

## ***Report to the Cabinet***

***Report reference:*** ***C-077-2013/14***

***Date of meeting:*** ***3 March 2014***



**Epping Forest  
District Council**

**Portfolio:** **Safer, Greener & Transport**

**Subject:** **Parking Strategy and Tariff Structure**

**Responsible Officer:** **John Gilbert** **(01992 564062)**

**Democratic Services Officer:** **Gary Woodhall** **(01992 564470)**

---

### **Recommendations/Decisions Required:**

- (1) To agree the revised District parking strategy for consultation with local businesses, business organisations and the residents;**
- (2) To agree the interim tariff structure to commence on 1 May 2014; and**
- (3) To receive a further report as early as possible in the new municipal year (2014/15) setting out proposals for new 'smart' meters and revised tariffs based on the consultation referred to in recommendation (1) above.**

### **Executive Summary:**

The Council has not raised its off street parking charges for five years, and its adopted parking strategy was last considered in November 2004. Current economic circumstances and continued pressure upon parking facilities dictate that both the strategy and tariff structure should be reviewed. It had been hoped to undertake the background work for the review in time for the commencement of the 2014/15 financial year, but this has not been possible. In order to ensure that due consideration is given to options, this report suggests that the revised strategy be considered and then consulted upon. In respect of tariffs it is suggested the existing tariffs are essentially raised in accordance with the lost inflationary increases over the past five years, pending the outcome of the strategy consultation and a more fundamental tariff review.

### **Reasons for Proposed Decision:**

The parking service is required to generate an additional £150,000 of income as part of the 2014/15 budget. It is therefore important that this income generation commence as early as possible in the new financial year to avoid the need to generate the income over a reduced period of time. It is also important that steps are taken to ensure a balance of parking provision, albeit with an emphasis upon the needs of shorter stay visitors and users of the Council's car parks

### **Other Options for Action:**

None at this stage other than to defer any increase in tariffs until the strategy has been consulted upon and agreed. However, this would require the £150,000 of additional income to be generated within a shorter period of time, perhaps with tariffs increasing to a greater

extent than would otherwise have been necessary.

## **Report:**

### Background

1. The Council's existing Parking Strategy was adopted by Cabinet in November 2004. This adoption was made at a time when the Council was acting under an agency agreement with the County Council and therefore was the de facto highways authority for the District. The adopted strategy is set out below:

- (a) increase short stay on-street parking opportunities for shoppers and visitors;*
- (b) provide residents with improved on-street parking facilities by precluding all-day non-residential parking in residential streets close to:*
  - (i) town centres; or*
  - (ii) railway stations;*
  - (N.B. "Close" to be defined according to local circumstances)*
- (c) encourage greater use of public transport, cycling and walking for travel to work;*
- (d) provide long stay parking facilities for local commuters who have no alternative to the car for travel to work;*
- (e) off-street car park season tickets to be valid in on-street facilities where provided; and*
- (f) the current 50% maximum season ticket allocation for off-street car parks be increased where appropriate to maximise car park occupancy.*

2. Since this strategy was adopted, the highways agency has ceased, and all highway responsibilities have returned to Essex County Council. Furthermore, the agency arrangements for on-street parking have also ceased and been replaced by the North and South Essex Parking Partnerships (NEPP and SEPP respectively). This Council is a member of NEPP, along with Harlow, Tendring, Braintree, Uttlesford and Colchester, which is the lead authority and provides the on street enforcement service for the NEPP area.

3. Although not statutorily required to do so, the Council has continued with its programme of locally based parking reviews, using its own capital resources. These have tended to be controversial and problematical to deliver, since it is extremely difficult to achieve an outcome or outcomes which meet all local parking demands. However, the capital programme has within it capital resources allocated for the Epping, Buckhurst Hill and Loughton Broadway reviews. Parking reviews are currently undertaken on the Council's behalf by Essex County Highways through its contract with Ringway Jacobs.

4. The Council has appointed NEPP to undertake enforcement in the Council's off-street car parks. This decision was made since costs were considerably less than were likely by procuring an off-street service through a formal competitive exercise.

5. Off street parking tariffs are set by this Council, those on-street by NEPP. Off street tariffs have not changed for five years, this being part of the Council's policy to support the local economy. This policy has been maintained despite a report commissioned from PriceWaterHouse Coopers in late 2011 which suggested that the Council's tariffs were low and that additional income could be generated without necessarily impinging upon competitiveness with adjoining local authorities. However, recent economic and funding

circumstances have led the Council to conclude that tariffs must now increase to generate an additional £150,000 per annum, and this sum has been included within the 2014/15 Continuing Services budget.

6. The significant changes in circumstances arising from the creation of NEPP and SEPP, and the need to generate additional income to support the Council's budget means that the Council's overall parking strategy and its tariff structures are in need of review.

### Strategy Review

7. Each of the existing strategy statements is now considered in turn:

**(a) increase short stay on-street parking opportunities for shoppers and visitors**

This has always been an issue, especially for towns which have significant commuter pressure (see issue (d)). It was necessary recently to amend the tariff structure and arrangements in Epping Town Centre to enable more spaces to be made available in the Cottis Lane car park for shoppers and visitors. However, this does conflict with issue (d), which suggests that the Council should provide long stay parking for commuters who have no alternative to the car for travel to work. In reality there is insufficient car parking capacity to meet both these aspirations and therefore any revision to the overall strategy will have to reconsider the Council's approach to commuters.

**(b) provide residents with improved on-street parking facilities by precluding all-day non-residential parking in residential streets close to:**

**(i) town centres; or**

**(ii) railway stations;**

Local parking reviews have nearly all been driven by the need to try to manage the pressures from commuters (both London and locally employed) parking on street rather than in station, Council or private car parks. It is clear that commuters will always seek to pay the minimum required for a parking space, and indeed are prepared to walk significant distances to their chosen station rather than pay more nearby. This is a reflection of the cost of parking at London Underground and nearby mainline stations. Solutions for local residents involve a combination of yellow line restrictions and/or resident parking schemes. When consulted, there is always a very mixed response depending upon just how acute the problem is, residents' willingness to meet the costs of resident parking and to be inconvenienced by the controls. The major issue arising from such schemes is always 'displacement', whereby new controls displace commuter parking to the nearest available area where no restrictions apply. This can result in a relatively local scheme becoming very much wider as more residents find themselves under parking pressure, and is the main reason why schemes take much longer to implement and complete than originally envisaged. The costs associated with parking reviews are considerable and the outcomes are, at best, variable. Consideration should therefore be given to the cessation of all further on-street parking reviews.

**(c) encourage greater use of public transport, cycling and walking for travel to work;**

This element stems from when the Council was the de facto highways authority. In reality, the Council now can have only very limited impact on these matters, which are predominately within the domain of Essex County Council as the highways authority. The Council does of course have a role through its development control functions in respect of new building(s) within the district.

**(d) provide long stay parking facilities for local commuters who have no alternative to the car for travel to work**

As indicated in the background section, this is the element which gives rise to the greatest tension, due to the nature of the District. The Council has eight LUL Central Line stations, not all of which have their own off-street parking, or have only very limited parking. It is clear

that commuters will travel long distances to be able to park and use the Central Line rather than use main line rail services. The rising cost of parking at both main line and LUL stations has resulted in an exodus of commuters into Council car parks, which in turn has caused difficulties for local people wanting to park in and use town centres.

The second category of commuters is the local employers/employees, who work in the District's town centres and require long stay parking. These include Council employees who do not have access to the Council's own office car parks.

Tariffs have been held down for a number of years to assist the local economy, but this has had the effect of making the car parks extremely attractive to London commuters. Consideration needs to be given to the role of the Council in providing long stay parking for commuters versus the need to ensure parking availability for shorter stay visitors and shoppers.

**(e) off-street car park season tickets to be valid in on-street facilities where provided**

This element is no longer deliverable since NEPP is now responsible for on-street parking arrangements.

**(f) the current 50% maximum season ticket allocation for off-street car parks be increased where appropriate to maximise car park occupancy**

Over time some minor amendments have been made to enable the greater use of season tickets in Council car parks. However, the take up of season tickets remains very low (just 151 permits compared to the 1,754 spaces available) with the majority of the season tickets being purchased by a few large employers within the District. The approach to season tickets will need to be reconsidered in the light of decisions made around commuter parking and tariff structures.

Proposed New Strategy

8. In considering a revised parking strategy, it is necessary to recognise that all the competing demands cannot be met at this time within existing car parking capacity. It has been demonstrated previously that whatever tariff structure is implemented, it will inevitably disadvantage one set of users over another. The Council has therefore to consider how best to balance the competing demands of local users, local employers/employees and those who commute out of the district to London and elsewhere.

9. The proposed strategy for consultation is as follows:

(1) *In order to support the economic vitality of town centres and associated businesses, the following principles be considered:*

(a) *the provision and availability of short stay parking for up to five (5) hours;*

(b) *the introduction of linear tariffs (i.e. equal steps from one charging period to the next, such as 70 pence for each hour);*

(c) *differential tariffs for different locations;*

(d) *the continuation of limited free parking on Saturdays within each town centre;*  
*and*

(e) *the continuation of free parking in all car parks on Saturdays in December of each year;*

(2) *The needs of locally based employers and their employees be recognised and that provision be made to facilitate their long stay parking;*

(3) *The wish of residents and non-residents to use the Central Line to commute to work be recognised and facilitated, but that the costs of that parking properly reflect the comparative costs of parking in station and other private parking facilities;*

(4) *In support of (1), (2) and (3) above, Council parks be generally available for both short and long stay use but that the balance between those uses be controlled through:*

(a) *the retention of short stay only parking in designated locations (e.g. a five hour maximum stay);*

(b) *the tariff structure (to include season ticket arrangements);*

(c) *the promotion of season tickets, and subject to the available technology, the use of “smart cards” for local employers and employees; and*

(d) *the balance of season ticket availability within car parks;*

(5) *Given the difficulties of determining acceptable solutions for parking pressures around commuter stations within the District, the current policy not undertaking any further wide area parking reviews once the existing commitments to Buckhurst Hill and Loughton have, subject to available resources have been delivered, be maintained. Following these implementations, all requests for further on-street controls or amendments to existing controls shall be referred directly to Essex County Council as the Highways Authority or to the North Essex Parking Partnership. The Council will, through its relationships with NEPP and the County Council, continue to seek to influence NEPP and the County Council in investigating on-street parking stress and determining and delivering solutions;*

(6) *The need to encourage alternative modes of transport to the car are recognised. However, given that the availability of public transport is limited, particularly in the more rural areas the Council will continue to seek to influence the County Council to ensure the availability of appropriate public transport. It will also endeavour, through its adopted planning policies and development control powers when approving new developments, to seek to ensure a balance between:*

(a) *the need to have access to and use of a car; and*

(b) *the proximity of and availability of public transport;*

(7) *The needs of those with disabilities be recognised and that:*

(a) *dedicated free spaces for holders of valid “blue badges” continue to be provided in the Council’s car parks; and*

(b) *notwithstanding (a) above, a vehicle displaying a valid blue badge can park in any space within a Council car park at no charge; and*

(8) *That the cleanliness and safety of the Council’s car parks be maintained such as to retain the accredited status of Park Mark.*

10. It is important that there is ‘buy in’ of the strategy, particularly from local businesses, which frequently tell the Council that parking is a key issue in encouraging people to work in and visit the District. It is therefore suggested that the proposed strategy be formally issued

for consultation through the Town & Parish Councils, Town Centre Partnerships, Federation of Small Businesses, Chambers of Commerce and “One Epping Forest”. In addition it is also suggested that the proposed revised strategy also be placed on the Council’s website so that residents generally can express their views. The consultation exercise will invite general comment and also ask some specific questions in respect of:

- (a) free parking on Saturdays;
- (b) free parking at weekends in December each year; and
- (c) a linear tariff structure, with protection for short stay use.

**(Recommendation (1)).**

Tariff review

11. It had been hoped to bring a proposed new tariff structure to this meeting of Cabinet. Unfortunately because of resource pressures and the need to ensure that the technology available through ‘smart’ parking meters would be able to deal with more complex tariff structures, this has not been possible. However, it is proposed that a report be brought back to cabinet at the earliest opportunity in the new municipal year setting out proposals for longer term changes to tariffs and the introduction of “smart” parking meters.

**Recommendation (2)**

12. It is therefore proposed that in the short term, given the requirement to generate additional income that:

- (a) the existing tariffs be inflated to reflect the five years where there has been no increase; and
- (b) the long stay “all day” tariff be increased beyond inflation to reflect local station charges

13. The application of inflation alone does not provide a linear tariff, an issue which should be addressed in any future tariff proposals. In retaining the 10p tariff for up to 30 minutes it should be noted that whilst this accounts for 45% of ticket purchases, it generates only 4% of the overall income. This should be compared with users staying up to 2 hours, 45%, generating 52% of the income and those staying longer than 2 hours, 10%, generating 44% of the income. It is proposed to retain the five hour maximum stay limit in Cottis Lane car park, to ensure that it clearly retains its identity as a short stay car park.

14. The new interim tariff structure is proposed as follows:

Type As is Proposed	Up to 30 min	Up to 1 hour	Up to 2 hours	Over 2 hours	Up to 3 hours	Over 3 hours	Up to 4 hours	Up to 5 Hours
<b>Cottis Lane</b>	0.10 0.10	0.65 0.70	1.30 1.40		1.90 2.10		2.50 2.80	3.20 3.50
<b>Short stay</b>	0.10 0.10	0.65 0.80	1.40 1.60		2.80 3.20	9.00 10.00		
<b>Long stay</b>			1.40 1.60	2.80 3.50				
<b>Combined</b>	0.10 0.10	0.65 0.80	1.40 1.60	2.80 3.50				

### **(Recommendation (3))**

#### **Resource Implications:**

In order to ensure that income targets are met, it should be recognised that parking fees are subject to VAT at 20%. Therefore each tariff has within it an element of VAT, thereby reducing the income that the Council actually receives, such that to raise the additional £150,000 for the 2014/15 budget, requires tariff increases to generate an additional £180,000 per annum.

On this basis, the current tariff structure, based on the usage data provided by NEPP, generates in the region of £ £950,000 per annum, which amounts to £780,000 of income per annum once VAT is deducted, from pay & display income, electronic payments (via MiPermit) and season tickets (NB. Does not include income from penalty charge notices). The revised tariffs set out above would, if usage remained the same, generate an additional £160,000 (£133,000 after VAT), slightly less than the required £180,000 (£150,000 after VAT) in the 2014/15 budget. However, it is important to note that this increase is based upon modelling, which by definition includes assumptions around usage. Furthermore, the changes made at Cottis Lane last year have only been in force a relatively short while and therefore more time is needed to see how usage settles.

If a sensitivity analysis is undertaken at 5%, 10% and 15% reductions in usage, it produces, after deducting VAT, a predicted reduction in additional income of around £40,000, £80,000 and £120,000 respectively.

The estimated outturn for the 2013/13 budget was a surplus of £296,000. This has now been reduced to a probable outturn of around £255,000, a reduction of £41,000. The reasons for this shortfall are not known, but it does indicate how difficult it is to accurately predict income from parking, especially in difficult economic times. Therefore, and looking forward to the position after the consideration of the strategy, the tariff structure will have to be amended to generate further income and to protect the Council from the effects of potential reduced usage.

#### **Legal and Governance Implications:**

Amendments to tariff structures are undertaken on the Council's behalf by NEPP, who will have to follow the normal statutory publication protocols. It should be noted that government has recently introduced a duty upon local authorities whereby they will be required to publish on their website full financial details of parking revenues. Councils are also being required to publish the number of controlled parking spaces in their area, both on and off street. This forms part of the government's 'transparency' agenda, informing residents and businesses of what income the Council generates from parking revenues and what it does with that income. It is also likely that Government will require the publication of an annual parking report, setting out similar detail.

Additionally the Government is undertaking a consultation exercise on town centre parking generally, which has been responded to by NEPP. Copies of that response and additional comments made by this Council following consideration by the Safer, Cleaner, Greener Scrutiny Panel have been published in the Members' Bulletin.

#### **Safer, Cleaner and Greener Implications:**

The amendments to the strategy and tariff structure have no direct consequences. The Council's car parks are already designated under Park Mark (safety checked) and the

proposed changes will not alter that position. Car parks are regularly maintained and cleansed and cleansing requirements are included within the forthcoming new waste management contract.

### **Consultation Undertaken:**

If the recommendations are accepted then the proposed strategy will be issued for consultation to local businesses and residents.

### **Background Papers:**

Government Consultation on Town Centre Parking

Government requirements for transparency in a number of issues including parking revenues

Budget papers for 2013/14 and budget estimates for 2014/15

PriceWaterHouseCoopers – “Revenue Income Optimisation” – November 2011

### **Impact Assessments:**

#### Risk Management

The major risk is as set out in the resources element of the report, that being difficulties around the modelling of the consequences of changes to car parking tariffs. Until time has elapsed following their introduction, it will not be possible to be certain that income streams have reacted in the way anticipated.

A second risk relates to the current Government agenda on car parking charges and support for the town centre. The consultation paper and requirements to publish financial data are set out in the report. The generation of an additional £150,000 (net) in income may be seen as a further burden upon local business, despite the Council having kept tariffs static for some five years, and intending to ensure that short stay spaces remain available for visitors / shoppers etc.

The modelling of data assumes that Sainsbury's will agree to the revised tariffs as proposed. Members are reminded that the car parks in Loughton associated with Sainsbury's stores are managed by the Council but not owned by the Council. The Loughton car park is large (270 spaces) and whilst the Council only receives 10% of the income stream, if there is no agreement, there would be an additional income shortfall of around £5,000 per annum.

#### Equality and Diversity

See attached Due Regard record.



# **Due Regard Record**

## **Name of policy or activity:**

### **Review of parking strategy and tariff structure**

**3 February 2014 / John Gilbert – Director of Environment & Street Scene**

The provision of off street car parking is a service made available to all. Provision is made in most of our car parks for those with disabilities through the provision of dedicated free spaces for those who display a valid “blue badge”. When dedicated spaces are full or where due to the limited size of the car park no dedicated space is provided, holders of “blue badges” can park free of charge in any car parking space. In both cases, parking is free and without limit of time.

All the Council’s car parks are accredited under “ParkMark”, which means they are well maintained, well lit and have the benefit of CCTV. Accreditation is authorised by the Police.