Hereford, after 3pm and a £1.50 tariff for those wishing to stay longer than an hour after 3pm. Due to the car parks proximity to the leisure pool a reduced tariff would help support after school activities, healthier lifestyles and increased physical activity.
- For commuters or regular car park users the ability to purchase seasons tickets at specified car parks which deliver a substantial saving on individual ticket purchases.
- For those wishing to use Merton Meadow and St. Martins 2 (overflow) car parks, in Hereford, a reduced all day tariff of £4.00 will be available for those purchasing a ticket between 5am and 8am. This supports the parking strategy by helping to reduce peak hour congestion.

- Extending the option to stay longer than the current four hour maximum stay on the short stay car parks; Gaol Street, West Street and Shirehall (Saturday and Sunday only), Hereford.
  - The introduction of a 30 minute stay option in Hereford short stay car parks; Gaol Street, West Street, Shirehall (Saturday and Sunday only) and Maylord.
- 11 In addition to introducing a number of concessions the parking service is undertaking a programme of replacing the existing pay and display machines across the county. The new machines will enable the council to introduce a more flexible approach to both tariff levels and charging structures to assist in managing peak traffic flow whilst supporting the retail core. Through the introduction of the new technology the council will look to trial tariff offers periodically throughout the year and monitor their impact. This will help inform future tariffs structures the potential for further concessions to better support the economic viability of the county.
- 12 In addition, the new machines in Hereford City will allow motorists to make payment for their parking by credit/debit and contactless cards. This is in addition to the current payment method of coins or pay by phone. These proposals will further modernise the service, give an incentive to use council car parks and improve convenience for users addressing, in part, comments from Hereford Business Improvement District and others responding to the consultation.
- 13 Feedback on the council's priorities and budget consultation 2016-2020 showed a general preference for those options that would generate income and less preference for the savings options. The option to increase car park charges across the county was listed as the top priority for 21% of respondents, this was the second ranking top priority. Only 6% listed increasing charges as their last priority for implementation.
- 14 The proposals include an increase in staff parking charges. The council introduced a new staff car parking policy, as from 1 June 2013, in which car park charges were payable in a number of main office car parks in Hereford. The office car parks which currently have staff car park charges in Hereford are at Plough Lane, County Offices (Bath Street), Shirehall and Town Hall. The aim of the staff policy is to support a number of issues including encouraging sustainable travel across the county, and ensuring a fair and consistent approach for all staff and residents. The proposals are in line with the current staff parking policy.
- 15 A business pass is available to staff who meet a strict criteria where they need to have continual access to their own vehicle on each day they are contracted to work, in order to deliver off site planned / reactive council services to clients, residents and businesses. This pass allows the user to park free of charge in the office car parks and designated public car parks whilst on business.

## Community Impact

- 16 The proposals included within this report follow adopted council policies and support the strategy set out in the LTP which seeks to manage access and encourage increased use of more sustainable and active modes of transport such as walking, cycling, public transport and car sharing. These policies also support the council's public health objectives by encouraging healthier lifestyles and increased physical activity.
- 17 In setting car parking charges, regard has been had to the potential impacts on the economies of the county's main retailing and employment locations.

- 18 Although the health of the local economy cannot be linked with any certainty to car park charges, an increase in tariffs will inevitably result in a perception that the council is acting without any regard to local business interests. An increase may result in a displacement of parking onto unregulated streets in and around the city and town centres with the consequential impact this may have on businesses and residents in those areas. Whilst this displacement can be retrospectively addressed through the traffic regulation order process if necessary, this does take time.

## Equality and human rights

- 19 This report and recommendations pay due regard to the council's public sector equality duty. Under Section 149 Equalities Act 2010, the "General Duty" on public authorities is set out thus:

"A public authority must, in the exercise of its functions, have due regard to the need to –

- eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it."

- 20 In terms of protected groups, concessions for 'blue badge' holders are not affected by the recommendations in this report, this includes staff parking in council car parks.

- 21 Any increase in charges will have an impact on all users of the car parks. The impact will naturally vary according to the necessity and frequency of use and what alternative transport arrangements are practicable. Whilst this impact is non-discriminatory in the sense that it applies to all, it is inevitably an impact that is less easily 'absorbed' by those with lower levels of household income. In making the recommendations the balance to be struck between the impact on individual users and the wider public interest of the council setting and achieving a balanced budget has been considered, and in this context an increase in charges is considered to be justified.

## Financial Implications

- 22 Car park income contributes to the council's overarching transport strategy. For 2014/15 the authority incurred a net cost of £14.1m across the following services:
- Parking (including staff parking);
  - Highways and community services;
  - Transport and access services.

The level of income realised from the proposed fee increases will depend upon parking usage, but the modelled assumptions indicate that the net annual cost could reduce by £750K, an increase of circa 20%. The additional income will, through the overarching transport strategy, support greater economic growth.

- 23 The programme to replace the current pay and display machines is financed through an existing capital programme budget of £214k over three years specifically for this purpose.
- 24 The recommendations are in line with the Council's Charging Principles in that the council should (subject to market conditions) aim to maximise income from fees and charges by ensuring that charges reflect the full cost of provision, unless there are contrary policies, legal or contractual reasons.

## Legal implications

- 25 Authorities are required, under the provisions of section 55 of the Road Traffic Regulation Act 1984 as amended, to keep a special account of income and operational expenditure relating to their on-street parking places; as well as income from and expenditure relating to their functions as enforcement authorities. This includes all of their income and expenditure related to the issue of and income from Penalty Charge Notices in respect of off-street parking places, but not income from ordinary off street car park charges, nor any other expenditure in off street car parks.
- 26 Section 55(4) outlines the purposes for which any surplus in the parking account can be used. It lists a number of matters on which any surplus income, in the special account, can be spent, including provision and maintenance of off street parking, and if such provision is unnecessary, certain other matters, such as the provision or operation of public transport services and highway improvement schemes.
- 27 Council car parks are operated by virtue of the council's Off Street Parking Places Consolidation Order 2014. Section 35 of the Road Traffic Regulation Act 1984 ("the 1984 Act") allows for provision to be made as to the charges paid in connection with the use of these car parks and any variation of the charges. The Local Authorities' Traffic Orders (Procedures) (England and Wales) Regulations 1996 provide for the procedures to be followed in this respect.
- 28 In this regard, a change in tariffs does not require advertising for objections but, at least 21 days prior to introduction; notice must be advertised on every affected car park site and also advertised in a local newspaper.
- 29 However, the council should be mindful of the court decisions in *Attfield v Barnet LBC* 2013. ("The Barnet Case") and *Chaumeton v Camden LBC* (2015). Whilst the focus of these cases related to on street parking charges, it was established that the 1984 Act is not a revenue raising statute and that therefore it is unlawful to set charges for the express purposes of creating a surplus. However, the requirement that a local authority should not use parking charges for the purpose of raising additional revenue does not mean that the objective must be revenue neutrality. Addressing the problems that come with private vehicle traffic, may mean a parking scheme that is far from revenue neutral. This is also why the mere fact of 'budgeting for a surplus', or of recognition of 'the likelihood of a surplus' is not 'evidence of an improper purpose.
- 30 This is further confirmed in the very recent (May 2015) investigation by the external auditors for North Dorset District Council. In that matter, a local resident, exercising their rights under the Audit Commission Act 1998 to object to a council's yearly accounts, claimed his council had increased its off street parking charges for inappropriate, and therefore potentially unlawful reasons. In setting such charges, the auditors noted that a council must comply with the relevant provisions of the 1984 Act. The auditors ruled that, in this instance, this district council had, in their view, unlawfully increased parking charges to support other council services.

- 31 The 1984 Act imposes a duty on local authorities exercising any functions under the Act, including the setting of parking charges, to act so as to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway. If, however, as a result of setting enforcement or parking charges designed to meet the objectives of a parking strategy, then income can exceed that required simply to cover expenditure.

## **Risk management**

- 32 There is a risk that some current users of car parks will seek alternative parking arrangements or destinations, for example not visiting the city/market towns, or parking in cheaper non-council car parks, or finding free on-street parking in unregulated areas. This presents a risk to car park income projections. This has in part been mitigated by anticipating a reduction in use in income projection figures. Additionally the extent of residents parking schemes, particularly in Hereford, is such as to largely prevent on-street long stay parking near to town centres. Any consequential parking in unregulated areas can be addressed through the established statutory TRO process, albeit this process can be lengthy.
- 33 Any sustained change to alternative locations or destinations by users, in resistance to increased charges, could have a negative impact on local economies.

## **Consultees**

- 34 Herefordshire market town councils, Hereford city council, HBID, Old Market, Maylords and Halo. In addition, the council's wider priorities and budget consultation 2016-2020 has taken view from the general public and others. The views have influenced the recommendations as outlined in the body of the report

## **Appendices**

Appendix A – Proposed off-street and staff car park tariffs

## **Background papers**

None