

SURREY COUNTY COUNCIL**CABINET MEMBER FOR TRANSPORT****DATE:** 12 JANUARY 2011**REPORT OF:** JENNY ISAAC, ASSISTANT DIRECTOR
OPERATIONS, HIGHWAYS AND
COUNTYSIDE**SUBJECT:** INTRODUCTION OF ON STREET PARKING CHARGES**KEY ISSUE/DECISION:**

To review the options for introducing on street 'pay and display' parking charges across Surrey and to agree an implementation programme and consultation process.

DETAILS:**Background**

1. The Government's Comprehensive Spending Review (CSR) has driven local authorities to review the services they provide and the costs associated with their delivery. Surrey County Council has ongoing reviews across its range of services including on street parking management.
2. On street parking management is currently carried out through agency agreements with the 11 District and Borough Councils. This operation, taking into account all income from on street parking, made a deficit of approximately £500,000 in 2009/10. This situation is not sustainable in light of the CSR and projected pressures on public finances.
3. To provide a better service for Surrey residents and tackle the operating loss in the management of on street parking three main improvement areas have been identified. These are:
 - A more efficient and cost effective enforcement operation (called Civil Parking Enforcement, CPE) in partnership with Surrey's districts and boroughs. Discussions are under way to determine how this will be achieved from April 2012 with the aim of making parking enforcement more efficient and self-financing. There will also be an improvement in on street parking from April 2011.
 - Reviewing the costs associated with residents parking schemes. In some parts of Surrey residents have been charged as little as £10 for an annual parking permit which does not cover the administrative costs. This is not financially viable and a widespread consultation about new charges for resident parking permits has been carried out and following a Cabinet Member decision more realistic charges will be introduced by April 2011.

- The introduction of more on street charging for parking where demand is highest to make enforcement easier and meet transport plan objectives to reduce congestion and CO2 emissions.
4. This report identifies the opportunities available for the introduction of on street parking charges more widely across Surrey.

Analysis

5. There is currently 'pay and display' parking in some Surrey towns including Guildford, Woking and Walton. In addition voucher parking is in operation within Woking and Weybridge. The income from these schemes contributes to the cost of parking enforcement and in Guildford, the park and ride facility.
6. Most towns and villages in Surrey have free short term on street parking near shops and other facilities. These are the locations most suited to the introduction of 'pay and display' charges. A culture exists that in the main, you do not pay for on-street parking within Surrey. Public attitudes have changed in other areas of the country where charging exists and there is no known reason why this will not be the same within Surrey.
7. The county council is under increasing financial pressure. Members have approved £1.1m of income from on-street parking as part of the Medium Term Financial Plan. This level of income cannot, nor should be, generated from penalty charge notices alone. A combination of an efficient enforcement and management operation combined with on-street charging is the only solution likely to generate this level of revenue. Any income from parking can be used to improve and maintain the highway network in Surrey.
8. Short term on street parking is a good way of ensuring turnover of parking spaces or 'churn', which is particularly useful in and near retail areas. It increases foot fall which in turn helps local businesses and provides better access for their customers.
9. Short term parking can be achieved by limiting the amount of time a vehicle can be parked and then prohibiting its return for a set amount of time. This is, however time-consuming and labour intensive to monitor for compliance and enforce. These issues contribute to non-compliance.
10. 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.
11. 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'

12. In many parts of Surrey there is already a charge for parking in off street car parks, while parking on street remains free of charge. This has led to an increased demand for on street spaces that could be better controlled by the introduction of on street charging. Free on street parking encourages motorists to cruise town centres looking for parking spaces rather than going straight to the nearest car park. This increases congestion and CO² emissions.
13. Historically payment for parking has been by placing coins into a machine and displaying a ticket inside a car. In some areas voucher parking schemes operate. Parking vouchers are available from shops and other outlets, however these schemes have proved difficult to operate. In addition there are areas where additional parking could be allowed which would not compromise safety or capacity. The removal of voucher parking from Woking to convert it to 'pay and display' would allow the freeing up of a small number of spaces to resident only parking in some areas further from the town centre.
14. In recent years, technology has allowed more payment options to be provided such as 'pay by phone' and credit or debit card readers. Modern pay and display machines are battery operated and/or solar powered avoiding the expense involved with linking them to existing electrical power sources, although this is still an option in difficult locations. The maintenance and servicing cost of a pay and display machine can be as much as £1000 a year depending on its age.
15. There are now alternative methods of cashless payment for on street parking, such as using a mobile phone or a pre payment card. This means fewer pay and display machines need to be installed, saving installation, service costs, street clutter and cash collection.
16. 'Pay by phone' systems are now widespread and used in many off street car parks in Surrey. Initially a customer needs to register with the company providing the service in the car park and set up a means of payment by providing credit or debit card details. Following this, additional parking fees can be paid via a text, taking about 30 seconds. A charge is added to the parking fee by the 'pay by phone' operator for using this service. Additional parking time can also be purchased without having to return to the car park, providing additional benefits for users and local business. This method of paying for parking is becoming increasingly popular and is convenient when people do not have change for parking.
17. Parking payment can also be made using machines that accept debit/credit cards alongside cash. These machines are more expensive and the card handling fees can influence their viability. They are best suited to locations where longer term parking for a higher charge is prevalent.
18. There may be locations where payment by a coin ticket machine is the most suitable and others where 'pay by phone' could work alone, however in most situations a combination of both payment methods would provide motorists with a choice and help cut the number of expensive ticket machines in operation.
19. Charging for on street parking would also make a significant contribution to reducing the parking account deficit. An investigation has been carried out by

the Parking Team to identify additional locations where pay and display parking could be introduced in Surrey. Approximately 3500 spaces have been identified where charging could be introduced. In general these are existing short term parking bays near shopping and retail centres.

20. The tariff levels below could be applied to most locations:
- High £1.40 per hour or 70p for ½ hour
 - Medium £1.00 per hour or 50p for ½ hour
 - Low £60p per hour or 30p for ½ hour
21. Generally the highest charges could apply in major towns such as Guildford and Woking, where-as the medium tariff would apply in other towns and large villages. More isolated smaller shopping parades would be more suited for the lowest tariff of 30p for ½ hour.
22. Some locations across the UK offer free parking for say the first ½ hour and charge for longer stays. Although this would have the advantage of making enforcement easier, it could be a costly method of doing so, as many of the pay and display machines may not be self-financing and consequently need subsidy, further draining the highway budget.
23. The introduction of such a large scale on street charging programme across Surrey would need to be carried out in stages over a period of time. It should be possible to introduce the infrastructure for on street charging into two districts or boroughs at a time, say every two months. It would therefore take about a year to roll out a programme across the whole County.
24. Taking into account a number of factors, including the viability of introducing charging, the nature of existing parking provision and the income that could be generated, the introduction of pay and display could be programmed in the following order, subject to procurement arrangements.

May/June 11	Elmbridge Reigate and Banstead
July 11	Surrey Heath Spelthorne
September 11	Guildford Waverley
November 11	Mole Valley Epsom and Ewell
January 12	Woking Runnymede
March 12	Tandridge

25. There are also potential cost savings and efficiencies by implementing geographically close areas at the same time. For example reducing the cost of advertising proposals in local newspapers.

Preferred Option

26. The introduction of further on street charging in Surrey will be a major project, costing up to £1.50M (see paragraph 31). Coin payment pay and display machines will initially be needed, however this number can be kept to a minimum by providing a 'pay by phone' alternative. It is possible that, in time the number of coin machines can be further reduced or phased out as motorists become used to the pay by phone system.
27. Coin payment machines should be solar powered to save installation costs and reduce energy consumption. The supplier should also provide details of maintenance charges over the likely ten year lifespan of the machines.
28. Existing parking voucher schemes in Woking and Elmbridge should be converted to either conventional 'pay and display' or 'pay by phone'
29. A free ½ hour or other period should not initially be introduced in any area as this could make the installation of pay and display machines financially untenable.
30. A tariff should be set as described in paragraph 20. This would give a pricing structure for large, medium and small towns/villages. The tariff for each should be set making an allowance for the charges in the off street car parks.
31. The implementation programme should be carried out two areas at a time, every two months in order to maintain a manageable project.

Consultation

32. The Chairman of each Local Committee, Chief Executive and portfolio holder or spokesperson for transport of each Borough or District Council will be consulted prior to a wider, formal statutory public consultation on the proposals. This will include press notices in local newspapers and street notices where on street charges are planned.
33. The advertising and consultation process for this programme of work will be managed by the Parking Team and all necessary approvals for the introduction of the charges will be made by the Leader and Cabinet Member for Transport.

Financial and value for money implications

34. Civil parking enforcement operates at a significant financial loss across the County, typically about £0.5M a year.
35. A pay and display machine costs approximately £2500 to supply and install. This increases to approximately £3500 if equipped to read debit and credit cards. A total of 3500 on street spaces have been identified as being suitable for the introduction of 'pay and display'. It is likely that upto 250 coin payment units would be needed to ensure adequate machines had been provided.
36. Modern pay and display machines are solar and/or battery powered meaning there is no need to provide a fixed power supply which reduces installation costs.

37. Cashless payment methods such as 'Pay by phone' are cheaper to install. All that is needed are signs advising the motorist of the phone number they need to call alongside the car park reference number. Callers are typically charged 20p on top of their parking charge by the service provider for using this facility. It would make good sense to maximise the use of pay by phone to reduce the number of payment machines installed.
38. The total cost of installing on street charges across Surrey is likely to be:

Supply and install P&D machines	£0.75M
Supply and install cashless parking	£0.12M
Road signs and markings	£0.30M
Legal and consultation costs	£0.13M
Design and installation	£0.20M

Total	£1.50M

Subject to approval it is planned to fund this proposal from the Council's 'Invest to Save' scheme. The capital investment to install the infrastructure for on street charging would be repaid over a period of approximately 10 years from the income generated.

39. Maintenance and servicing charges for this type of pay and display infrastructure could be up to £0.75M per year, although maximising cashless payment methods would reduce this. This would be funded from income generated by the on street charging.
40. However, when the on street charging mechanisms have been installed the potential income across the County is estimated at between £2M and £2.5M per annum in addition to the £0.6M income generated already, mainly in Guildford, Woking and Elmbridge. This is a potential surplus and takes into account the upkeep and maintenance costs described above. The income has been estimated by calculating the likely income from the parking spaces identified and assuming a tariff shown in Paragraph 20.
41. As stated earlier the Council has set a target of achieving income totalling £1.1m as part of the medium term financial plan. With pressure on existing budgets, any potential income from on street charging can be used to help maintain and improve the roads in Surrey.
42. 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.
43. As part of the consultation process for the introduction of additional on street charging it would be beneficial to give residents and motorists information about how any surplus would be used. This could be done through in a number of ways such as press releases and the web site.

Equalities implications

44. 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.

45. Blue badge holders can park in disabled parking bays or on yellow lines for up to 3 hours and are exempt from charges.

Risk management implications

46. 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.
47. 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.
48. Public perception of the Council could be improved if a clear explanation were given of the benefits that can be gained as well as how any surplus income would be used.

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

49. 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

50. The County Council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.
51. 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.
52. 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

53. 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.
54. 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 retains the authority to exercise this executive function independently and make a formal decision through the Cabinet Member process. Due to the tight and rolling nature of the installation programme it would be almost impossible to fit in with Local Committee dates and consequently it is planned that the Cabinet Member would review objections and make decisions on the programme and procurement process.

55. 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.

Corporate Parenting/Looked After Children implications

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

Section 151 Officer commentary

57. The S151 Officer confirms that all material financial and business issues and risks have been considered in this report.

RECOMMENDATIONS:

It is recommended:

- (1) That a statutory consultation and publication of a notice of proposals is carried out in each Surrey district and borough (as appropriate) confirming that the County Council intends:
- a) to make Traffic Regulation Orders the effects of which would be:
 - To remove existing voucher parking in Woking and Weybridge and convert it to 'pay and display' parking. A limited number of bays would be converted to resident only parking on the outskirts of Woking
 - To convert some existing free parking bays to 'pay and display'
 - To introduce new 'pay and display' parking

All of the above proposals are shown on the attached drawings (listed in Annex 1)

- b) to set a proposed parking tariff of:

High	£1.40 per hour or 70p for ½ hour
Medium	£1.00 per hour or 50p for ½ hour
Low	£60p per hour or 30p for ½ hour

The proposed tariffs for the proposed 'pay and display' areas are shown on the attached drawings (listed in Annex 2).

- c) that the objections for each area are considered by the Leader and Cabinet Member for Transport prior to any Traffic Regulation Orders being made.
- (2) That the process to procure on street charging infrastructure such as pay and display ticket machines and a 'cashless' payment system is started and a further report on the tender outcome is brought to a future meeting of the Cabinet Member for approval to proceed.

REASONS FOR RECOMMENDATIONS:

Charging for parking helps the County Council effectively and efficiently manage on-street parking in Surrey and has the following benefits:

- 'Pay and display' makes short term parking easier to enforce and improves turnover of the available parking space.
- 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.
- Any surplus generated from on street charging can be used to maintain or improve highway infrastructure.

WHAT HAPPENS NEXT:

If the Cabinet Member agrees to proceed as recommended, the proposed on street parking charges will be advertised in each area. Further reports will be presented detailing objections, comments and progress with the proposals in each area. The first two areas on the programme could be implemented during early summer 2011. Further approvals will also be sought for the purchase of the hardware and services required to operate on street charging.

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Consulted: Trevor Pugh, Strategic Director for Environment and Infrastructure

Informed: Local Committee Chairmen (as proposals are developed)
Transportation Select Committee

Sources/background papers:

Review of On Street Resident Parking Permit Charges - Cabinet Member for Transport, 15 September and 15 December 2010
