

Decision Maker: Environment Portfolio Holder

For Pre-Decision Scrutiny by the Environment PDS Committee on:

Date: 20th January 2015

Decision Type: Non-Urgent Executive Key

Title: PARKING CHARGES

Contact Officer: Gerry Broomfield, Car Park and Assets Manager
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Chief Officer: Nigel Davies, Executive Director of Environment and Community Services

Ward: All

1. Reason for report

A review has been undertaken of parking charges across the borough in line with the agreed Parking Strategy and benchmarked against inflation since prices were last increased in 2012. The report recommends changes to on- and off- street parking fees as set out in Appendix 1 and changes to the resident parking scheme.

2. **RECOMMENDATIONS**

That the Environment Portfolio Holder agrees:

- 2.1 The proposed parking charges as set out in Appendix 1 with effect from 1st April 2015;
- 2.2 Changes to the Resident permit parking scheme effective from 1st April 2015 as follows -
 - a) revised charges for the six areas highlighted in Appendix 2
 - b) the introduction of virtual permits from 1st April 2015
 - c) to cease the entitlement to free books of Visitor Vouchers for the over 60s;
- 2.3 That a review of the impact of revised parking and permit charges should be undertaken after 12 months; and
- 2.4 That the Executive Director of Environment & Community Services be authorised to agree with the Portfolio Holder minor changes to parking charges to address local priorities.

Corporate Policy

1. Policy Status: Existing Policy: Parking Strategy
 2. BBB Priority: Quality Environment Vibrant, Thriving Town Centres
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Financial

1. Cost of proposal: Estimated Cost of £16k implementation costs
 2. Ongoing costs: Recurring Cost: Estimated additional income of Cr £550k
 3. Budget head/performance centre: Parking
 4. Total current budget for this head: Cr £6m
 5. Source of funding: Existing Revenue Budget
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Staff

1. Number of staff (current and additional): 28.8 fte
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All motorists within the Borough.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

3.1 In February 2012 the Environment Portfolio Holder agreed a new Parking Strategy which included a series of objectives for the Council's approach to parking:

Policy objectives

- To improve the safety of all road users.
- To provide sufficient affordable parking spaces in appropriate locations to promote and enhance the local economy.
- To assist in providing a choice of travel mode, and enable motorists to switch from unnecessary car journeys, to reduce traffic congestion.
- To ensure effective loading/unloading for local businesses.
- To provide the right balance between long, medium and short stay spaces in particular locations
- To provide a turnover of available parking space in areas of high demand.
- To assist the smooth flow of traffic and reduce traffic congestion.
- To enable residents to park near their homes.
- To assist users with special requirements, such as the disabled.
- To ensure that the Council's parking policies and working practices are clear and accessible to the public.

Operational objectives

- To set a level of charges which balances demand and supply for parking spaces across the borough.
- To provide an efficient service which offers Best Value.
- To control the budget within prescribed limits.
- To be seen as fair and responsive to customer needs

3.2 In March 2012 the charging structure was fundamentally reformed and parking charges increased. The principle behind the reform was that the system should be less complex, based on consistent hourly charges in areas of comparable parking demand, and with maximum stay tailored closely to the demand management pressures in particular locations. This would give a clear indication to motorists that town centre parking locations, particularly on-street, were designed for short stay retail visits. Tariffs in off-street facilities were set at a level to attract longer-term parking, and help to reduce traffic congestion and improve journey times in town centres.

3.3 In general, motorists tend to prefer on-street to off-street parking. This is largely due to perceptions of convenience and security. Because of the perceived convenience of on-street parking, it is generally more suitable for shorter stays and pricing should provide an incentive for more rapid turnover to maximise the availability of convenient on-street spaces.

3.4 The borough's on- and off-street parking facilities were divided into four broad Charging Groups:

Charging Group 1 – Car parks in Bromley town centre

Charging Group 2 – Car parks outside Bromley town centre

Charging Group 3 – On-street parking in Bromley town centre

Charging Group 4 – On-street parking outside Bromley town centre

- 3.5 Ensuring that parking charges keep pace with inflation is an important consideration for the Council. In the case of off-street car parks, charges are fully within the Council’s control. The Council’s discretion over charges for on-street parking is more restricted: these must be set for traffic management reasons, such as to ration available space and ensure that there is an adequate turnover of parking spaces. It remains important to consider on-street charges in the context of inflation. Parking charges have been frozen since 2012, so on-street spaces have become less expensive in real terms over time and charges have become a less effective tool in managing demand. This could impact on the turnover of spaces needed to ensure that shoppers can access local retail centres.

4. PROPOSED PARKING CHARGES

- 4.1 Appendix 1 has the full details of the proposed changes to the parking charges and a summary of the changes is set out below. Season tickets would be adjusted proportionately.

Charging Group 1: Off Street Car Parks in Bromley town centre

- 4.2 Of the borough’s off-street car park spaces, 2,251 are located in Bromley town centre compared with a total of 2,292 in the rest of the borough.
- 4.3 It is proposed to increase the hourly rate from £1.00 to £1.20. A summary of the proposed changes to the maximum stay charges are shown in the table below: -

	Existing Max rate £	Proposed Max rate £
Civic Centre MSCP	11.00	13.00
The Hill MSCP	6.00	7.00
Station Road	4.00	4.80
South Street & Palace Grove	4.00	4.80
St Blaise	11.00	12.00
Mitre Close (4 hour maximum stay)	4.00	4.80

- 4.4 The charges have been set at The Hill MSCP, to provide an incentive for commuters and town centre workers to use these facilities. Charges at the Civic Centre have also been set to continue focusing this facility on meeting the needs of shoppers, ensuring a reasonable turnover of convenient spaces. This would nudge motorists seeking an all-day parking space away from the Civic Centre, as this central car park is more suitable for shorter-stay visitors. Charges at the surface car parks would be capped for over 4 hours.
- 4.5 In the past, charge rates at the privately-owned INTU car park (formerly Glades) have closely mirrored those set by the Council for the Civic Centre. INTU currently charge £1 per hour. The town centre’s NCP facility at The Mall currently charge £1.30 per hour capped at £8.30 over 4 hours. Neither of these facilities has reported significant problems with pricing at this level. Charges set between £1 and £2 per hour appear to be the norm and continues to compare favourably with charges in Croydon and Bexleyheath town centres; further information on benchmarking is covered in section 5 below.

Charging Group 2: Off-Street Car Parks outside Bromley town centre

- 4.6 Existing hourly charge rates in these car parks vary from 30p to 50p per hour. It is proposed that the fees are increased to between 40p to 60p as detailed in Appendix 1.

- 4.7 A higher rate is charged at the car parks attached to The Spa and West Wickham leisure centres, to manage demand, distinguish these car parks from general town centre parking, and ensure spaces are available for visitors to these facilities. It is proposed to increase the hourly rate at these car parks from 90p to £1.10.

Charging Group 3: On-Street Parking in Bromley town centre

- 4.8 On-street charges must be set for traffic management reasons, for example to ration available space and ensure that there is a rapid turnover of parking spaces. It is also important to maintain a differential between on and off street charges to encourage more long term parking off street.
- 4.9 Bromley town centre has the highest potential demand for on-street parking in the borough, and higher charges are necessary to manage this compared to on-street locations elsewhere. 832 of the Council's 2,117 controlled on-street spaces are in this town centre. An issue in Zone A in particular has been identified at peak times where vehicles wait for on-street spaces to be freed up, adding to congestion problems. Existing periods of maximum stay would be retained (2 hours Zone A, 4 hours in Zone B).
- 4.10 The table below summarises the proposed changes: -

	Existing Hrly rate £	Proposed Hrly rate £
Bromley Town Centre Zone A	1.50	1.70
Bromley Town Centre Zone B	1.10	1.30
Bromley Town Centre Zone C	0.80	1.00

Charging Group 4: On-Street Parking outside Bromley town centre

- 4.11 As with other on-street charges, prices must be set for traffic management reasons, for example to ration available space and ensure that there is a rapid turnover of parking spaces.
- 4.12 Current charge rates vary from 50p to 70p per hour. Maximum stay periods of 2 to 10 hours assist in controlling differential levels of demand for particular parking locations, depending on their purpose; no changes to these maximum stay periods are proposed. It is proposed to increase these charge rates to between 60p to 80p as set out in Appendix 1.
- 4.13 A range of practical and statutory actions would need to be undertaken before the revised prices could come into effect, including a 21 day Notice of Variation, amendment of the various Traffic Management Orders, machine software and sign changes and on line changes to the RingGo mobile phone software. The implementation costs are expected to be £15k and can be met from the existing Parking budget for 2014/15. The Revised charges should be effective from the 1st April 2015. Any delay in introducing the revised charges would impact on income for 2012/13.

5. BENCHMARKING

- 5.1 A benchmarking exercise has been carried out to compare parking charges in different neighbouring boroughs, in particular Bexley, Croydon, Sevenoaks, Lewisham and Greenwich. However, each borough is different; some do not have metropolitan retail centres and Greenwich in particular faces some pressure from tourism. Croydon town centre is also of

metropolitan retail importance, but is larger than Bromley town centre. Other similar outer London boroughs, e.g. Kingston and Sutton, can offer useful comparisons but are too distant to be realistic alternative destinations for Bromley shoppers. Many local authorities have increased prices in the past 18 months and some are considering further increases. Bexley, for instance, is looking to increase charges in 2015.

5.2 The table below compares the proposed charges for Bromley Town Centre with private car parks and those of other neighbouring boroughs.

	Hrly rate
	£
LBB Bromley Town Centre off street car parks	1.20
Private car parks	
Intu Bromley	1.00
The Mall (NCP)	1.30
Supermarket car Parks	
Sainsbury's, Bromley North non-customers (max stay 2 hours)	2.00
Waitrose, Bromley South non-customers (max stay 3 hours)	10.00
Neighbouring Boroughs	
Croydon Central (£1.30 - £2.40 depending on location)	2.40
Bexleyheath Town Centre	1.00
Greenwich Town Centre (80p to £2.50 depending on location)	2.50
Lewisham Town Centre	1.40
Kingston Town Centre (£1 to £2 depending on location)	2.00

5.3 Outside of the town centres the off-street car parks generally charge between 80p and £1.40 per hour depending on location.

6. PARKING PERMITS

- 6.1 Bromley sets the price of its permits based on the cost of managing the scheme, including the cost of administration and the level of enforcement needed to ensure the scheme is effective. This is strongly related to the hours of operation of the permit bays.
- 6.2 In March 2012, the permit charges were standardised in all but 6 areas of the borough, at a cost of £40 for schemes enforced up to 4 hours, or £80 for schemes enforced for more than 4 hours (normally full day enforcement).
- 6.3 It is now recommended that the residential permit charges in the remaining areas are brought into line with the other residential and business parking permits with a price of £80 to reflect full-day enforcement . These areas are:
- Bromley town centre Zone AB
 - Bromley town centre Zone AC
 - Camden Grove, Chislehurst
 - Farnborough Village
 - Ledrington
 - Burnt Ash Lane (G)
- 6.4 Bromley currently allows residents over the age of 60 to apply for two free books of visitor vouchers per annum. For the financial year 2013/4, 1176 residents applied, each normally requesting the full entitlement of two books which have a value if sold of £82k. For residents purchasing Visitor Vouchers the cost is £35 per book of 15 vouchers.

- 6.5 This is not a legal requirement and since the policy was introduced we now provide carer's permits at a discounted rate so the need for vouchers is reduced. In addition, Parking Services staff already use their discretion to deal with short term issues, for example if an elderly relative is being cared for by family members during a period of illness, by issuing an appropriate number of free vouchers. This approach has worked well for a number of years.
- 6.6 Following discussion at the Parking Working Group on 18th December it is recommended to cease the entitlement to free books of Visitor Vouchers for the over 60s from 1st April 2015. It is expected that number of requests for the visitor vouchers will reduce significantly once the vouchers are no longer free of charge, and therefore at this stage it is not possible to assess the level of demand and the additional income that may result from this proposed change.
- 6.7 There is no proposed price increase for any other permits at this time, including visitor vouchers. The full list of permits available with the current and proposed charges is shown in Appendix 2.

Virtual Permits.

- 6.8 In April 2014 on-line permit applications were introduced. 80% of residents now use the online option to purchase/renew their permits or buy visitor vouchers. This has resulted in a same or next day service compared with a number of days or weeks in the past at busy periods. Proof of residency and car ownership is now requested every 3 years instead of annually, with associated sample checking.
- 6.9 To further improve the efficiency of the service, it is proposed to introduce Virtual Permits from 1st April 2015. There is now a social acceptance of 'virtual technology' including for example the Tax Disk which is no longer issued. LB Bexley (through the Shared Service) introduced virtual permits and season tickets a number of months ago without complaint or issue.
- 6.10 Technology is such that enforcement of the permit scheme can be achieved without the need to display a 'permit' in the windscreen. The use of the Vehicle Registration Mark (VRM) is key. In fact Vinci Park (the current enforcement contractor) already works this way on a number of other contracts. There may be some minor savings in terms of stationery and postage as reminders and confirmations would be sent via email. Visitor Vouchers will still have to be printed and sent via the post.

12 Month Permit Parking Review

- 6.11 Bromley determines the price of its permits based on the cost of managing the scheme, including the cost of administration and level of enforcement needed to ensure the scheme is effective. Based on this principle there has not been an increase in permit charges since April 2012 and there is no proposed increase at the present time, (except as shown in 6.3). The recommendations within section 6 of this report may have a bearing in this, however the full financial effect is unknown at this stage. Therefore it is recommended a full review of permit parking including visitor vouchers takes place including a financial analysis within 12 months, the findings of which are reported back to this committee.

7. POLICY IMPLICATIONS

- 7.1 The proposals in this report are consistent with the objectives of the Council's Parking Strategy, agreed by the Environment Portfolio Holder following Environment PDS Committee on 18th January 2012.
- 7.2 In relation to the impact of changes in parking fees on town centres, the Association of Town Centre Managers' view is that "there is no clear correlation between parking charges and retail

performance.” The British Parking Association report that the “...Europe wide Cost 342 study also found little evidence of correlation but did indicate that public reaction to increased parking charges is usually short term. Parking demand falls for a period and then reverts to normal. There is also some evidence that a sharp reduction in parking charges does not result in a proportionate increase in car park use.”

- 7.3 The BPA concluded that “The quantity, quality and security of parking provision are much more significant than its price to those consumers who drive retail performance.” In its response to the Portas report (Parking News, February 2012), the BPA continued to emphasise that “...car park users are not solely influenced by price. Quality, convenience, safety and accessibility are all factors affecting parking choices.”
- 7.4 Research from the Netherlands (Surveyor, August 2009) concluded that “...it is the social and economic activities of the destination which attract...and it is the quality of these that determine the parking fees which can be charged” and “...shoppers are prepared to pay for parking when the price reflects the perceived quality of the destination.”

8. FINANCIAL IMPLICATIONS

- 8.1 The estimated net effect of the proposals in this report is summarised in the table below: -

	Off street £'000	On street £'000	Permits £'000	Total £'000
Current 2015/16 budget	3,459	2,675	387	6,521
Estimated net income from proposals	3,756	2,925	390	7,071
Net additional income	297	250	3	550

- 8.2 From the parking information available, there has been a sustained small decrease in demand for parking in the Bromley town centre main car parks of about 1% per year over the past six years. The closure of a key department store in 2006 and the subsequent national recession appears to have contributed to this decline in demand. However, it should be noted that this assumption has not been built into the financial model. If the decline does continue in 2015/16 there would be an additional risk of a shortfall in income from that projected. The decline may be arrested if the long term renewal strategy for Bromley town centre envisaged in the Area Action Plan proves to be successful.
- 8.3 Members should note that on the 14th January 2015 the Executive agreed, as part of budget setting, to make an assumption that parking charges would raise an additional £390k in 2015/16. This should be seen in the context of the freeze in charges since the 2012 increases, and comparable price inflation in the economy generally since then. As can be seen from the table above, it is estimated that an additional £550k will be raised from the proposals in this report. Future inflation for parking fee income will be built into the forecast.
- 8.4 The estimated cost of introducing the revised charges will be £15k. This will be met from within the existing Parking budgets for 2014/15.
- 8.5 At this stage it is not possible to quantify the financial impact of the proposal to cease the entitlement to visitor vouchers for the over 60's, although it could be as high as £82k. The financial position will be monitored throughout the next year and reported back to Members as part of the Permit Parking Review.

9. LEGAL IMPLICATIONS

- 9.1 In relation to on-street parking, the service is required to operate in a tightly restricted legal environment. Although the Mayor's Transport Strategy has now superseded earlier Traffic

Management and Parking Guidance for London, the boroughs continue to rely on the TMPG document as an authoritative interpretation of the legal framework. It advises:

“(2.23) The level of parking charges must be set for traffic management reasons, such as to ration available space and ensure that there is a rapid turnover of parking spaces, rather than to maximise revenue. This is because section 122 of the Road Traffic Regulation Act 1984 does not include the maximisation of revenue from parking charges as one of the relevant considerations to be taken into account in securing the safe, expeditious and convenient movement of traffic”.

- 9.2 This interpretation of the Road Traffic Regulation Act 1984, in the context of on-street charges, is widely accepted. Case law supports the view that the Act’s purpose is not revenue-raising, for example the judgement in R v LB Camden (ex parte Cran). The British Parking Association’s Parking Practice Notes 1 - Charging for Parking (Revised August 2011) emphasises this point by quoting the Camden judgement, saying that the 1984 Act:

“...is not a fiscal measure. It contains no provision which suggests that parliament intended to authorise a council to raise income by using its powers to designate parking places on the highway and to charge for their use”.

- 9.3 To implement the changes to the charging structure it will be necessary to amend The London Borough of Bromley (Off-Street Parking Places) Consolidation Order 1995 and any relevant On-Street Parking Orders.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	ES12029 Parking Charges Report – 28 th February 2012