



Environment and Transport Select Committee
18 May 2011

Report of the On-Street Parking Task Group

Purpose of the report:

The Transportation Select Committee's On-Street Parking Task Group was established to consider the detailed proposals for the introduction of charging for on street parking across the county and how these could be implemented in a manner more acceptable to residents, but not the policy itself.

The Task Group has put forward a number of recommendations that are detailed in the report. The Select Committee is asked to approve the recommendations of the Task Group, which will be submitted to the Cabinet on 24 May 2011.

INTRODUCTION:

1. The Transportation Select Committee established the On-Street Parking Task Group following the decision of the Cabinet Member for Transport on 12 January 2011 to introduce charges for on street parking in locations across the County. The Committee had previously requested Cabinet to defer the decision on the basis that there was insufficient information available on the detailed proposals. There was also public concern over the introduction of the policy as publicised. The Task Group was established in January 2011 and has the following members: Steve Renshaw (S), Stephen Cooksey, David Goodwin, Pat Frost and John Furey. The Transportation Select Committee approved the draft scoping report at its last meeting, which outlined the areas the Task Group would be looking at and made it clear that it would not consider whether the policy itself was correct as that decision had already been made. The report of the Task Group is supported in its entirety by the majority. However, D.Goodwin feels unable to support Paragraph 9 and Recommendation (v), while S.Cooksey objects on principle and does not accept the basis of the report.
2. A number of Members and officers hold the view that parking enforcement in Surrey is inefficient at present due to the uncertainty of when a vehicle has parked in any given space. Effective enforcement requires a timed display, which requires machines to issue a ticket and those machines require funding. On-street parking charges are a potential source of this funding.
3. The Task Group examined the detailed proposals for each area excluding Reigate and Banstead and Elmbridge, which were already the subject of public consultation. Local Committee Chairmen were invited to attend a Task Group meeting to give their views on the currently published proposals and to suggest

possible changes – all did so, other than Woking. Although a number of Members would have liked the Task Group to consider a substantial amount of detail, this was not possible within the time frame available. The main focus was therefore around the principles involved, as the detail could more readily be addressed as a result of the formal public consultation. However, the Task Group did look at how sites were identified, the effect of the policy on small businesses, the charging tariffs, machine types, locations and payment methods, how any surplus income will be spent, by whom and how the policy fits with the overall parking policy.

4. The Committee is asked to consider the recommendations of the Task Group, which will be submitted to the Cabinet on 24 May 2011.

DETAILS:

Legislation

5. The Task Group sought legal advice on the provisions of the Road Traffic Regulation Act 1984 on the powers to introduce charging for on-street parking and for what purposes any surplus income can be used. This advice is summarised at **Annexe 1**. It is important to note that there is no legal right for the public to park anywhere on the highway, although it is recognised that members of the public have become accustomed to doing so, often free of charge. All spaces currently identified for charging are on the public highway even if they are in lay-bys and would therefore be covered by the regulations.

Business Case

6. One of the main concerns arising, following the decision of the Cabinet member was the apparent lack of a clear business case to prove that the introduction of on-street parking charges would firstly, work towards eliminating the current deficit on the parking account and secondly, generate sufficient income to cover the cost of introducing charging for on-street parking and its enforcement. A business case for the County as a whole was originally proposed as a result of a 'top down' exercise, but the Task Group recognised that a valid case could only be built 'bottom up' in order to reflect the variance in local circumstances. The business case for the County is attached at **Annexe 2**. A financial case has therefore been constructed District by District, which is outlined in **Annexes 3-11**, culminating in a county wide case that is attached at **Annexe 12**.

[ANNEX 10 -
WATERLEY]

Identification of Sites

7. The original proposals had been suggested by officers, with neither consultation, nor any input from members. The sites currently selected for charging and identified on the plans submitted to Cabinet on 12 January, had been selected on the basis of examining some of the existing short term parking bays around shopping areas, in consultation with some of the local parking managers. These had then been assessed to determine whether there were sufficient spaces in a given location to make charging viable. The Task Group felt that there could be scope for additional locations in some areas, particularly those associated with commuter parking and to help residents with local parking problems. This additional income could then be used to balance losses resulting from allowing a period of free parking in more commercially sensitive locations in order to provide support for the retail trade. It was also felt that parking displacement would inevitably result and was an issue that needed to be addressed. Local Committee Chairmen were therefore invited to comment on the current proposals and to put forward any alternative suggestions as appropriate.

A brief summary of their views have been incorporated with the comments of the Task Group and together with the location maps are set out in Annexes 3-11.

Effect on Local Business

8. Much of the feedback received from both local members and the public has focused on the potential effect the proposals may have on the viability of small local shops and businesses during the current period of difficult economic conditions. A lot of this comment appears to be an emotive response linked to the uncertainty of change, as despite extensive research, officers have been unable to find detailed statistical evidence to suggest that the impact on businesses would be significant. In fact in some areas where charging for parking has been suspended for a period, shopkeepers have reportedly noted a decline in business, due to passing trade being unable to find a space to park, as a result of the spaces being used by workers for long term parking.
9. One of the reasons for establishing the Task Group was to address the suggestion that a 'one size fits all' approach may be applicable across the county. Clearly, differing conditions and circumstances prevail, with residents accepting the need for on street charging in major retail centres and off-street charging in the vast majority of cases. There are some towns around the county where the proposals have been largely welcomed as a way of reducing congestion, improving churn and making it easier for customers to park by removing long-term parking from the area. However, the Task Group recognises that there are also some small parades of shops and villages in commercially sensitive locations where any charging at all would be inappropriate, although in the majority of cases allowing a period of free parking of up to half an hour, would be appropriate. This would allow customers sufficient time to pick up a few groceries, visit a bank, post office or small shop for example, but those parking would still be required to display a ticket for the free period so that parking could be effectively enforced. However, those wishing to stay for a longer period would be required to pay for the whole period of parking and would not be entitled to the initial free period.

Charging Tariffs

10. For simplicity the published proposals had identified three levels of charging – high, medium and low. As on-street parking spaces are usually nearer to shops and facilities than car parks, they are considered to be premium spaces. Tariffs were therefore determined by the charges in nearby off street car parks operated by District and Borough Councils and the relative attractiveness of the location to shoppers. Major town centres would therefore generally be at a high tariff. The intention is that the introduction of a premium charge would lower congestion by reducing the number of vehicles driving along streets looking for a place to park, as spaces would now become available more readily. In addition, those wishing to park long term would be directed away from the road to off street car parks, in order to keep spaces available close to the shops for short-term parking. On street parking charges will also therefore make the business case for off street-parking schemes much more viable.
11. While a valid intention, it was felt that the three levels of charging was too simplistic and failed to sufficiently recognise local variations. The Task Group considered increasing the number of tariff bands to more effectively reflect different off-street charging patterns across the County, but felt that wherever possible there should instead be a link to off-street charging tariffs by means of a premium on-street tariff based on the cost of parking off-street plus around 20%. For reasons of simplicity, the reference to a high, medium and low tariff has been

retained, but this is indicative only and will vary with location. Low tariff areas where there was a proposed half hour free period were non viable and all Local Committee Chairmen preferred a medium tariff with 30 minutes free of charge, to a low tariff with no free of charge period.

12. Although there was some discussion about whether 'blue badge' holders should pay too, it was agreed that they should not, given that no specific spaces would be marked out for them.

Type and location of machines

13. The cost of purchasing and maintaining the machines is set out in the business case at **Annexe 2**. The Task Group noted that the Cabinet member for Transport would be agreeing a contract for the supply of machines at a decision-making meeting on 18th May 2011, but considered this to be acceptable, as it was noted that this would be a call-off contract and hence did not predetermine how many machines would be purchased ahead of the consultation exercises.
14. The Task Group examined the specification for the machines. Most will be solar powered, which is considered to be the industry standard and avoids the need for costly connection to the electricity mains. The machines need to have access to the mobile phone network in order to send information to the control centre and while there are areas of Surrey with poor mobile coverage, given the locations proposed for the machines this should not prove problematic. It was also felt that all machines should be able to record the registration numbers of vehicles and contain a modem to report faults and operational status, for more cost effective maintenance. Machines are available in a wide range of colours, do not require planning permission and as per their introduction elsewhere, there are no special requirements relating to their use in conservation areas. Payment machines are already in existence within conservation areas in Surrey, such as in Guildford town centre, but it is intended that the machines that will be used are sympathetic to their surroundings and Natural England will be advised.
15. It had been suggested that in these areas the machines could be located away from the edge of the highway, adjacent to, or even affixed to buildings. However, the Task Group felt that this solution would be too costly, as it would mean that the County Council would have to enter into numerous legal agreements with the owners of the land or buildings. Despite this, the Task Group is aware of the impact on street scenes that machines may have (particularly in less urban areas), and as such the number of machines per location should be kept to a minimum.
16. A similar concern relates to road markings and while the Task Group appreciates the legal necessity for bays to be marked on the carriageway, it believes that wherever possible, these should be kept to a minimum.
17. The Task Group considered the different payment methods possible by machines and the impact on the cost of the machine itself (**Annexe 2**). The basic coin machine is relatively inexpensive, but the cost of those that provide change are significantly higher and were therefore discounted. Payment by coin only requires both the more frequent emptying of the machine and for those parking to have sufficient coins, so alternative methods of payment were also considered. Payment by phone was seen as both a convenient method of payment, but also beneficial in that the machines did not need to be emptied with the same frequency and hence would be less costly to operate. However, the Task Group recognised that not everyone would either feel comfortable or able to pay by phone and therefore all the machines should take coins. The Task

Group also concluded that the cost of upgrading the machines to take card payments, together with the transaction costs themselves, prohibited its introduction at the outset. However, it is proposed that machines for those locations where this could be appropriate in the future should be equipped with the appropriate technology from purchase rather than being upgraded at a later stage, given the incremental cost of retro-fitment.

18. The Task Group considered that payment by coin, although an essential option, is the most expensive in terms of operational costs and that alternative payment methods should therefore be encouraged. As such, payment by phone and subsequently by card should be encouraged to the extent whereby there is no cost penalty for doing so. Accordingly, tariffs should be set at a level whereby the same sum is charged regardless of payment method, which is easy for those parking to understand and has the added advantages of both operational simplicity and consistency.
19. The operational timings should be the core hours of 08.30hrs – 18.00hrs, with any variance by exception.
20. The current agreement, which expires in April 2012, is that any surplus arising from enforcement and the introduction of on street parking charges will be split 65:35 between SCC and the enforcement authority (see point 24), so there is a clear need to have an agreed understanding of the respective costs. (Annexe 2 outlines the purchase and maintenance costs of the machines to be borne by SCC). Although the cost of purchasing a machine is subject to variation pending the number purchased, the 'average' installed cost for a machine that accepts payment by both coin and mobile phones has been calculated at £3,000. It is accepted that this should be a standardised cost across the County. There is also an 'average' maintenance costs of £2,500, although again there will obviously be slight variances. The two together give a capital and revenue cost per machine per annum, making it relatively easy to calculate the total cost of the machines in any District / Borough (see Annexes 3 –11). After costs, any surplus from on street charging, combined with any surpluses from enforcement should be at the disposal of the Local Committee.
21. However, calculating the costs of enforcement by the different enforcement authorities is more complex given the different circumstances of each, but in light of the history this needs to be addressed more seriously than has previously been the case, both in the degree of transparency and the ability to challenge both the data and the rationale. As such, SCC should insist that all enforcing authorities complete a standardised spreadsheet to satisfy themselves, both centrally and on behalf of the Local Committees, that the costs allocated against enforcement are both valid and verifiable.
22. SCC should also detail the performance criteria it expects that enforcement authorities should meet on its behalf, such as perhaps suggesting an appropriate ratio between the number of enforcement officers to the number of machines deployed, before signing any future agreement, or contract extension beyond April 2012. Failure to meet those designated criteria should attract a penalty.
23. Given the need for tickets, the Task Group recommend both the sale of the space on the reverse for marketing purposes and the introduction of split tickets from the outset, in order to allow retailers to refund the cost of parking to customers, should they wish.

Use of any surplus arising

24. The current agreement with those Districts and Boroughs undertaking enforcement on behalf of the County extends to April 2012 only and permits any surplus to be split 35:65 between the District/Borough and the County to be spent in accordance with the provisions of the regulations. This cannot be changed, but the Cabinet will consider proposals to renew/extend these agreements for a four/five-year term later in the year and all related recommendations refer to the period post April 2012. The Task Group feels very strongly that firstly any surplus made under the new agreement should be regarded as over and above the existing highways budget. Secondly that the 65% from County should be returned to the Local Committee from the District where that surplus arose and that where an authority enforces in its own District, that their 35% should also be returned to the Local Committee. Therefore, 100% of this surplus would be spent as directed by the Local Committee for use on appropriate local schemes that are in compliance with the guidelines.
25. Further to Point 24, in cases where it is proposed that one local authority enforces in a different authority, it is recognised that the enforcing authority should make a small profit for undertaking that function. However it would be unreasonable for the enforcing authority to retain the full surplus of 35%, with nothing being returned to the Local Committee of the District from where that surplus arose. SCC should therefore ensure that there is a clear agreement between the two authorities, detailing how the 35% surplus will be allocated between the two Local Committees. Therefore an authority which does not enforce in its own District will not receive 100% of the surplus – only the sum of the 65% from County, plus whatever has been agreed to be returned by the enforcing authority.
26. Officers should report to the Environment and Transport Select Committee on an annual basis in order to assess the success (or otherwise) of the policy. This report will include details of how the Local Committee has allocated any funding under their control from on-street parking.

Overall Parking Policy

27. Introducing charging for parking is an unpopular measure given that in many places people have become accustomed to parking on the street free of charge. Therefore, any proposals to charge for on-street parking will inevitably lead to avoidance behaviour and displacement parking in adjacent non-regulated streets and a more holistic approach should be adopted where possible. The Task Group therefore recommends that where parking reviews are currently taking place, they should try to anticipate the results of the introduction of charged parking and wherever possible consider the simultaneous introduction of residents parking zones, should residents wish, to provide an immediate protection. The Task Group appreciates that the permit charges have only recently been reviewed, but with the proposed introduction of more widespread payments for on street parking, believe that the cost of permits should attract a more realistic charge in reflecting the benefit gained, as opposed to the current token charge of £50 per annum for the first vehicle. Further consideration should also be given as to whether a permit for a second vehicle at the same address, should be offered at a lower, or a higher sum, in order to discourage multi vehicle ownership, at locations where there is no off street parking.
28. However, residents should still be enabled to purchase books of visitor permits at a cost of £2 per each permit, valid for one vehicle for one day. A further review should be scheduled within 6 – 12 months after introduction to ensure that these problems have been appropriately addressed. At a later date, consideration

should also be given to assisting local workers to park more closely to their place of work, with the introduction of a slightly more expensive permit scheme.

29. While the introduction of on street charging may improve the vitality of shopping areas, it is unlikely to solve the problems arising from any incremental occurrence of traffic itself. Whilst such a policy will inevitably improve the financial case for the construction of either private sector, or District/Borough off street car parks, consideration should subsequently be given to limiting traffic congestion by the use of any profits to extend the capability to park off street, or to enhance the provision of park and ride schemes, for example.
30. Furthermore, depending on how extensive the introduction of pay and display becomes, in time it may well influence the view of the local planning authorities and SCC's Transportation Development Planning, as to how to more realistically address the acceptable provision of parking. This could perhaps include a minimum off street provision, both for new developments and particularly for conversions of larger properties into apartments, as necessary through a review of the current policy.
31. Due to the contentious nature of charging for on street parking, the Task Group will monitor the results and effects of its implementation closely and in order to aid this process, enforcement authorities should report back to the Parking Team on a quarterly basis.

Views of Local Committees

32. Excluding Reigate and Banstead and Elmbridge which are the two areas currently the subject of formal public consultation, the Chairmen of the remaining 9 Local Committees were invited to comment on the current proposals and to put forward any alternative suggestions as appropriate. A brief summary of their views have been incorporated with the comments of the Task Group and together with the location maps and the business case for each District, are set out in the following Annexes:

Epsom & Ewell	Annexe 3
Guildford	Annexe 4
Mole Valley	Annexe 5
Runnymede	Annexe 6
Spelthorne	Annexe 7
Surrey Heath	Annexe 8
Tandridge	Annexe 9
Waverley	Annexe 10
Woking	Annexe 11
Whole County	Annexe 12

Equalities implications

34. An equality impact assessment has been undertaken. This has identified potential negative impacts for certain groups, especially those with a low household income. However parking charges are small compared to the overall cost of running a motor vehicle.
35. Blue badge holders can park in disabled parking bays or on yellow lines for up to 3 hours and are exempt from charges.
36. The impact on minority, disadvantaged, vulnerable and socially excluded groups is likely to be minimal. Paying for parking on street is not a new phenomenon (it

is just not widespread in Surrey) and most drivers will have encountered it previously either at locations where it already exists in Surrey (car parks) or at locations outside the county. The proposed tariffs are reasonable when compared with off street car park charges and should contribute to only a relatively small rise in the overall costs of running a motor vehicle. The introduction of a free period in some locations reduces this impact.

37. Although some users may have difficulties using pay and display machines or mobile phones, two alternatives should help minimise those issues, as should careful consideration of the structure and location of the pay & display machines. In all cases equipment used to collect parking charges should be assessed for Disability Discrimination and Equality Act compliance.

Risk management implications

38. There is the risk that this proposal to increase parking charges will lead to more requests for parking schemes to be reviewed or removed by Surrey Highways, generating additional correspondence, political concern and media coverage.
39. There is also a risk that parking will be displaced in some locations and additional restrictions will be needed. These can be followed up by area parking reviews.

Implications for the Council's priorities or Community Strategy/Local Area Agreement targets

40. On street parking charges help contribute to the objectives of Surrey's new Transport Plan by:
 - Increasing turnover of parking spaces making shopping areas more accessible. This provides a better service for customers and helps the local economy.
 - By maintaining a differential between on and off street parking charges drivers are more likely to go straight to a car park rather than look for free or cheaper on street space, helping to reduce congestion.

Climate change/carbon emissions implications

41. The County Council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.
42. The introduction of more widespread on street charging does this by reducing congestion and causing motorists to consider alternative transport methods as a means of saving parking costs.
43. On street charges can cause drivers to go straight to car parks rather than looking for free spaces. This can reduce congestion and vehicle emissions.

Legal implications/legislative requirements

44. The County Council has the necessary legal powers to operate parking enforcement through the Traffic Management Act 2004 and introduce or amend Traffic Regulation Orders through the Road Traffic Regulation Act 1984. Further details are provided within **Annexe 1**.

Corporate Parenting/Looked After Children implications

45. This proposal has no foreseen impact on the Council's corporate parenting role or looked after children.

RECOMMENDATIONS:

Recommendations to Cabinet:

- (a) That where parking reviews are currently taking place, they should try to anticipate the displacement parking that may result from the introduction of on-street charging and that a further review should be scheduled 6 – 12 months after introduction, in order to ensure that any problems are appropriately addressed.
- (b) That the enforcement authorities report to officers in the Parking Team on a quarterly basis regarding the results of the implementation in different locations.
- (c) That in any future agreement, SCC should contractually stipulate the performance criteria that it expects enforcement authorities to meet, where failure to do so attracts a penalty.
- (d) That the recommendations of the Task Group incorporating some of the suggestions proposed by Local Committees, as set out in Annexes 3-11, be approved as the basis for the formal public consultation.
- (e) That any surplus arising from on-street parking charges and their enforcement covered by any new agreement from April 2012, should be viewed as over and above the forecast highways budget.
 - (i) That any surplus arising from on street parking charges, should be split 35:65 between the enforcement authority and the County.
 - (ii) That in all cases, the 65% of any surplus arising that is due to the County should be spent on appropriate local schemes that are in compliance with the guidelines; at the discretion of the Local Committee from where that surplus arose.
 - (iii) That in cases where the enforcement authority is the same District from where any surplus is generated, the 35% that is due to the District, should be spent on appropriate local schemes at the discretion of the Local Committee. (The result under these circumstances would be that 100% of any surplus is available to the Local Committee, where District Members will continue to have voting rights for highway functions, as has already been established.)
 - (iv) That in cases where it is proposed that one local authority enforces in a different authority, SCC should ensure that there is a clear agreement between the two authorities, detailing how the 35% surplus will be distributed between the two Local Committees. (It is recognised that where an enforcement authority enforces on behalf of SCC in a different District, only the respective portions of the 35% surplus which have been agreed between the enforcement authority and the enforced authority, are returned to each respective Local Committees. This means that under these circumstances, the Local Committee of the enforcing authority will receive an additional sum to the 100% of the surplus that may have arisen in its own District. Correspondingly, the District where that surplus arose will still

receive the 65% from County, but only the portion of the 35% that has been agreed with the enforcing authority, which inevitably will result in less than 100% of any surplus that has been generated in its own District, being at the disposal of its Local Committee.)

- (f) That a period of free parking of up to half an hour be permitted in commercially sensitive locations identified by Local Committees and agreed by the Task Group, as identified in the annexes to this report.
- (g) That to more effectively reflect local variances across the County, there should be wherever possible a link to off-street charging tariffs, by means of a premium on-street tariff, based on the cost of parking off-street, plus around 20%.
- (h) That as a result of (f) and (g) the original proposal for a 'low' tariff be discontinued and that where reference is made to tariffs in general, the terminology is indicative rather than absolute, in that the cost of these tariffs will vary across the county.
- (i) That consideration should be given to the simultaneous introduction of residents parking zones wherever possible, to better manage displacement parking and increase resident's acceptance of the proposals.
- (j) That where necessary, the number of machines per parking slot are kept to a minimum in order to minimise their impact on the street scene, particularly in less urban locations.
- (k) That wherever possible, road markings for the parking bays are kept to the legal minimum in order to minimise the impact on the street scene, particularly in less urban locations.
- (l) That the basic machine to be purchased should be able to record the registration numbers of vehicles, contain a modem to report faults and the operational status and accept payment by both coin and phone.
- (m) That those machines in locations where payment by card could be appropriate in the future should be equipped with card technology at purchase, rather than being upgraded more expensively at a later stage.
- (n) That the cost to those wishing to park on street should be the same, regardless of the method of payment and that tariffs should be set to reflect this. There should be no premium for paying by phone, or where applicable, card.
- (o) That SCC accepts the sum of £2,500 as the 'average' operational cost per machine, which cumulatively results in the SCC cost per District / Borough and then across the county itself.
- (p) That SCC insists before any extension to any of the current enforcement contracts is considered, each authority completes a standardized spreadsheet, detailing the cost base for its enforcement measures, set against measurable performance criteria of officers employed and their frequency of patrol etc.
- (q) That further to (o) and (p), where an enforcement authority enforces in a District / Borough other than its own, SCC ensures that the 'enforced' authority has had sight of the spreadsheet and agrees, both with the accuracy of the cost base and that there is a clear agreement as to how any surplus should be shared between the enforcing authority and the enforced.

- (r) That the space on the reverse of tickets be sold for marketing purposes, which would contribute to any surplus for SCC.
- (s) That on introduction, there should be split tickets to allow retailers to refund the cost of parking to customers should they wish.
- (t) That while it is not possible to park in a given space, it should be possible to purchase an annual season ticket in order to park in a given area, or zone.
- (u) That the viability of payment by smart cards, or similar technology, be investigated with a view to their subsequent introduction.
- (v) That given the more widespread introduction of charging to park on the street, the fees for parking permits again be reviewed and set to be more realistic in reflecting the benefit gained, rather than the current token charge of £50 per annum.
- (w) That consideration should also be given as to whether a permit for a second vehicle at the same address should be offered at a lower, or a higher sum, in order to discourage multi vehicle ownership at locations where there is no off street parking.
- (x) That the number of permits to be allowed per residence again be reviewed in order not to exacerbate the problem of on street parking by encouraging multi car ownership
- (y) That residents who reside within parking zones be enabled to purchase a book of visitor permits at a cost of £2 per permit per day.
- (z) That SCC's Transportation Development Planning should continue to work closely with local planning authorities in determining how best to realistically address the acceptable provision of parking, both for new developments and particularly for conversions of larger properties into apartments, as necessary through a review of the current policy.

Next steps:

The recommendations, amended, as necessary, to be agreed by the Environment and Transport Committee meeting on 18th May, to be submitted to the Cabinet on 24th May and subject to their agreement, the Committee will keep the implementation of the policy under review.

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Sources/background papers: None.

Summary of Legal Advice

1. The Council has power in the Road Traffic Regulation Act 1984 (sections 45 and 46) to create, by way of a traffic regulation order, designated parking places on the highway for vehicles, or vehicles of any class, specified in the order. The authority may make charges (as provided for in section 46) for vehicles left in such parking places. The Traffic Regulation Order in this case is known as a 'designation order' and the parking place(s) created by it is/are 'designated parking place(s)'. This is a basic statement of the essentials for present purposes and there is considerable ancillary detail in the Act.

2. The legislation that controls receipts from on-street parking charges in designated parking places is section 55 of the Road Traffic Regulation Act 1984, as modified.

It says in summary -

(1) An enforcement authority (meaning here the County Council, although the County requires the Boroughs/District acting as its agents to maintain such an account) shall keep an account of their income and expenditure in respect of designated parking places whether such parking places are in a civil enforcement area for parking contraventions or not, and also in relation to a number of other parking contraventions as set out in the Traffic Management Act 2004.

(2) At the end of each financial year any deficit in the account shall be made good out of the general fund, and (subject to (3) below) any surplus applied for all or any of the purposes specified in (4) below. Insofar as such surplus is not so applied, it shall be appropriated to the carrying out of some specific project falling within the purposes in (4) below and carried forward until applied to carrying it out.

(3) If the local authority so determine, any amount not applied in any financial year, instead of being or remaining appropriated, may be carried forward in the account above to the next financial year.

(4) The purposes for which surpluses can then be applied are -

(a) the making good to the general fund of any amount charged to that fund under (2) above in the 4 years immediately preceding the financial year in question.

(b) meeting all or any part of the cost of the provision and maintenance by the local authority of off-street parking accommodation, whether in the open or under cover.

(c) the making to other local authorities or to other persons of contributions towards the cost of the provision and maintenance by them, in the area of the local authority or elsewhere, of off-street parking accommodation, whether in the open or under cover.

(d) if it appears to the local authority that the provision in their area of further off-street parking accommodation is unnecessary or undesirable, the following purposes -

(i) meeting costs incurred, whether by the local authority or by some other person, in the provision or operation of, or facilities for, public passenger transport services.

Annexe 1

(ii) the purposes of a highway improvement project in local authority's area. A highway improvement project is defined to mean a project connected with the carrying out by the appropriate highway authority (whether the local authority or not) of any operation that constitutes the improvement (within the meaning of the Highways Act 1980) of a highway in the area of a local authority in England and Wales.

(iii) not relevant in Surrey.

(iv) the purposes of environmental improvement in the local authority's area. 'Environmental Improvement' includes (a) the reduction of environmental pollution (as defined in the Pollution Prevention and Control Act 1999) and (b) improving or maintaining the appearance or amenity of (i) a road or land in the vicinity of a road or (ii) open land or water to which the general public has access; and (c) the provision of outdoor recreational facilities available to the general public without charge.

(v) in the case of such local authorities as may be prescribed, any other purposes for which the authority may lawfully incur expenditure (as far as is known, SCC is not one of these authorities).

The footnotes to section 55 say 'this is not a revenue raising Act, and accordingly in determining charges to be made in pursuance of the designation of parking places, local authorities should not have regard to the manner in which section 55(4) of the Act would permit any resulting surplus to be spent'.

On-street parking is now enforced in Surrey under the civil enforcement legislation with the Borough and District Councils acting as the County's agents for this purpose. The individual Boroughs and Districts are designated as civil enforcement areas by reference to the those Councils' administrative boundaries.

The other parking contraventions, as set out in the TMA 2004 and referred to above, are, for example, stopping vehicles on or near pedestrian crossings, parking in loading areas, contravening a prohibition on waiting/loading or unloading of vehicles etc.

On-Street Parking Charges
Business Case

1.0 Introduction

1.1 The reasons for the introduction of on street parking charges is set out in the Cabinet Member report of the 12 January 2011 and below in more detail.

1.2 There are a number of sound reasons for introducing 'pay and display' parking charges in many locations around the County:

- On street parking areas outside shops are currently very difficult to enforce effectively as number plates have to be recorded and checked at repeated intervals. This is very cumbersome and not very efficient, meaning Civil Enforcement Officers are not able to enforce these areas as effectively as we would like. The more time they spend checking parking bays the less time is available to patrol areas with yellow lines where parking could pose a safety or obstruction hazard.
- The difficulty of enforcing on street parking bays (some towns have more than 100 spaces) means compliance with parking time limits is poor and many cars remain parked for longer than they should in short term parking areas.
- A 'pay and display' system makes enforcement much easier as parking attendants can see instantly if a car is parked legally. Compliance improves as enforcement become effective.
- The real benefit of this is that parking spaces near shops are turned over more quickly which can help local businesses by making them more accessible. Customers will be more likely to find a space due to the increased turnover which is particularly important on routes with passing traffic (or trade).
- There is less 'cruising' for free on street parking which can increase congestion and CO2 emissions.
- Blue badge holders would be exempt from the charges.

1.3 If a surplus is generated from the introduction of on street parking charges then it must be used for highway improvement and environmental works. The introduction of parking charges should also help ensure that on street parking management and enforcement in Surrey will not operate at a deficit and need subsidy from the general highways fund.

2.0 Financial Considerations

2.1 The key factor is to get tariff levels right so that drivers will not be deterred from visiting an area. Surrey Highways have been consulting on a range of proposals, with varying charges in different areas. The consultation process so far has raised a lot of suggestions, particularly the idea of having a free 30-minute period in some locations. If the parking tariff is set at an appropriate level then it should improve the viability of any High Street rather than harm it as churn can be improved.

- 2.2 It is not straightforward however, as we are trying to move away from a position where parking enforcement in Surrey is subsidised by approximately £500,000 a year from the highways budget. A free parking period that is too long or widely available could mean the income from parking tickets would not cover the cost of maintaining the machines and enforcement. In other words it would continue to need a subsidy that could otherwise be used to maintain the roads.
- 2.3 Discussions have been taking place between the District and Borough Councils and Surrey County Council to look at ways of improving the efficiency of the on street Civil Parking Enforcement (CPE) operation in Surrey from April 2012. A decision has not yet been reached as to how this will work, however it is anticipated that there will be efficiencies by sharing back office costs etc by the District and Borough Councils in the administration of on street parking enforcement. 2011/12 is a transitional year, however Surrey County Council is expecting that the current annual cost in operating CPE of about £500,000 will be significantly reduced as our enforcement agents start to bring in some more efficient ways of working.
- 2.4 The long-term trend in Surrey and the UK is that fewer Penalty Charge Notices (PCN's) are being issued each year. This could be because compliance with parking restrictions is slowly improving and that the national economy has been subdued for several years. Consequently it cannot be presumed that a completely efficient enforcement operation can operate solely within the income from PCN's.
- 2.5 Consequently the income from parking charges is the only other source of funding to make sure that parking enforcement does not need to be subsidised from the general highways budget or to ensure non motorists are not subsidising parking management.
- 2.6 The potential income from on street parking charges in Surrey will not be known until the Executive have agreed proposals in each district, and these will be influenced by the ongoing consultation process. A range of income has been shown on the attached table, based on a selection of possible tariffs. The Cabinet should not generally be asked to agree the imposition of parking charges where there is a risk that in the long term the operating cost would not be recovered.
- 2.7 Any surplus, must by law, be used for maintaining or improving the highway in accordance S55 of the Road Traffic Regulation Act.

3.0 Efficient Enforcement

- 3.1 Where parking is free an enforcement officer has to note the vehicle registration number of all the cars and the time and then return after the maximum time allowed and see whether any of cars are still there. If they are, the officer can take action, but only if he/she can be sure that the car has been there the whole time. (If the maximum parking time is 2 hours with return prohibited within 1 hour, the officer would need to be sure that the car had not left shortly after the first observation and returned over an hour later and happened to find the same space free to park in again). Also it is possible that when the officer first recorded the registration numbers of all the cars, any number of those cars could have already been parked for a considerable time, but the officer has no way of knowing how long that may have been.

- 3.2 Monitoring the compliance of and enforcing paid for parking is more straightforward and therefore more cost-effective and efficient. Pay and display tickets instantly give the Civil Enforcement Officer (CEO) information about whether a car is parked legally or not. On street charging can be used as a means of helping improve enforcement and increase compliance which in turn contributes to increased 'churn'.
- 3.3 The introduction of pay and display parking should allow CEO's to enforce more efficiently and, although they will need to spend some time checking ticket machines, there should be a net decrease in the time they spend enforcing parking bays, leaving them more time for yellow line enforcement that could improve safety and reduce congestion.
- 3.4 The improved efficiency of enforcement will help the district and borough councils as they work together on a new enforcement operation from April 2012.

4.0 Evidence on parking and impact on economic competitiveness

- 4.1 The most important factor in deciding where to shop is the quality of the 'town centre offer' – the range and quality of shops. The next most important is the availability of parking. The cost of parking is the 6th most important issue ¹.
- 4.2 In a survey about parking in market towns, the most important attribute was the availability of spaces. Ease of parking was the second most important issue ².
- 4.3 In Winchester, many people had said they would drive less into Winchester or use the car parks less, but this did not materialise in practice. In addition, in restricted on-street parking bays, parking acts increased by 50%. This means more shoppers and more visitors.
- 4.4 Research by Litman shows that charging for on street parking increases turnover of convenient spaces, increasing consumer convenience and reducing cruising for spaces. 8-74% of congestion caused by cruising for a space ³.
- 4.5 Ease of parking is crucial to shopping - 44% of shoppers could not find a parking space whilst out shopping in the last 12 months ⁴.
- 4.6 35% of people limit their car use because of the cost of petrol, 28% because of the availability of parking and only 27% due to the cost of parking ⁵.
- 4.7 A 10% increasing in charges results in a 1% decrease in demand for parking ⁶.

5.0 Pay and Display Machines

Maintenance costs

- 5.1 The financial viability of pay and display (P&D) parking charges depends on the income. If it is unlikely to cover the cost of installing and maintaining a ticket machine then it should not be installed, as a subsidy may be needed from the highways budget. It is not straightforward to determine where the breaking point is in terms of viability for the installation of P&D however these assumptions can be used as a guide:

5.2 These are the worst case costs associated with operating pay and display machines (This example assumes pay by phone in parallel to reduce coin collections)

Cash collection (3 per week @£6 each, 52 weeks/year)	£936
Maintenance agreement	£200
Replacing ticket rolls etc/CEO time (1 hr per week@£20)	£1040
Maintaining signs and lines	£50
Damage and replacement	£150
<u>Repay capital investment</u>	<u>£150</u>
Total cost of a P&D machine per year	£2530

Assume £2500 per year to maintain a coin only P&D machine per year.

Pay and Display Machines – other considerations

5.3 On street pay and display machines are typically relatively compact, cost about £2,500 and do not have the facility to give change.

5.4 Ticket machines that can give change are much larger and cost in the region of £12,000. They also require higher levels of maintenance to collect notes and maintain coin levels. Their physical size would also make them obtrusive in many on street locations. They are typically used in large multi story car parks where they are easier to maintain and less vulnerable to theft or attack.

5.5 There is no guidance as to how far a pay and display machine should be located from a parking bay although it would be beneficial if a driver could see a machine when they got out of their car. If this is not possible due to the layout of an area then the direction of the nearest machine can be placed on the parking bay sign or post.

Upgrades

5.6 A single basic coin P&D machine that has a modem to report faults and operational status, installed costs approximately £3000.

5.7 A coin/chip and pin/contact less machine supplied fully equipped and installed would cost £4400

5.8 It would cost about £2k including parts and labour to retrofit a basic machine to a fully equipped machine. This is about £600 more than buying from the factory.

5.9 Basic machines can be upgraded to take a variety of configurations. This could include number plate entry and a residents parking card reader.

5.10 A residents card reader would typically costs £400 to install and could read specially issued pre paid cards should the council decide to operate a resident parking card scheme in the future.

5.11 A number plate entry system can prevent more than one free ticket from being issued within the 'no return' period to the same vehicle. This prevents free tickets being issued in succession to the same vehicle. This would be advisable in areas with free parking periods.

5.12 Modern P&D machines can also be programme not to issue free tickets at all outside the operational times of the parking restriction to prevent tampering at night times.

Conservation areas

5.13 On street pay and display machine from most manufacturers typically have a footprint or about 350mmx450mm and are about 1.5 to 2m tall. They are available in an almost infinite range of colours and have been used in many conservation areas around the UK including Bath and Cheltenham.

5.14 The best approach in terms of locating p&d machines in conservation areas is work with conservation officers and strike a balance between visibility for drivers who need to buy a ticket whilst keeping the machines relatively inconspicuous. Consideration of the aspect of the machines has also to be given for solar powered machines. The choice of colour will probably be the most important consideration.

5.15 Additional signs can be placed on existing street furniture wherever possible.

6.0 Income from parking charges

6.1 The income from parking charges depends on the occupancy and tariff. In the original proposals there are three tariff levels as follows:

High	£1.40 p/h
Medium	£1.00 p/h
Low	60p p/h

For the purposes of calculating income, assumptions have been made about occupancy levels in parking spaces as follows:

- High tariff locations are in larger, busy shopping areas and likely to be well used. Assume 80% occupancy between 0830 and 1730.
- Medium tariff locations are likely to be less busy so assume 60% occupancy between 0830 and 1730.
- Low tariffs locations are mainly smaller towns or shopping areas so assume an occupancy level of 40%.

This means for a single parking space in each area the potential income could be:

	High tariff	Med. tariff	Low tariff
Income per space (original tariff)	£2800	£1500	£600
Income per space (free 30 mins)	-	£750	£300

Therefore from the above table the following can be used as a general guide.

30 minute free period – low tariff

6.2 It has been assumed that income would be decreased by 50% with a free 30 minute parking period. This is an estimate based on data from Guildford where P&D has been in place for some time. A location would need to have at least 8 spaces per machine to break even on a low tariff with a 30-minute free period. A minimum of 12 spaces per machine would be preferable. There is a **significant risk** however that income per space could be reduced below 50% with a free 30 minutes. In the some smaller shopping areas the proportion of visitors that stay for more than 30 minutes could be lower, particularly if there is ample free parking nearby.

Free 30 minutes followed by the medium tariff (50p for 30/mins)

6.4 Potentially the income per space is higher and therefore the ratio for the number of spaces to cover the cost of a machine is about 6.

Table showing minimum number of spaces vs. tariff:

	High	Medium	Low
Number of spaces to break even (proposed charges)	1	2	5
Number of spaces to break even (free ½ hour)	N/A	6	15

Other factors with P&D machines

6.5 Income can also be generated by allowing advertising on the back of parking tickets. In some cases this can mean that that there is no net cost in purchasing tickets.

6.6 Most P&D machines can issue split tickets. These can be separated so that customers can take part of the ticket into a participating shop where their parking fee could be refunded. This is an option open to retailers in some areas.

Comparison of Costs – different payment options

6.7 There are costs associated with setting up infrastructure and then collecting payments for parking. The table below shows a comparison of operating costs involved with different payment options assuming an example of 1500 on street parking spaces:

	Coin machines only	Coin/CC machines	Coin and pay by phone
Initial set up costs	£300,000	£484,000	£225,000
Annual operating costs	£280,000	£428,000	£255,000
Initial and 5 years operating costs	£1,700,000	£2,624,000	£1,500,000

Payment by coin machines only

6.8 A typical basic pay and display machines accepts only coins. It is the cheapest to purchase, however cash must be collected at regular intervals. These cost about £300 to supply and install. A typical ratio of 1 machine to 15 spaces means in the example above 100 machines are required for 1500 spaces. The annual maintenance cost of the machine is about £2800 P/A. More cash collections are needed without pay by phone, about 4 per week increasing costs by approx. £300p/a.

Payment by Credit/Debit card P&D machine.

6.9 These are pay and display machines that accept credit and debit cards as well as coins. They cost about £4400 to supply and install.

The payment can take longer by card and in some busy locations additional machines may be needed compared to coin only payment to avoid queues. In the example above 10% more could be needed so the total required is 110.

6.10 The annual maintenance cost of the machine is lower than a coin machine as there are fewer cash collections, but the cc machine needs a phone connection and has more technology installed. Annual maintenance costs could be $£2900-400+300=£2800$.

6.11 The card handling fees associated with card payments vary between 3% and 20p. Calculations are based on:

- ½ tickets are paid by card at 10p handling charge
- The ratio of machines to spaces is 1 to 15.
- All spaces 50% occupancy, 3 card transactions per space per day. (about 50% tickets)

The cost of card transactions per year per machine could be £1200 although this is subject to a tender process.

Pay by phone with combination of coin payment machines

6.12 Fewer coin machines are needed and can be spread more thinly as there is an alternative payment option. Total number of machines required in the example above is therefore reduced by 25% to 75.

Assume 50% of transactions are by pay by phone. Card handling costs could be in the region of £900 P/A for 20 spaces as pay by phone service provider would be able to achieve discounts for high volumes of transactions.

6.13 There would be fewer cash collections on fewer machines with this option.

6.14 The benefit of pay by phone is that it has the potential to continue growing, reducing the need for cash collections and coin machines. As the number of users grows, the cost of using the service should reduce for every single transaction, benefiting the customers and SCC. The cost of installing pay by phone is very low, requiring signs and IT.

Displaced Parking

- 6.15 A budget should be set as part of this project to look at the effect of parking displacement where new charges are introduced. This will be carried out 6 months to 1 year following implementation in a given location.

7.0 Future developments

Residents Parking Card

- 7.1 A residents parking card gives the facility for residents to use a card to pay for parking and would be supplied by the council through the parking shop/locality office or local libraries. The idea is that the card gives a degree of convenience, as a driver would not have to remember to carry change. A discount can also be applied for card users as opposed to using cash.
- 7.2 Some Council's operate these schemes, however most seem to only offer the cards that can be used in their car parks. The card could be topped up through retail outlets, online or council offices. Problems have been reported finding suitable retail outlets for the 'validation unit' necessary to top up the card.
- 7.3 Disposable, fixed value cards could be a better option, which could not be topped up but purchased from local shops.
- 7.4 Some authorities offer a discount for using the parking card. There seems little incentive to use one if there is no benefit to the customer. There would be administrative costs in setting up and running a residents parking card scheme. The level of internal administration could be prohibitive, especially in the current climate. The scheme would need to be promoted and advertised to encourage take up, adding costs.
- 7.5 It also seems that a resident parking card scheme would need to be big enough to work. It might work in Guildford or Surrey as a whole but is unlikely to work in Leatherhead or Camberley in isolation. More research would be needed in this area.
- 7.6 However, Canterbury as an example have a residents card that allows discounts and encourages the use of certain car parks. Wandsworths 1400 machines give a simple discount to residents and East Herts use the system as a method of people buying in advance parking time. There are lots of ideas for cards, some take off, others don't.
- 7.7 At the moment with on street charges in their infancy in Surrey, it would be better to wait until charging proposals were established so that the income were known. In this way it would be possible to determine whether the financial costs of setting up a parking card scheme could be covered by the income.
- 7.8 There are also likely to be more developments in the future relating to electronic payment methods such as pay by phone that could make the payment card obsolete.
- 7.9 It is technically possible for 'pay by phone' company's to offer a scheme whereby Surrey residents could be offered a discount as opposed to non-residents. The way this would work, and the finances associated with it would need to be explored through the tender process.

8.0 Summary

- 8.1 The Council is aiming to make it easier to access on street parking by encouraging more short stay trips and greater turnover. This in turn helps more people access shops and helps deliveries. The effective pricing of on-street parking is particularly important since these spaces tend to be the most visible and convenient. If on-street parking is free or inexpensive, motorists will cruise around looking for an available space rather than paying for off-street parking, resulting in parking and traffic congestion, and inefficient utilization of off-street car parks.
- 8.2 With the strategic countywide approach adopted, it is much less likely that people will drive onto the next town. Parking payment methods need to be easy to use with simple machines and good signage.
- 8.3 Estimates have been made of the potential income from parking charges in order to determine whether the cost of maintaining the pay and display machines will be recovered, particularly with an initial free parking period.
- 8.4 The Council needs to find ways to work with the boroughs and districts to coordinate on and off street parking provision and pricing in a more integrated way. Current proposals place the burden for reducing the overall parking account deficit with district and boroughs. Income from additional on-street charging would be shared with districts and boroughs and would provide an important way for them to reduce net costs.
- 8.5 The technology to allow electronic payment of parking fees such as 'pay by phone' and e-permits are becoming more widely available and should be adopted as conditions allow.

References:

1. Retail Assessment, 2004
2. Retail Distinctiveness of Market Towns, 2006
3. Parking Pricing Implementation guidelines, Litman 2010
4. RAC/British Retail Consortium, 2006.
5. DfT survey
6. Booz 2006 – Booz Allen Hamilton (2006), *International Approaches to Tackling Transport Congestion: Paper 2: Parking Restraint Measures*, Victorian Competition and Efficiency Commission

On-Street Parking Charges, Operating Costs for Waverley

Location		Spaces	Tariff	Cost of P&D machines (£)	Possible Income (£)	Comments
Castle Street	Farnham	109	High	15,000	192,000	Investigate evening restrictions
West Street	Farnham	18	High	5,000	40,000	
The Hart	Farnham	9	Medium	5,000	11,000	
Falkner Road	Farnham	20	Medium	5,000	23,500	
Long Garden Way	Farnham	11	Medium	2,500	13,000	
Station and Town Centre area CPZ	Haslemere	250	Long term and Residents permits	50,000	140,000	Commuter management and resident parking
West Street	Haslemere	8	Free 30 & med.	2,500	5,000	
High Street	Haslemere	26	Free 30 & med.	7,500	15,000	
Wey Hill	Haslemere	20	Free 30 & med.	5,000	12,000	
Shepherds Hill	Haslemere	5	Free 30 & med.	2,500	3,000	
Queen Street & The Bury	Godalming	16	Free 30 & med.	5,000	16,500	
High Street	Cranleigh	40	Free 30 & med.	10,000	16,500	Investigate Horseshoe on Common
Total (£)				115,000	487,500	

Notes:

P&D machine costs 2.5K to maintain per year

F30 = income base on free 1/2 hour followed by medium tariff.

Med. tariff is £1 p/h, High is £1.40 p/h

Waverley

No opposition was raised regarding the concept of charging for on street parking at the Waverley Local Committee, although Waverley Borough Council were not supportive of the original proposals, as currently advertised.

In Farnham town centre, the locations for the proposed high and medium tariff were generally considered appropriate and in line with off street car park charges.

Castle Street is problematic as staff working in the local shops parked there during the day and in the evening, parking by visitors to local restaurants, so both were considered to cause difficulties for residents.

It is recommended that either the restrictions are extended into the evenings, or more space is allocated to residents only.

The parade of shops near by the station was suggested as an additional site for charged parking, in order to increase churn and reduce congestion in the area.

Haslemere has two distinct centres, the original town centre High St and the more recent area of Weyhill, with nearby supermarkets offering limited free parking.

However, it does have a busy rail station with a 45-minute journey time to Waterloo, which attracts a lot of commuters, with resultant congestion in the neighbouring streets.

There is free on street parking around the town centre, used by residents, local workers and commuters.

It was considered that a free 30-minute period followed by the medium tariff would be appropriate in the short term parking bays around the High Street, West St, Shepherds Hill, and the shopping parade in Weyhill.

There is extensive uncontrolled commuter parking around the station and town centre that cause great difficulties for residents. It is therefore proposed that additional restrictions are introduced to regulate commuter parking and provide resident permits in some streets. These are to be better defined prior to the public consultation exercise.

Godalming

In Godalming, there is very little on street parking for shoppers. The proposed medium tariff for Queen Street was considered appropriate, as was an additional location with 9 spaces in the Bury's, which was identified as an additional site for the same tariff.

There is also considerable scope for the introduction of charged parking around Farncombe station, but this would require an extensive review of the neighbouring residential streets in order to manage the inevitable displacement through permit schemes etc. and as such can not be considered as part of the current exercise.

However, the matter should be treated with some urgency.

Cranleigh is either a large rural village, or a small rural town. There is free on street parking around the town centre, used by residents and local workers. It was considered that a free 30-minute period followed by the medium tariff would be most appropriate for the High Street due to the retail offer available, particularly near the Common.

A similar provision is also recommended around the Horseshoe.

Again, any displacement issues should be tackled during the review period.

Summary of estimated income and expenditure by District

District	Operating costs per year (£)	Possible Income per year (£)
Elmbridge	160000	415000
Epsom and Ewell	75000	185000
Guildford	85000	407000
Mole Valley	67500	194000
Reigate and Banstead	97500	406000
Runnymede	77500	206000
Spelthorne	75500	231000
Surrey Heath	92500	461500
Tandridge	60000	191000
Waverley	112500	479500
Woking	20000	266000
Total (£)	923000	3442000

Gross operating surplus could be approximately £2.5M across the County

Notes

- 1) Operating costs are those to maintain and service the pay and display machines as set out in the report. Includes cash collection and repairs.
- 2) Income is based on tariffs and proposals set out in the report and Annex's