

Additional Information

Why have parking charges?

1. Most Surrey towns and shopping areas have a variety of parking facilities. These are typically:
 - On street spaces, managed by the County Council as the Highway Authority
 - Off street car parks, usually owned and managed by District and Borough councils, but sometimes privately owned.
 - Supermarket car parks, usually free for customers and limited to approximately 2 hours.
2. District and Borough Councils and private car park operators currently charge for parking in the majority of car parks they own and manage. Sometimes the car parks have a free initial period in smaller towns, villages or shopping areas to encourage visitors. On street parking spaces in Surrey (with a few exceptions, e.g. Guildford and Woking) tend to be free.
3. In shopping and retail areas, off street car parks usually offer longer term parking whilst parking on street is limited to one or two hours. On street spaces tend to be closer to the shops and they are often more convenient for short shopping trips or to make collections/deliveries. A shorter parking time limit also benefits customers and local businesses because it increases the turnover of the parking spaces ('churn'), improving access to retail or other facilities.
4. Free time-limited on street parking is difficult to enforce as Civil Enforcement Officers (CEO) need to monitor parking activity at regular intervals and record number plates and other details to confirm whether a vehicle has outstayed the time period allowed. This is time consuming and inefficient, reducing the amount of time available for them to patrol waiting restrictions (yellow lines) that are often installed for safety or congestion related reasons. In practice many large on street parking areas are poorly enforced due to the difficulties involved.
5. Parking charges usually take the form of 'pay and display'. This requires the motorist to place a ticket from a machine in their vehicle showing their parking time allowance. This allows a CEO to see instantly whether they are legally parked and enables far more efficient enforcement of the restrictions. Because enforcement is easier, compliance improves, again helping 'churn'.
6. Where there are charges for using off street car parks (as is the case in the vast majority of those operated by the District and Borough councils in Surrey) and on street parking is free, drivers often tend to 'cruise' nearby streets looking for a free space. This can contribute to congestion, particularly when drivers wait in the road for a space.
7. Charging for on street parking discourages this behaviour and, if the on street charge is the same or higher than the off street car parks, visitors are encouraged to go straight to a car park. This can help reduce congestion and CO² emissions.
8. A comparatively higher tariff for on street spaces also encourages drivers to only buy as much time as they need, again helping 'churn'. The increased availability

of spaces means drivers who need or want to park on street can find a space more easily without having to wait. The increased availability of spaces can be particularly helpful to businesses on roads with high levels of passing traffic (or trade).

9. A free initial parking period has been widely discussed and is recommended in some locations by the original report of the On Street Parking Task Group as was considered by the Environment and Transport Select Committee on the 18th May 2011. A free period would have an impact on pay and display parking income where used; however if the free period was followed by a tariff of £1 per hour then it is considered that there would be sufficient revenue in most locations to cover the costs of operating the machines. This means the first 30 minutes would be free; however if a visitor wanted to stay for an hour it would cost £1. Where allowed, 2 hours on street parking would cost £2 with this tariff. Set in this way the tariff also encourages visitors to use the off street car parks for longer stay parking.
10. There have been some case studies about the effect of parking charges on local businesses. There are many other factors that could also influence business performance (competition, wider economy, e-commerce etc) making it difficult to directly link performance with parking charges. The main conclusion of most studies is that where parking charges are introduced, the tariff should be proportional to the retail offer (i.e. the type of shops and businesses present in a particular location and the length of time customers would spend in them). The parking charges need to be set reasonably in comparison with local car parks and the scale of the attraction. Where parking charges are introduced it is usual for the turnover of parking spaces to increase, which in turn helps increase footfall in retail areas.
11. While assessing potential new locations where on street parking bays could be introduced and before suggesting their inclusion, officers of the County Council give due consideration to a number of important factors, including, but not limited to:
 - the effect of the bays on the flow of traffic
 - whether the bays would have any adverse impact on access to adjacent premises
 - the provision of off street parking in the locality
 - the availability of roads with no parking restrictions in the vicinity of the bays (and consequently possible displacement)
 - the proximity and nature of the local retail offering
12. In some cases on street parking charges could be proposed in Conservation Areas. It is planned to work with conservation officers in these areas to agree locations and colours for Pay and Display machines that will have the least impact on the surrounding area.

Financial and value for money implications

13. The costs associated with installing on street parking charges are typically:
 - legal work and advertising proposals
 - supply and installation of pay and display machines
 - signs and road markings

- officer time for design and consultation
14. The cost of supplying and installing a pay and display machine (depending on the specification) under the Council's call off contract is c. £3000.
 15. The annual cost of a pay and display machine has been calculated as c. £2,500. This includes:
 - £600 for cash collections – typically once or twice a week
 - £200 for annual maintenance agreement
 - £1050 for 1 hour of Civil Enforcement Officer (CEO) time per week to fix basic faults and routine maintenance
 - £150 for maintenance of signs and lines
 - £100 for uninsured losses
 - £400 for repayment of the capital investment over 10 years.
 16. Potential income from parking charges has been calculated in each area to determine if it will be sufficient to cover the annual cost of the pay and display machines. The income is estimated by assuming occupancy levels in parking spaces and then factoring the tariff with this and the operational periods of the restrictions. This process takes into account periods when there may be no income due to road works, street markets or faults with the machines.
 17. The rationale behind On Street Parking Charges is to try to achieve cost effective enforcement. It is possible that with an efficient enforcement operation, there could be a surplus of income after all costs associated with parking enforcement in a particular area have been met. If this were the case, the majority of the surplus will be ring fenced for use within the area it was generated and the Local Committee for that area will be able to decide how it is to be used. (under law there are limitations on the use of surplus income as described below)
 18. The County Council is working with District and Borough councils in Surrey to develop new parking enforcement arrangements. It is anticipated that this will mean more efficient working practices and reduced costs. The outcome of these discussions and proposals for a way forward will be reported to this Committee early in the New Year.
 19. Whilst the objective of on street parking controls is to improve traffic management in general, parking enforcement should be cost neutral across the County as a whole. There may be situations however where, through no fault of either party, a deficit occurs in a particular area. Although income is reasonably predictable it can be influenced by economic factors, the weather and road works. An example could be where major roadwork or development is carried out in a town centre leading to dramatic reductions in Penalty Charge Notice (PCN) or pay and display income.
 20. It is not proposed that any surplus is used to bail out poor performance in enforcement authorities, where KPI's – which are to be agreed within the contracts for enforcement - have not been achieved, but only in circumstances beyond the collective control of both commissioner and agent.
 21. In addition the County Council has core costs in commissioning parking services that are over and above day to day activity on local parking reviews. Ideally

these should be included in the costings and agreed from the outset. However, if this is not possible, then this core cost could be met by retaining 10% of the individual surplus for any Local Committee, ringfenced and returned if not used.

22. The remainder of any surplus should be spent locally, as defined by the legislation and will be decided by the Local Committee.
23. This financial year (2011/2012) it has been agreed that there will be a 65/35 split of any surplus generated between SCC and the enforcement agent.
24. Income to cover the cost of parking enforcement is generated from:
 - Penalty Charge Notices (PCN)
 - On street parking charges
 - Residents parking permits
 - Waivers and suspensions (eg when parking bays are used for adjacent building works)
25. On street parking charges should generally be set slightly higher than off street car parks for the reasons given above. In these circumstances, where there is no free period and assuming efficient management, there will usually be a surplus of income.
26. Adoption of a free 30 minute period in some locations should still mean the cost of operating the pay and display equipment is covered by the income from parking charges. (Although the layout of some parking bays means this is not always the case). Estimates have been made assuming income could be reduced by 50% with a free 30 minute parking period assuming the tariff remains the same. However many locations originally proposed for a low tariff (60p per hour) are generally now proposed for a free 30 minutes followed by the medium tariff (£1 per hour). This option reduces the likelihood of displacement onto unrestricted side roads or customers shopping elsewhere. It also maintains a differential over off street car park charges.
27. Modern pay and display machines are solar powered meaning there is no need to provide a mains power supply, which reduces installation and energy costs.
28. The pay and display ticket machines will be managed day to day by the District and Borough Council enforcement teams, as they do the machines in their off street car parks. Their CEO's will be trained by the machine supplier to fix basic faults such as ticket jams. Overall it is not anticipated that there will be any additional cost associated with on street enforcement as a result of the introduction of pay and display parking charges. CEO's will need to spend some time fixing simple machine faults, however this is offset by far more efficient enforcement working practice.
29. At the moment CEO's have to record number plates and make repeated visits to shopping parades to be able to enforce the time limits. Pay and display makes enforcement much more efficient and frees up the CEO to carry out the more important safety related enforcement of yellow lines.

30. Where new parking schemes are introduced, the enforcement costs should be considered and discussed with the enforcement authority.
31. It is also planned to use a cashless payment method called 'pay by phone' alongside the pay and display ticket machines. This allows visitors to pay for parking by phone and is convenient if they do not have change on them. Pay by phone has a low set up cost. It is already being used in most off street car parks around the County. All that is needed are signs advising the motorist of the phone number they need to call alongside the parking place reference number. Callers are typically charged a fee for using this facility, however this will first be subject to a tender exercise to seek best value for residents and the Council. A 'pay by phone' service helps to reduce the number of payment machines that need to be installed.
32. Any surplus arising from managing on street parking can only be used as defined under Section 55 of the Road Traffic Regulation Act 1984 (as amended). This restricts use of any surplus for the maintenance and/or improvement of the Highway including environmental works or additional parking provision.
33. Examples of how a parking surplus could be used include:
 - Resurfacing roads and footways
 - Parking reviews and/or additional enforcement
 - Environmental enhancement schemes
 - maintaining verges
 - traffic calming and pedestrian crossings
 - speed limits and other road safety features

The decision to not continue with charging to park on street as a county wide policy has an implication for the County Council's Medium Term Financial Strategy that plans for a positive net change of £600k in 2012/13 through additional cost reductions and further income.

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 three 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 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.

37. Although some users may have difficulties using pay and display machines, providing pay by phone as an alternative should help minimise those issues, as should careful consideration of the structure and location of the pay & display machines.

Risk management implications

38. There is a risk that the imposition of parking charges will be viewed by motorists and residents as 'a money making exercise' and 'stealth tax' as the benefits in terms of improved access to shops are not immediately apparent.
39. The introduction of a free parking period in some locations where it is needed helps counter this view and shows that the Council is listening. Public perception of the Council could be improved if a clear explanation of the benefits that can be gained as well as how any surplus income would be used is provided and seen to be in evidence within 12 months of implementation
40. There is also a risk that parking will be displaced in some locations and additional restrictions will be needed. It is planned to review all areas where parking charges are installed following a 'settling down' period to counter any problems. Measures can also be adjusted in each area with regular parking reviews.
41. Allowing Local Committees to make decisions about where or whether to introduce parking charges would help ensure local needs are considered.

Implications for the Council's Community Strategy priorities

42. 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 where possible, 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

43. The County Council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.
44. The introduction of on street parking charging does this by helping to reduce congestion. Residents may also choose to make more short journeys to the shops by foot rather than driving.

Legal implications/legislative requirements

45. 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.
46. The legal mechanism for imposing on street parking charges is through a "Traffic Regulation Order (TRO)". This is an executive function which has been delegated to the Local Committees, however the Leader and Cabinet retain the authority to exercise this executive function independently and make a formal decision. The introduction of a TRO is subject to a statutory consultation and public notification process.
47. Any surplus generated from managing on street parking can only be used as defined under S55 of the Road Traffic Regulation Act 1984 (as amended). This restricts use of any surplus for the maintenance and/or improvement of the Highway including environmental works or additional parking provision.
48. The Councils constitution delegates powers to Local Committees to make decisions about parking and highway matters.

Conclusions

Charging for parking where it is appropriate can help the County Council and its enforcement partners effectively and efficiently manage on-street parking.

- 'Pay and display' makes short term parking easier to enforce and improves turnover of the available parking space, making retail areas more accessible and helping local businesses.
- Free on street and 'pay and display' off street parking encourages drivers to look for on street parking and increases congestion and CO² emissions in town centres.
- A policy of setting higher charges for on street 'premium' spaces also encourages drivers to go straight to a car park, reducing congestion.
- Blue badge holders would be exempt from the charges.

Local Committees can take local views and concerns into account when deciding if and where on street charges may be appropriate.