

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 13 September 2011	<b>Decision taker;</b> Cabinet Member for Transport, Environment and Recycling
<b>Report title:</b>		Parking Charges for Residential Permits	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Environment and Leisure	

## RECOMMENDATIONS

1. That the Cabinet Member for Transport, Environment and Recycling agrees to the increase the charge for all residential parking permits to £125.00 with effect from 21st October 2011.
2. That the Cabinet Member for Transport, Environment and Recycling agrees that residential permit fees be frozen up to 31 March 2013.
3. That the Cabinet Member for Transport, Environment and Recycling agrees that a further report be prepared following further community consultation on the introduction of carbon based charges.

## BACKGROUND INFORMATION

4. This report reviews the Residents Parking permit charges and recommends an increase in charges to cover costs within the Parking revenue account. It reviews the initial community responses to introducing carbon based parking charges and deals with general aspects of raising charges and setting out the current and proposed charges in Appendix A, whilst, Appendix B compares the current costs of resident, permits for inner London boroughs.
5. The Council agreed the budget for the Parking services as part of the 2011/12 budget setting process and the base budget for Residential parking permits was set as £893,157(-) with a proposal that the service should consider moving to carbon based charging in 2011/12. Following consideration by the Overview and Scrutiny Committee (OSC) the Cabinet Member for Transport, Environment and Recycling agreed to seek the views of the community, via Community Councils on charges based upon vehicle CO<sub>2</sub> emissions.
6. A report covering other parking and highways fees and charges was agreed by the Cabinet Member for Transport, Environment and Recycling in March 2011. This report does not address the charges for Penalty Charge Notices (PCNs) and removals which are set by London Councils. These are subject to the agreement of the Mayor of London and Secretary of State and apply London wide.

## **KEY ISSUES FOR CONSIDERATION**

### **Key Policy Issues**

#### **Transport and related policies**

7. This report relates to the Council's Transport Plan agreed by Cabinet on 19 July 2011 from which the relevant objectives are:

OBJECTIVE 1 - Manage demand for travel and increase sustainable transport capacity

- Policy 1.1 - Pursue overall traffic reduction

OBJECTIVE 2 - Encourage sustainable travel choices

- Policy 2.3 - Promote and encourage sustainable travel choices in the borough.

OBJECTIVE 4 - Improve the health and wellbeing of all by making the borough a better place

- Policy 4.2 – Create places that people can enjoy.

OBJECTIVE 7: Ensure that the quality, efficiency and reliability of the highway network is maintained

OBJECTIVE 8 - Reduce the impact of transport on the environment

- Policy 8.1 - Seek to reduce overall levels of private motor vehicle traffic on our streets.
- Policy 8.2 - Promote the uptake of low emissions vehicles.

#### **Carbon Reduction Strategy**

8. The Council's emerging Carbon Reduction Strategy, to be considered by the 21st September 2011 Cabinet will set targets for the reduction of CO<sub>2</sub> emissions in the Borough. London's transport-related CO<sub>2</sub> emissions are predicted to fall by 16% by 2025, despite projected population and employment growth in excess of 10%. Drivers of this reduction include the ongoing long-term trend of vehicle fuel efficiency improvements driven by EU legislation, regional measures to drive modal shift, the de-carbonisation of grid electricity and related incentives for electric vehicles and UK policy to increase the share of bio-fuel in transport fuel from 5 to 10% in the lead up to the 2020 renewables target.
9. The Council already has a comprehensive focus on encouraging modal shift as set out in the Transport Plan. This includes managing demand via car clubs, investing in cycling and walking infrastructure, cycle parking and working with public transport providers; encouraging sustainable travel choices through school and workplace travel plans and encouraging smarter driving to reduce emissions and improve air quality. Revision to parking permit costs being based on carbon emissions will also help drive down CO<sub>2</sub> production in the borough.

## **Parking Revenue Account**

10. The Parking Revenue Account has come under increased pressure from rising contract costs of 4.5% in 2011-2012. Enforcement costs are projected to increase by £203,360 and by a further £189,000 in 2012-13. This will result in an estimated increase in costs of £392,360 over the two year period.
11. In 2010-2011 Southwark saw the second largest compliance figure in London with a reduction in penalty charge notices of 17%. At this present time in 2011-2012 Southwark has seen a further projected reduction of 12%.. Factors contributing to the reduction include the introduction of lower differential charges for less serious parking offences in July 2007 and enhanced evidence of parking contraventions. This has resulted in a higher proportion of Penalty Charge Notices (PCNs) being settled promptly at a 50% discount on the nominal fine. Another factor that has impacted on parking income is the widespread use of pay by phone parking which provides the benefit to the user of protecting them against an unexpected delay and receiving a PCN. The use of Streetcar has also steadily increased with 8,000 Southwark members. The success of the scheme inevitably has a negative effect in relation to residents permit parking income.
12. Resident permit holders occupy the largest single fixed allocation of parking space in the Borough. The adequacy of the contribution of this group to the overall gross cost of running the Parking Service has been considered. Traditionally all users of the Parking Service, including resident permit holders, have received a substantial financial subsidy from parking enforcement revenue over an extended period. Given that this income is set to decrease, increased contributions from other users will be required. Increasing the cost of residential parking permits will go some way to ensuring greater financial equality between resident permit holders and other parking service users, and ensuring that the administrative charges for all forms of controlled parking can be met.

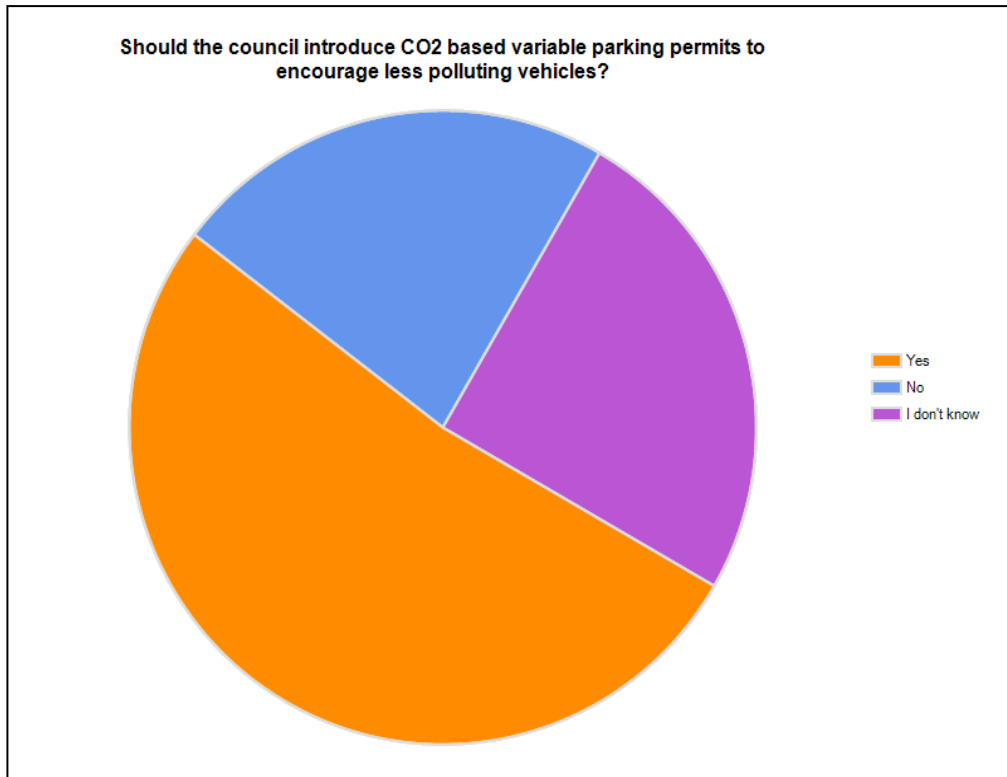
## **CONSULTATION**

13. The formal consultation for the Transport Plan was held over an eleven week period, from the 22 December 2010 until the 8 March 2011. Key stakeholders were sent a covering email on the 22 December 2010, with a link to the Plan on the Southwark Council's website. The public was engaged through various community groups, with officers attending stakeholder groups, each community council and holding two public 'drop in' sessions.

## **Carbon Based parking charges**

14. Respondents to the draft transport plan were asked if the council should introduce CO<sub>2</sub> based variable parking permits to encourage less polluting vehicles. A slight majority were in favour of the proposition with 25% of respondents not knowing (Figure 1). It should be noted that as this question was added after the start of the consultation, the sample size was reduced.

Figure 1. Responses to Draft Transport Plan March 2011



### Feedback from Community Councils

15. Commencing in May 2011 views were sought at Community Council meetings on the two options of Carbon Based Charges or a flat rate increase of £25.70 to a fee of £125.00. Generally, the CO<sub>2</sub> option was supported by Community Councils although some residents voiced objections and there were some significant concerns about the consultation. Overall the findings were inconclusive.
16. Following the presentations to Community Councils, a number of representations have been received from members and residents in a recently extended CPZ arguing that if the Council is seeking to implement CBC, that it should have made this explicit in the consultation on the proposed controlled parking zone (CPZ) and that consultation via the Community Council's could not necessarily be considered to be representative of the community as a whole. Also an 88-signature petition was received from the Chair of Dulwich Community Council on behalf of residents protesting against any increases in fees. The text of this petition is included in Appendix C attached to this report.
17. While initial indications are that the community are supportive of parking charges based upon the emissions of the vehicle concerned, in the light of the representations received it is not proposed to implement carbon based charging at this time, but that a more wide ranging consultation be undertaken with the community on this matter including consultation with existing permit holders

when renewing current permits. The results of such consultation and any new scheme is unlikely to be available until the end of 2012 and thus it is proposed that any flat rate fee increase is implemented on the 21st October 2011 and held until 31 March 2012.

### **Benchmarking**

18. Comparisons have been made with neighbouring boroughs ( Appendix B) and these indicate that Southwark's current annual permit charge of £99 remains below that charged by a number of comparable inner London boroughs, namely; Lambeth (£179), Westminster (£126.50), Kensington and Chelsea (£127), Islington (£154), Camden (£129) and Hammersmith and Fulham (£119) .

### **Proposed Fee increase**

19. Given the preceding considerations of this report relating to transport and related policies, initial feedback from the community and benchmarking with other boroughs it is proposed that the resident permit charge be increased by £25.70 to £125.00 a year, with a concession of a 75% discount on the standard charge being retained for electric, hybrid and Liquefied Petroleum Gas vehicles. Charges for monthly, quarterly and six- month permits are adjusted accordingly. A full schedule of proposed charges is set out in Appendix A. If the recommendations of this report are agreed and implemented, there will be a formal 21-day period during which the fee increase will be advertised with the earliest date that the new fees can be charged being the 21 October 2011.
20. It is estimated that will result in additional net income for the Council of £280,000 over the next 17 months. However, it is notoriously difficult to accurately estimate the impact of increased parking charges and the estimated increase is dependent upon motorists' reactions to increased charges on their parking behaviour.

### **Community impact statement**

21. The implications of recommendation 1 of this report in relation to increasing charges will not have a differential impact on those communities affected. Controlled parking zones are by definition non discriminatory, are consulted on when introduced and the proposed increases are not neither targeted, selective, nor are charges being varied on a geographic basis. Equally this change does not discriminate or specifically target any of the protected characteristics defined in the Equalities Act 2010, not run counter to any specific duties. Recommendation 2 of this report relating to carbon based charging would require an equalities assessment to be carried out as part of the decision making process.

### **Resource implications**

22. The implementation of the proposals do not require any additional staffing or IT resources. There will be a cost of around £1500 for the statutory notice publication and this can be contained within the existing budget
23. The proposal set out in this report will result in total net income of £280k over two years with £120k in 2011/12. This will assist to reach the budgeted income and expenditure levels approved for 2011/14.

24. The paragraphs 10 to 12 above set out the current status of the Parking Revenue Account and justifications for increasing the permit charges. The reasons for increasing the permits can be summarised as follows:
- the income generated by parking services is set to decrease
  - any surplus generated will be modest when compared to the overall income/expenditure and represents a reasonable safety margin
  - there is no guarantee that the estimated surplus will be generated, particularly as it is reliant on non-compliance/pay and display revenue
  - CPZs are 'subsidised' by other forms of parking
  - CPZs, when looked at in isolation, make a loss
25. The Council is required to maintain a separate account of its on-street parking business activities and to report the outcome and the use made of any surplus generated annually to the Mayor of London. The use of any surplus is governed by Section 55 of the Road Traffic Regulation Act, 1984 which places restrictions on what the surplus may be used for.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance**

#### Road Traffic Regulation Act 1984

26. Under s.45 Road Traffic Regulation Act 1984 (“the 1984 Act”) and the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 (“the 1996 Regulations”) the Council can designate parking places on highways which will be subject to parking charges and/or restrictions on use. These are commonly referred to as Controlled Parking Zones (“CPZs”). Under s.45(2) the Council can set up a permit scheme for residents and charge for the issue of permits.
27. Under s.46 of the 1984 Act and the provisions of the 1996 Regulations the amount of any charges must be prescribed in an order made by the Council, either the order designating the highway as a CPZ or a separate order on charges.
28. If the imposition of charges results in any surplus funds, then s.55 of the 1984 Act sets out the purposes for which that money may be used.

#### Increasing the level of charges

29. The 1984 Act does not provide a revenue raising power. When charging for permits the amount must be justified with reference to the traffic management purposes in s.122 and not the generation of additional income for the Council. The Council must therefore justify any increase in charges on the basis that they relate to the aims set out in s.122 of the 1984 Act.
30. The primary aim of the 1984 Act is “to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway”. An increase in charges must be linked to this purpose.

31. An increase based on CO<sub>2</sub> emissions could be justified under the 1984 Act, provided it ties in with the Council's air quality strategy, therefore bringing it within the scope of s.122(2)(bb) of the 1984 Act.
32. Ensuring that CPZs are properly and effectively operated is a valid traffic management objective. The Council may therefore increase charges to reflect increases in the cost of maintaining and operating CPZs. It is acceptable to generate a reasonable surplus based on estimates of income and expenditure, providing a safety margin to allow the Council to continue to be able to provide suitable and adequate controlled parking should there be significant differences from the estimated figures.
33. The Council can budget for any surplus it might generate, but cannot raise charges solely on the basis that it will generate a surplus which could be used for one of the purposes identified in s.55 of the 1984 Act, as this would be using the power to raise additional income.
34. Charges for permits are to be differentiated from charges connected with enforcement or 'pay and display' parking. When determining the charges for the latter two, the Council may validly consider whether the amounts will have the desired effect, i.e. to act as an effective deterrent or to encourage the use of off-street parking. Such considerations do not apply to permits.
35. It is permissible to seek to achieve financial equality between CPZs and other aspects of parking, in circumstances where CPZs are subsidised by other forms of parking income. Again, this should be done with the purpose of ensuring that the Council can continue to all forms of provide suitable and adequate controlled parking.

#### Procedure

36. The Council can vary the amount of the charges prescribed in a designation order using the simplified process contained in s.46A of the 1984 and r.25 of the 1996 Regulations.
37. In order to vary the charges the Council must publish a notice in a locally circulating newspaper at least 21 days before the change is to take effect. The Council shall also, if it thinks fit, display notices in the affected area.
38. Failure to comply with the procedural requirements may invalidate any increase in the charges.
39. There is no formal requirement to consult on any proposed increase in charges. However where non-statutory consultation has taken place the Council should have regard to any representations received.

#### Decision maker

40. Under Part 3D of the Council's Constitution the agreement of changes to existing fees and charges is reserved to the individual cabinet member with responsibility for that area. Accordingly the decision to vary the charges for permits must be taken by the Cabinet Member for Transport, Environment and Recycling.

## Finance Director

41. This report recommends that the Cabinet Member for Transport, Environment and Recycling approves the increase in charges for all residential parking permits by £25.70 to £125 from 21st October 2011, while still remaining below comparable inner London boroughs, and to freeze this charge until 31 March 2013.
42. The Finance Director notes that the increased permit charge will enable the 2011/12 budget set by Council in February 2011 to be achieved.

Background Papers	Held At	Contact
Transport Plan	Regeneration Dept 160 Tooley Street	Sally Crew 0207-525-5564
Draft Carbon Reduction Strategy	Environment & Leisure Dept 160 Tooley Street	Annie Baker 0207-525-2478
Parking permit benchmarking data	Environment & Leisure Dept 160 Tooley Street	David Sole 0207 525 2037

## APPENDICES

No.	Title
A	Residential permit fees schedule
B	Comparative parking fees and charges Central London - August 2011
C	Summary from Community Council's to presentations made by Officers on the two options of Residential Parking Permit charges

## AUDIT TRAIL

<b>Lead Officer</b>	Gill Davies, Strategic Director Environment & Leisure	
<b>Report Author</b>	Des Waters, Head of Public Realm	
<b>Version</b>	Final	
<b>Dated</b>	13 September 2012	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
List other officers here		
<b>Cabinet Member</b>	Yes/No	Yes/No
<b>Date final report sent to Constitutional Officer</b>	13 September 2011	



Appendix A

Residential permit fees schedule

Residents Permit Price	Current	Proposed w.e.f. 21/10/11
Annual	£ 99.30	£ 125.00
6 Months	£ 52.25	£ 67.83
3 Months	£ 33.45	£ 36.58
1 Month	£ 13.60	£ 15.74
Discount for low emission vehicles	75%	75%

## Appendix B

### Comparative parking fees and charges Central London - August 2011

Residents Permits						
	Average Residents Parking Permit Price		Scheme Type	Notes		
Southwark	£	99.30	Flat with discount for greenest vehicles			£24.83 for electric vehicles
Westminster	£	126.50	Engine Size	£132 top price more than 1200cc	£94 lower price less than 1200cc	Free electric vehicles
City of London			£990 Car Park only			
Islington	£	154.00	CO <sub>2</sub>	£391 over 2800cc	Average of Bands H,I and J = £154	Free electric vehicles
Camden	£	119.00	CO <sub>2</sub>	£166 top price	Average of mid bands £122	25.21 for electric vehicles No electric vehicle discount diesel surcharge of £15
Kensington and Chelsea	£	127.00	CO <sub>2</sub>	£161 top price	Mid band £127	
Hammersmith and Fulham	£	119.00	Flat with discount for greenest vehicles			£60 for greener vehicles
Lambeth	£	179.00	CO <sub>2</sub>		Based on same model fleet as Southwark	
Average	£	131.97				

## Appendix C

### Summary of responses by Community Councils' to presentations by Officers on the two options of Residential Parking Permit charges

#### **Rotherhithe Community Council, 27/4/11**

##### **Parking permit charges increase**

At this meeting there was a vote conducted by Cllr Hook.  
The results were a majority in favour of emissions.

#### **Borough and Bankside Community Council, 3/5/11**

##### **Parking permit charges increase**

No vote was taken so no overall consensus for either option.

#### **Peckham Community Council, 12/5/11**

##### **Parking permit charges increase**

No vote was taken so no overall consensus for either option.

#### **Camberwell Community Council 20/4/11**

There was no vote taken but overall the majority of questions asked were anti CO<sub>2</sub> emissions.  
No vote was taken so no overall consensus for either option.

#### **Walworth Community Council – 03 May 2011**

No specific questions were asked apart from copies of the presentation that had been given  
No vote was taken so no overall consensus for either option.

#### **Bermondsey Community Council – 03 May 2011**

Cllr Stanton requested a copy of the additional costs involved in running an emission based permit system?

No vote was taken so no overall consensus for either option.

#### **Nunhead and Peckham Rye Community Council – 11 May 2011**

The Councillor's had a vote and supported the change to CO<sub>2</sub> based permit charging with the caveat that they would like to see dispensation for disabled drivers who have the need of a larger vehicle.

Vote in favour of emission based charges

#### **Dulwich Community Council 28<sup>th</sup> April 2011**

Cllr Barber conducted a vote and the residents voted in favour of emission based charges.

Vote in favour of emission based charges

Petition received by Councillor Robinson on behalf of his constituents.

### **SAY "NO" TO INCREASE IN PARKING FEES FOR HOLMDENE AVENUE**

We are concerned that Southwark Council is considering increasing the parking fees for Holmdene Avenue for next year. Parking fees were only introduced here in January 2011. It is unfair that the Council is proposing an increase already.

The Council has not sought the views of residents on this proposal. We object strongly to this proposal and urge Barrie Hargrove, the council member responsible for the proposal, to reconsider. We also seek an assurance that we will be consulted and our views will be given due weight before any changes are made to the parking fees for Holmdene Avenue.

**NAME**

**ADDRESS**

**EMAIL**