ENVIRONMENT AND TRANSPORT SELECT COMMITTEE

Item under consideration:

Report of the Reconvened On Street Parking Task Group

Date Considered: 10 November 2011

Background

1. At the meeting of the Council held on 10 October 2011, the newly appointed Leader of the Council, Mr David Hodge, announced a change to the proposals to introduce on street parking charges. The Leader announced that the decision whether to introduce on street parking charges would now be made by Local Committees, and that these decisions would no longer be subject to call-in by the Cabinet.

2. Prior to this announcement, at the meeting of the Environment and Transport Select Committee held on the 15 September 2011, the Committee agreed to reconvene the On Street Parking Task and Finish Group, in order to reconsider the finances and business cases of the proposals to introduce on street parking charges.

3. Following the meeting of Council the task and finish group decided to consider the implications for the policy posed by the Leader's announcement, in addition to the original reasons for reconvening the task group.

Report of the Task Group

4. The Environment and Transport Select Committee considered a report that detailed the findings of the reconvened task group at its meeting held on the 10 November 2011.(Annexe 1)

5. The Committee discussed the findings of the task group and made one minor amendment to the recommendations. It was suggested that recommendation 2, as set out below, required further clarification.

   "2. Local Committees are allowed to set parking charges where, and at what cost, they consider appropriate"

6. It was agreed by the Committee that this recommendation should make clear that Local Committees would be expected to set the prices for on street parking permits as well as pay and display charges. Apart from this amendment, the recommendations were unanimously agreed by the Committee.

7. The findings and recommendations of the task group, including the amendment to recommendation 2 are attached to this report as Annexe 1.

8. The Select Committee therefore recommends to Cabinet:

- To support the recommendations as set out in the report attached as Annexe 1.

Steve Renshaw
Chairman of the Environment and Transport Select Committee

Environment and Transport Select Committee
10 November 2011

Report of the Reconvened On Street Parking Task Group

Purpose of the report: Policy Development and Review

To consider the recommendations of the reconvened On Street Parking Task Group concerning the decision making process for introducing on street parking charges and its implementation.

Introduction:

Background

Reconvening of the Task Group

1. At the meeting of the Environment and Transport Select Committee held on the 15 September 2011, Members agreed to reconvene the On Street Parking Task Group in order to consider issues surrounding the finances and business cases for the proposals to introduce on street parking charging schemes.

2. At the meeting of the Council held on 10 October 2011, the newly appointed Leader of the Council, Mr David Hodge, announced a change to the proposals to introduce on street parking charges. The Leader announced that the decision to introduce, or not introduce, on street parking charges would now be made by Local Committees, and that the decisions would no longer be subject to call-in by the Cabinet.

3. Following the Leader's announcement, the purpose of the Task Group meeting was therefore to discuss the implications of the changes to the policy in the light of their previous recommendations and any concerns with the business cases for on street parking charging schemes.

Background to On Street Parking Charges

4. On street parking charges have been in place for a number of years in some Surrey towns. The County Council's parking enforcement agents, (the District and Borough Councils) manage the infrastructure necessary to collect and enforce the charges. The Council's current contractual arrangements with District and Borough Councils for on street parking enforcement are valid until April 2012.

5. The County Council is in the process of negotiating new contracts with the District and Borough councils in Surrey who currently act as our on street enforcement agents. The new arrangements are aimed at making efficiencies in the way enforcement operations are managed and administered to reduce costs. However, now that the decision to introduce on street parking charges lies solely with Local Committees, other enforcement authorities or agents may be interested in tendering for this work.

6. Decriminalised Parking Enforcement (now called Civil Parking Enforcement, CPE) was introduced approximately 8 years ago, and under the previous enforcement arrangements prior to the introduction of on street parking charging proposals, on street parking enforcement had operated at a deficit, costing the County Council approximately £500,000 per year.

7. Since March 2011, additional on street parking charges in some districts and boroughs have been advertised and in most cases Local Committees have agreed to consult about locations where parking charges might be appropriate.

8. The first two areas to be advertised were Reigate and Banstead and Elmbridge Boroughs. The Local Committees in these areas have agreed to further consultation in some locations. Other Local Committees have agreed to amended schemes, whilst others have rejected the proposals in their entirety.

9. The County Council awarded a 'call off' contract for the supply and installation of pay and display machines in May 2011. So far the County Council (SCC) has not purchased any machines and is not committed to do so. This contract is still available for any machines that are required if Local Committees decide to go ahead with on street parking charges in some areas. This contract is also open for use by the 11 District and Borough Councils in Surrey and some have taken advantage of the competitive prices and purchased replacement machines for their car parks. This contract provides opportunity for greater synergy across the 11 Districts and Boroughs.

10. It is planned to tender for a County-wide 'cashless parking payment' or 'pay by phone' contract by February 2012 for collecting monies to park on street. This will also be available for District and Borough Councils to use in their off street car parks.

11. Attached to this report as Annex 1 is further background information and detail concerning the proposals for on street parking charges.

12. At the meeting held on the 18 October 2011, the Chairman of the Task Group advised that he had met with the Portfolio Holder for Environment and Transport, Mr Ian Lake, in order to discuss the proposed changes to the on street parking charges policy. The Chairman advised that the Portfolio Holder had informed him of the following proposed amendments to the policy:

13. There would be no countywide policy for on street parking charges, and Local Committees would take all decisions relating to the implementation

of on street parking charges and that these decisions would not be subject to call in by the Cabinet.

14. The projected costs of enforcing on street parking restrictions under the existing proposals were cost neutral to Surrey County Council and any requirements for incremental costs of enforcement, following the introduction of any on street parking charging schemes must also be cost neutral to SCC.

15. That given the changes, he was much more sympathetic to the argument that any surplus revenue raised by on street parking charging schemes within a District or Borough would be allocated to the respective Local Committee to decide upon how it should be spent in the area it was raised, within the legal requirements.

16. As such, the Task Group should meet to consider these changes and bring their recommendations to the Cabinet for a formal decision.

Costs, Revenues and Surpluses

17. In order to scrutinise the business cases for individual on street parking charging proposals, the Task Group considered a document, which set out estimated figures for costs and income associated with the introduction of charges for the 11 Districts and Boroughs.

18. It was recognised that in many Districts, and Boroughs, the proposals did not appear to be cost effective. However, it was felt that the cost and income projections needed to include a specific breakdown of enforcement and implementation costs so that Local Committees could make an informed decision about the financial implications of introducing on street parking charges.

19. In the original Task Group report of the 18 May 2011, recommendation i) set out the following:

20. *"i) That any surplus arising from on street parking charges, should be split 35:65 between the enforcement authority and the County".*

21. The Task Group considered that the above recommendation was no longer valid, following the change in policy that all surpluses would be allocated to the Local Committees in the areas where they were accrued. As a consequence of this change, it was felt that the costs of setting up on street parking charging schemes, and also the costs of their enforcement, needed to be set out in detail in order for Local Committees to be able to reach an informed decision about their viability. It was agreed that the costs should be agreed in advance and not be funded or supplemented by a percentage take of any accrued revenue surplus, unless specifically agreed by the relevant Local Committee.

22. The Task Group considered how a revenue surplus should be defined. It was noted that a legal definition was required, but for the spirit of the recommendations made it was understood to mean the remainder of any on street charging revenues, to include the charges for parking and the income from any penalty notices after the deduction of enforcement and servicing costs. However, it was noted that the existing contractual

arrangements for on street parking enforcement entailed that the 35:65 split in the surplus would remain in place until the end of the 2011/2012 financial year.

23. It was also accepted that should any given District, or Borough who are not currently an enforcement authority in their own area, now wish to undertake that role, then they should be permitted to do so provided the Local Committee agreed and they committed to cost neutrality to SCC.

24. As per the recommendation in the previous report(s), any authority who is seeking to enforce in another District, or Borough, must have the agreement of that District or Borough, based on sight of the true costs and performance criteria, which should be shared with the Local Committee.

25. The introduction of on street charging should improve the perception of SCC, where Local Committees have agreed to proceed, providing the benefits of doing so are manifest within a short time period.

26. As such, SCC should use their best endeavours to ensure that some improvements are implemented within a 12 month period of the introduction of on street charging.

Cost Neutrality

27. Following the proposed change in policy that the introduction of on street parking charging schemes in Surrey should be cost neutral to SCC, the Task Group considered the implications of cost neutrality on a location by location basis.

28. Cost neutrality should apply between SCC and any given District, or Borough, or group of Districts or Boroughs if sharing enforcement. It was considered very important that there was no cross subsidy by SCC across different Districts or Boroughs.

29. Whilst it was clear that cost neutrality, opposite SCC, was essential on a District and Borough basis, this did not necessarily apply to individual towns, or locations. However, it was recognised that in a particular District or Borough with an overall projected revenue surplus, it may be the case that particular locations within this could be operating at a deficit and others at a surplus.

30. The potential for these discrepancies was likely to be exacerbated where some towns agreed to introduce on street charging, whilst others had rejected the proposals. The Task Group anticipated that in such circumstances, the concept of a cross subsidy may well be resented.

31. As such, the Task Group agreed that Local Committees should make the decision as to whether cost neutrality on a site by site basis was required, or whether a balance between surplus generating and cost accruing sites could be accommodated within an area based charging scheme.

Provision of Payment Methods

32. The Task Group considered how decisions should be made on the arrangements for the provision of payment methods. Whilst this issue was addressed by the original report of the Task Group, it was felt necessary to reconsider it due to its implications for the financial viability of schemes and the ability of Local Committees to make informed and empowered decisions on the details of potential charging schemes.

33. The Task Group felt that pay by phone should be provided universally as it was perceived to be cost effective on the basis that its use reduces the number of coin collections required from pay and display machines, and also because it is a convenient alternative, in addition to pay and display, for the customer.

34. It was also considered that smart meters, which electronically update the enforcement agents as to when they require coin collection, would be cost effective.

35. It was suggested that where different payment methods were provided, they should be charged at the same rate. An exception to this was the suggestion that season tickets should be made available for purchase.

36. A separate issue was the number of machines to be deployed in any given circumstance. For example, fewer machines would be required to adequately service commuters, compared with retail areas. Another consideration was the need to lessen the impact on the street scene, through the perceived urbanisation of more rural, or conservation areas.

37. Subject to the above conditions it was felt that Local Committees should take the decisions as to how many payment meters would be required and where they should be located, in consultation with SCC Officers and Enforcement Agents, subject to the proposals being cost neutral to SCC and legally compliant.

Level of Enforcement Required

38. The Task Group considered how the level of enforcement required for each charging scheme should be decided. It was suggested that in some areas, different locations might require more enforcement than others, which might have a consequent cost implication in terms of cost neutrality per site, which would need to be taken into consideration. However, it was felt that the introduction of pay and display would enable more efficient enforcement in most areas, which would reduce the likelihood of there being significant cost implications.

39. Consequently it was agreed that Local Committees should decide the level of enforcement required and the necessary arrangements for this on a location-by-location basis, in conjunction with SCC Officers and Enforcement Agents.

40. It was also felt that the contracts for the Enforcement Agents should contain KPIs which would be subject to penalty if not met.

Financial and Value for Money Implications

The financial and value for money implications for on street parking charging proposals are explored in Annex 1.1.

Equalities Implications

The equalities implications for on street parking charging proposals are explored in Annex 1.1.

Risk Management Implications

The risk management implications for on street parking charging proposals are explored in Annex 1.1.

Implications for the Council's Community Strategy priorities

The implications for the Council's Community Strategy priorities posed by the on street parking charging proposals are explored in Annex 1.1.

Climate Change/carbon emissions implications

The climate change and carbon emission implications of the proposals are explored in Annex 1.1.

Legal Implications

The legal implications of the proposals are explored further in Annex 1.1.

Recommendations:

It is recommended that:

1. The decision to implement, or not implement, on street parking charges should be taken solely by Local Committees without the possibility of call in from the Cabinet.

2. Local Committees are allowed to set on street parking charges, and also the prices of on street parking permits, where and at what cost they consider appropriate.

3. The introduction of any such scheme should be cost neutral to Surrey County Council.

4. It should be at the discretion of the Local Committees whether they wish to insist that the cost of enforcement following the introduction of on street parking charges in individual towns, or locations within their District or Borough, should also be cost neutral.

5. Local Committees should liaise with SCC Officers and Enforcement Partners and then decide upon the required levels of enforcement and provision of payment methods and machines, subject to legal compliance and

recommendation 2 that the schemes must be cost neutral to Surrey County Council.

6. Any surpluses remaining from on street parking charging revenues within a particular District or Borough, after enforcement, administration and servicing charges have been deducted, should be allocated to the respective Local Committee to decide how they should be spent. Surpluses must only be spent in accordance with Section 55 of the Road Traffic Regulation Act.

7. Any surplus arising and spent as permitted by the Local Committees should be additional to the 'normal' allocation from the Highways budget i.e. Pay and Display should not subsidise conventional, required expenditure.

8. SCC Officers to provide breakdowns of cost estimates for enforcement and servicing charges for the introduction of on street parking charging schemes within each area.

9. Any proposed enforcement authority must produce a standardised financial report as determined by SCC, detailing all expenditure and costs associated with on street parking enforcement, prior to any contract being signed.

10. Any 'body' is entitled to be considered as a potential enforcement authority providing that they are cost neutral to SCC, and they complete the standardised cost spreadsheet and it is accepted by the relevant Local Committee.

11. These financial reports are to be agreed and accepted by the Local Committee of any area that will be enforced by an authority other than the respective local authority.

12. The profit, or any incentive for any enforcement authority has to be balanced opposite the risks being taken and then agreed by SCC, the Local Committee and where applicable, any enforced authority.

13. SCC should ensure that where on street charges are introduced the benefits of a more efficient enforcement practice are demonstrated immediately.

14. SCC should also use their best endeavours to implement permitted improvements within 12 months, should any surpluses arise in areas where Local Committees have agreed to introduce on street charging.

Reasons for Recommendations:

The Task Group considered the implications of changes to the proposals for on street parking charges, and also reconsidered the viability of the business cases for the proposed schemes.

The Task Group broadly reiterated the findings of the original Task Group report considered by the Environment and Transport Select Committee on the 18th May 2011, but recognised that the change in policy and circumstances since this time required some amendments to the original recommendations.

Next Steps:

The Committee will discuss the recommendations and consider recommending them to the Cabinet.

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Annexes:

Annexe 1.1 – Additional Information concerning the proposals to introduce on street parking charges

Sources/background papers:

Cabinet Member for Transport, Review of on street parking charges, 12 January 2011.

Environment and Transport Select Committee – Report of the On Street Parking Task Group, 18 May 2011.