

# Cabinet

10 March 2022

## On-street Parking Management - Cross-Party Working Group Recommendations

### Recommendation(s)

That Cabinet endorses the recommendations made by the Cross-Party Working Group in sections 2 and 3 and authorises the Strategic Director for Communities to propose and, if no objections are received, to make variations to the on-street parking orders pursuant to sections 45 and 46 of the Road Traffic Regulation Act 1984 giving effect to the changes to the residents' and guesthouses' permit structure and charges recommended by the Working Group.

### 1. Executive Summary

- 1.1 In April 2019, Cabinet considered a number of proposed changes to on-street parking management. Cabinet resolved that a period of public consultation on the changes should take place. A wide-reaching consultation was duly carried out over a nine week period in summer 2019 and this provided details of the potential changes to on-street parking management for public feedback. These proposals included price rises for residents' permits in order to make the permit scheme self-financing, a switch to virtual permits, increases to pay and display charges and changes to parking suspensions and dispensations.
- 1.2 Feedback from the public consultation was considered at the Overview and Scrutiny Committee (OSC) in January 2020. In response to the feedback, OSC recommended changes to the proposed permit price rises, that the switch to digital virtual permitting should proceed, and that pay and display charges and parking suspension and dispensation charges should increase as proposed. OSC resolved that these recommendations should be taken forward to Cabinet.
- 1.3 In October 2020, Cabinet discussed the proposed changes and resolved that the intended pay and display rises should go ahead as previously identified and that the switch to digital virtual permitting should also proceed. The agreed pay and display price rises were put on hold to recognise economic issues caused by the pandemic. The report also recommended that the proposals to increase permit prices should not proceed for the time being because of the economic impacts of the pandemic on businesses and individuals. In addition, it was recommended and resolved that a short duration cross-party working group be established, chaired by the Portfolio Holder for Transport & Planning, to make recommendations as to the future

basis of permit pricing and the opportunities for parking management to promote environmental sustainability and the visitor and general economy.

- 1.4 All recommendations made by the Cross-Party Working Group were majority made. Discussions were made over the nature of the pricing structure but it was agreed that the principle of the residents permit pricing, should be closer to breaking even.
- 1.5 The group was comprised of five Conservative group members (including the Chair), one Labour group member, one Liberal Democrat group member and one Green group member. The group was supported by Transport & Policy, Legal, and the Assistant Director for Communities and Democratic Services.

## 2. Recommendations of the Group

### Legal Context

- 2.1 The County Council is required to maintain a single ring-fenced parking account by section 55 of the Road Traffic Regulation Act 1984 and to account in it for all income and expenditure in relation to designated parking places in the highway. Designated parking places include places designated for use by residents' and business permit holders as well as pay and display places available to the general public. The courts have made it clear that it is permissible to set charges with the intention of recovering the cost of providing on-street parking places and enforcing the rules as to their use but it is not permissible to set charges in order to create a surplus for the purpose of raising revenue to spend on other purposes. It is permissible to have a surplus if that is the result of setting charges in order to achieve the traffic management objectives set out in section 122 of the 1984 Act; what is not permissible is setting charges *with the objective* of creating or increasing a surplus.
- 2.2 Section 122 is reproduced in Appendix 3 and examples of traffic management objectives given by the courts are: the need to restrain competition for on-street parking; encouraging vehicles off-street; securing an appropriate balance between different classes of vehicles and users; and selecting charges which reflect periods of high demand. Section 122 specifically refers to air quality and climate change objectives would be another relevant matter for the purpose of section 122.
- 2.3 Section 55 also requires that, if there is a surplus, and it is not intended to use it to create more off-street parking, it can only be used for public passenger transport services, highway improvement projects and environmental improvements.

### Residents' Permits

- 2.4 Warwickshire's on-street parking permits (resident and visitor) currently cost £25 each. In the majority of residents' permit zones three residents' permits are available per household plus one visitor's permit. An internal review had previously found that the cost to the County Council of running a residents'

permit scheme would be met if permits were priced at £80 each. Subsequently, a further, external review has calculated a figure of £63 per permit as a break-even value.

- 2.5 In 2007, Cabinet agreed a set of parking policies which included the principle that charges for residents' permits should be based on the costs of administering the scheme, with the intention being that charges should be set at a level which makes the permit scheme self-financing, i.e. cost neutral. There was also a limited increase in parking permits prices in 2015. The economy is now emerging from the effects of the pandemic and the reason for the decision to hold permit prices in October 2020 has substantially diminished. Therefore, in line with this policy, and to reflect the wish to see households which take up additional carriageway space as a result of multiple car ownership pay proportionately more for additional permits, after a vote, the group proposed the following prices:
- First resident parking permit - £50
  - Second resident parking permit - £75
  - Visitor parking permit - £75
- 2.6 These charges represent a considerable relative increase to the current flat rate charges, although the amount is broadly in line with the charges made by other authorities. It is estimated that these charges will recover the costs of operating these permits without making a surplus on this element of the parking account. However, the parking account includes a number of other income streams and overall the account generates an annual surplus which (in ordinary economic conditions) is about £2,000,000. This annual surplus is continually being re-invested in schemes of the kind permitted by section 55 (see paragraph 2.3 above).
- 2.7 When the County Council previously consulted on increases to charges for residents' permits, an objector argued that it could not lawfully increase the charges in order to break even on the costs of the permit scheme so long as there is a surplus on the parking account as a whole. The objector reasoned that the effect of the increase would be to increase the overall surplus and this would be done for the purpose of raising revenue and not for a permitted traffic management purpose.
- 2.8 The objector has made his case in correspondence, and we are not aware of any case having come before the courts on the specific argument made by the objector. However, the Courts have supported the general principle that an authority can seek to recover its costs in providing and regulating on-street parking places. This support must implicitly recognise the principle that the beneficiary pays, i.e. that those who benefit from publicly owned and provided parking places may reasonably be asked to pay for that benefit rather than the cost falling on the general taxpayer.
- 2.9 The highway is a public space and residents do not have legal priority over parking places in the roads near their homes unless the County Council makes and enforces a permit scheme reserving places for them. Therefore, permit schemes create a benefit for residents that they would not otherwise

have and that other members of the public are denied. If the residents who benefit do not recompense the County Council for the cost of the permit scheme, the result is that (whether or not there is a surplus on the parking account) other members of the community are subsidising the cost of providing them with their parking places. It might be thought inequitable that the other members of the community should pay any part of the cost of (effectively) depriving themselves of parking places.

- 2.10 The County Council is not legally obliged to raise charges so that the permit scheme breaks even; it has a discretion and Cabinet is free to depart from the policy that it set in 2007. The parking account would remain in surplus overall even if no charges were made for residents' permits. However, having regard to the acceptability of the principle that the beneficiary pays, it is considered that it would be a lawful and reasonable exercise of its discretion to increase the permit charges as proposed by the cross-party working group.
- 2.11 The group also discussed the issue of capacity in residents' parking zones. It was concluded that removal of the third residents' permit would help to reduce demand for parking in these zones and that this should be a county-wide measure (see paragraph 3.1).
- 2.12 The group agreed that parking permit prices should be reviewed every three years to take inflation into account over that three-year period.
- 2.13 The group agreed to allow a 25% discount for electric vehicles (not including hybrid), but this would only be applicable to one electric vehicle permit per household, which would be the first permit normally priced at £50 and would only be available for three years. The proposed discount will be reviewed with the next inflationary permit price rise.

#### **Business Permits**

- 2.14 The group agreed that the County Council should continue to explore business permits, with the overall intention that businesses with parking permits should not take excess spaces away from residents. The group agreed that the permits should take into account the responses that had been received following consultation with businesses. Any proposals in relation to business permits would be the subject to a future report and reviewed by the group.

#### **Guesthouses**

- 2.15 The group agreed that the charge for the scratch card system being used by guesthouses should increase to £5 per scratch card. Parking on the highway removes space for local residents and the group considered that the charge for guesthouse visitor parking should move closer to the charge that a day's on-street parking would incur in a pay and display zone.
- 2.16 The County Council approached the borough/district councils regarding the potential use of their car parks and was notified that many had free spaces in their car parks after a certain time of day which were available to guesthouse visitors and other motorists alike, but there was currently no facility for

guesthouse visitors to use their scratch cards in them. At this stage, it has not been possible to agree changes which would make night-time parking available via the guesthouse scheme.

### **Pay & Display (P&D)**

- 2.17 The group agreed to recommend that linear charges be kept in place regarding Pay and Display parking charges, which allows payment and parking for shorter periods of time, rather than adopting a car park style charging regime of payment for up to one hour or up to two hours at a time. The group considered that payment for shorter periods of time allowed greater flexibility for motorists to pay for and spend short intervals parked on-street while quick errands were carried out.
- 2.18 The group discussed the issue that several of the district and borough councils have increased or will shortly increase their car park charges. These parking fees will be more expensive than the County's on-street charges. This is not in line with our current Local Transport Plan (LTP3) which aims to reduce congestion by using charging, among other options, to promote off-street parking ahead of on-street. The group agreed to recommend that on-street pay and display parking charges increase to match those of the appropriate district or borough.
- 2.19 The group agreed that motorists should be encouraged to park off-street and use park and ride services to reduce congestion on roads in town centres, which will have the added benefit of improving town centre air quality.
- 2.20 Any further changes to Pay & Display charges in line with these recommendations would need to be the subject of a further report to Cabinet.

## **3. Financial Implications**

- 3.1 The group recognised that the current level of charges for residents' permits does not meet the cost of administering the permit scheme in itself. The recommendation was to raise permit prices as follows:
- First resident parking permit - £50
  - Second resident parking permit - £75
  - Visitor parking permit - £75
- 3.2 Assuming the same level of permit uptake, and the same proportions of first, second and visitor permits, and taking into account the removal of the third residents' permit, the proposed charges would result in an average permit cost of £60 across the entire permit uptake, which is close to the externally assessed value of £63 per permit.
- 3.3 The recommended permit cost uplift would result in a revenue increase of approximately £450,000 annually compared to the current revenue received from permits.

- 3.4 The group considered the price rises that the district and borough councils have introduced in their off-street car parks. Stratford and Warwick District Council car parks currently have charges which are higher than WCC on-street charges. This goes against current LTP3\_policy, which aims to encourage off-street parking over on-street, through a range of options which include charge-setting.
- 3.5 The result of the group's recommendation to raise WCC on-street parking charges to match those of district and borough car park charges in order to encourage off-street parking would have revenue implications for WCC.
- 3.6 Assuming the same degree of parking uptake, on-street charges which are aligned with Stratford and Warwick District Council charges would see WCC receive an additional annual £342,000 from pay and display and RingGo on-street parking transactions.

## **4. Environmental Implications**

- 4.1 After it was clarified that a relatively small number of households in Warwickshire had three residents' permits, the group voted to recommend removing the third residents' parking permit cross-county, with the intention being to ease demand in some of the busier permit zones.
- 4.2 Abolishing the third permit was considered appropriate in these higher demand areas, due to the lack of space on smaller terraced streets, particularly in Rugby Borough and Stratford District.
- 4.3 The group also voted for a temporary discount for electric vehicles in line with the national drive to promote electric vehicle uptake and to mitigate the effects of climate change. A 25% discount on one electric vehicle permit per household was agreed. Whilst this discount will not by itself make a substantial difference to the economics of electric car ownership, it would be part of a package of measures by national and local authorities which express approval and encouragement for those who make this choice. This discount will be reviewed at the same time as the next inflationary permit price rise review.
- 4.4 Reducing the number of available permits per household and providing a discount for electric vehicles will make a contribution towards encouraging other forms of transport, including active travel and more sustainable forms of transport, both of which will improve air quality in town centres which often suffer from nitrogen dioxide pollution, a component of vehicle exhaust gases.

## **5. Supporting Information**

- 5.1 Evidence and reasoning supporting some of the recommendations are in the appendices attached for the report or were discussed/debated by the group after they were provided with options.

5.2 When other local authorities were contacted regarding how much they charged for their resident permits, they shared the following information:

Local Authority	1	2	3	Vis.	Notes
<b>WCC</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	
Derbyshire	35	50	50	13	
Leicestershire	50	50	-	20*	*Per calendar month
Staffordshire	49	49	-	49	
Gloucestershire	61.80*	123.60*	-	62.50	*Reduced for EVs
Oxfordshire	65	65	130	50*	* Limited annual visitor allowance
Northamptonshire	35	35	-	35	
Worcester City	30	40	60	5*	* For max 40 six-hour sessions
Birmingham	19*	38	38	75p/day	*£263 in city centre
Coventry	20*	20*	20*	20*	*all under review
Sandwell	31.80	37.10	50.90	14.80*	*For max 20 six-hour sessions
Walsall	40	50	-		
Solihull	108*	108	108	108	*plus £185 joining fee

In 2016, the average resident's permit charge nationally was £64.

5.3 The Communities Overview & Scrutiny Committee considered the proposals at an informal meeting on 2 March. Members of the Committee discussed the principals involved and expressed their support, but they made the following comments:

- Approximately 5% of resident permit holders hold a third permit and consideration should be given to how the loss of the third permit can be mitigated. This will include thorough communication of the alternatives open to them
- Residents will be dismayed if scarce residents' permit spaces are lost to business permits – but this will not be enacted in this report
- Risk of displacement of guest house visitors needs to be looked at carefully

- Consider using surplus funds in the parking account for EV installation in affected areas
- All Members should be notified when statutory consultation begins
- There should be an assessment of the impacts of the changes by the OSC 12 months after they come into effect
- Officers should investigate whether they could supply Members with details of the localities in which the third permit holders live and further clarification on how HMOs are dealt with regarding parking permits

## 6. Timescales associated with the decision and next steps

- 6.1 Although permit charges can technically be increased by means of a notice, without further consultation, other proposed changes would require statutory advertisement and consultation. As the precise permit charges now proposed have not previously been the subject of consultation, Cabinet is recommended to include them in the statutory consultation as part of a package rather than using the notice procedure.
- 6.2 Work to implement agreed proposals would start immediately at the end of the call-in period following Cabinet approval. If there are objections to any proposed TRO variations, when advertised during the statutory consultation process, a report will be brought to the portfolio holder for a decision on whether to proceed with the variations in light of the objections. Depending on the complexity of the proposed changes to the TRO, the result of feedback from consultation and the requirement to amend signing and lining and back-office operations, variations can take around twelve months to be implemented on street.
- 6.3 The parking team will monitor the permit scheme and implement any changes when needed.

## Appendices

1. Consultation with businesses on on-street parking permits for businesses
2. EQIA Assessment
3. Section 122 of the Road Traffic Regulation Act 1984

## Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: Councillors Jonathon Chilvers, Jeff Clarke, Sarah Feeney, Dave Humphreys, Jan Matecki, Bhagwant Pander, Wallace Redford, Kate Rolfe and members of the Communities OSC