

SHEFFIELD CITY COUNCIL



Individual Cabinet Member Report

Report of: Executive Director, Place

Date: 12th June 2014

Subject: Parking Permit Prices

Author of Report: Paul Fell Tel: 0114 205 7413

Summary:

The purpose of this report is to address two petitions which have been received requesting:

1. That parking permit prices be returned to pre-2011 levels, which were £10 for a first residents permit, compared to the current £36.
 2. That permit prices be reduced for people on low incomes.
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Reasons for Recommendations:

Permit prices are now at the same level that they were in 2008. The drop in prices agreed in 2009 was only maintained for a short period and prices returned to their former levels in two stages by April 2013.

The main role of Parking Services is to ensure that parking policies are effectively implemented and enforced. The cost of permits contributes to the scheme's enforcement, maintenance and administration, but even at current levels, permit fees alone do not cover these costs fully.

A parking permit allows the holder a genuine advantage over other motorists and it has therefore been approved as reasonable that the motorist pays a contribution towards the overall costs of providing the administration and enforcement service.

Recommendations:

- Note the contents of the petitions and the requests to reduce permit prices to former levels and introduce lower prices for people on low incomes.
 - To endorse the permit prices already agreed for 2014/15 without further change. Instruct officers to advise the lead petitioners of the decisions.
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Background Papers: Appendix A – re People on Low Incomes
Appendix B – re 2011 Charge Levels

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
Yes Cleared by Catherine Rodgers,
Legal Implications
Yes Cleared by Nadine Wynter,
Equality of Opportunity Implications
NO
Tackling Health Inequalities Implications
NO
Human rights Implications
NO
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
All
Relevant Cabinet Portfolio Leader
Leigh Bramall
Relevant Scrutiny Committee if decision called in
Culture, Economy and Sustainability
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

Parking Permit Prices

1.0 SUMMARY

- 1.1 Parking permit schemes are a vital element of transport policy in Sheffield. They allow residents and businesses in the permit areas relief from the detrimental effects of all-day commuter parking, which did cause significant issues in those areas.
- 1.2 The Council have been progressively implementing a ring of permit parking zones around the City centre, forming the Peripheral Parking Zone.
- 1.3 The price of permits started out in 2004 at £35 for a first resident's permit and increased to £36 in 2008. The cost of a first residents permit is £36 for the current financial year.
- 1.4 Two petitions have been received requesting changes to parking permit prices.
- 1.5 The first, containing 290 signatures, states that current permit prices are unfair and excessive and requests that permit prices be put back to pre-2011 prices, i.e. £10 for a first resident permit.
- 1.6 The second requests that permit prices be lowered for people on lower incomes.

2.0 OUTCOME AND SUSTAINABILITY

- 2.1 The operation of on and off street parking spaces, the management of parking through the introduction of parking restrictions and use of parking permits contribute to the management of traffic in the city. Traffic management is a key part of the Local Transport Plan (LTP), a statutory document that sets out how transport will help support the development of the Sheffield City Region (SCR) over the next 15 years.
- 2.2 Traffic management through parking restrictions and their enforcement also enables the Council to help deliver its "Vision for Excellent Transport in Sheffield", by investing in facilities to enable people to make informed choices about the way they travel and helping transport contribute to the social, economic and environmental improvements we want to happen in the City.

3.0 WHAT DOES THIS MEAN FOR THE PEOPLE OF SHEFFIELD

- 3.1 In line with the Road Traffic Regulation Act 1984, the priority in spending any surplus parking income is the provision and maintenance of off street parking spaces. Income may also be used to fund public transport, highway and road improvement and maintenance, reducing environmental pollution, maintaining and improving public open spaces.

- 3.2 Income from parking permits alone does not cover the expenses incurred in operating permit parking schemes.
- 3.3 The combination of permit income, parking penalty income and pay and display income does produce an overall surplus within the 'parking account' into which, by law, all parking related income must come.
- 3.4 The surplus parking income from the Parking Account underpins the activities of the Transport Traffic and Parking Services Division and allows that Division to carry out work which may not otherwise be funded. Any substantial reduction in parking permit income would mean a reduction in the amount of work the Service could carry out.

4.0 BACKGROUND

- 4.1 The main role of Parking Services is to ensure that parking policies are effectively implemented and enforced. This results in improved traffic and public transport flow, road safety, use of parking spaces and environmental benefits.
- 4.2 Permit parking schemes are aimed at easing parking problems that had been experienced for many years. Measures include the introduction of permit parking, pay and display parking and waiting restrictions. The schemes are designed to improve residents' ability to park near their properties, create a turnover of parking spaces to benefit visitors to the area and help operation of local businesses.
- 4.3 Within permit parking schemes, income comes from a variety of sources including:
 - Resident permits
 - Business permits
 - Visitors permits
 - Trade permits
 - On and off street pay and display bays
 - Penalty Charge Notices
- 4.4 The cost of permits contributes to the scheme's enforcement, maintenance and administration. The initial cost of permits within the Peripheral Parking Zone (starting at £35 for the first residents permit) was determined in the planning of the Broomhall and The Groves scheme which was implemented in 2004. These initial costs were determined from the experience of other authorities around levels of take up of permits and associated Penalty Charge Notice income with the aim of covering the schemes cost.
- 4.5 Permit prices were lowered in 2009 to £10 for a first residents permit, £30 for a second and subsequent residents permits and made free for low emission vehicles. Business permits were £20 for the first permit and £60 for the second and subsequent permits.
- 4.6 Although these prices were held as long as possible, the pressure on budgets has led to the increasing need for Highways services to be self-financing wherever possible in order to allow the Council to allocate it's

reduced funding to areas of greater need. As a result of the year-on-year budget cuts, permit prices were increased in 2012. A similar decision had to be made in 2013, with prices now being as set out in 4.7.

- 4.7 Charged permit parking is in operation within Broomhall and The Groves, Broomhill, Crookesmoor, Highfield, Hillsborough, Upperthorpe and eight smaller zones that made up the former Sharrow Vale scheme. The current permit prices within the Peripheral Parking Zone are:
- Resident: first permit £36, second permit £72 (these prices are halved for low emissions vehicles)
 - Business: first permit £72, second permit £144 (these prices are halved for low emissions vehicles)
 - Visitors permits: £12.50 for a book of 25 permits
- 4.8 The higher cost of the second permit is intended to encourage people to consider whether additional permits are required. This can reduce the number of vehicles in an area, easing parking problems and freeing up parking spaces for shoppers and business customers.
- 4.9 Business permits are not intended to be used simply to allow members of staff to park all day in the zone. They are for a vehicle which is being used in connection with the running of a business, which may not have its own off street parking. The higher permit charges, in particular for the second permit, is also intended to encourage business users to consider operational methods which require fewer rather than more vehicles. This can also reduce the number of vehicles being brought into the area, particularly at peak times, reducing parking problems faced by local residents and making more parking spaces available for shoppers and business customers.

Current income from permit schemes

- 4.10 As highlighted previously, there are different income streams within permit parking schemes including pay and display income (which is obtained from pay and display machines used by shoppers and other visitors to the area), fines issued and permit income.
- 4.11 Even at current levels, permit fees alone do not cover the cost of administering and enforcing PPZs, as the following information relating to permit parking zones from 2012/13 shows.

Income

- Pay and display income – In 2012-13 coin income within our permit parking zones was £1,129,565
- Parking Permits - In 2012-13 residents permit income within our permit parking zones was £315,189
- Recharges - In 2012-13 income within our permit parking zones was £5,085
- Penalty Charge Notices (PCNs) Penalties – The Council's Civil Enforcement Officers enforce parking restrictions across the city. In 2012-13 income from PCNs was £1,834,173. We do not keep specific records of income received from PCNs within each individual permit parking zones, but records show that around 82,300 PCNs were issued across the City between Feb 2012 and

January 2013. Around 22,200 (or 27% - were issued for bus lane and bus gate offences which are enforced using Cameras rather than Civil Enforcement Officers) with around 25,500 (31%) in the Peripheral Parking Zone. 31% of the income from PCNs is £568,570

- Using the above figures, total income within the peripheral parking zones would be around £2,018,409

Expenditure

- The total direct cost of operating Parking Services was £4,257,018. Using 31% to give an indicative cost of operating the peripheral parking zone, equates to a cost of £1,319,675 – far more than the cost of the permits themselves.

4.12 Income and expenditure within the peripheral parking zone forms part of the 'parking account' which is regulated by Section 55 of the Road Traffic Regulation Act 1984. This Act sets out the purposes for which surplus income from parking can be used. These include:

- Provision and maintenance of off street parking
- Funding public transport
- Highway and road improvements and maintenance
- Reducing environmental pollution
- Improvement and maintenance of public open space
- Provision of outdoor recreational facilities open to the public without charge

4.13 All of these functions are carried out by the Council's Regeneration and Development service department, including Transport Traffic and Parking Services and Highways Maintenance Division.

4.14 Although permit parking schemes do provide a surplus, the income has already been factored into the budget calculations for the Regeneration and Development Services Division within the Place Portfolio as part of the annual budget planning. Any reductions in income expectation arising from a reduction in permit prices would need to be factored into the budget process as a pressure either on the TTaPS Division or Place Portfolio. The 2010-11 financial year (when a first residents permit was £10), income from permits was £139,000. The income from permits in the 2013-14 financial year was £424,000. Therefore the drop in income if, as suggested in the first petition, prices returned to the pre-2011 levels could potentially be £285,000.

Some examples of the potential impacts of such a reduction in income are:

- Withdrawal of Schools Crossing Patrol service, cost £197,000
- Ceasing maintenance and repairs of off street car parks, cost £60,000
- Car parking – rates, rents and hire of premises a proportion of the £824,000 cost could be saved by closing some off street community car parks

- Public Rights of Way - withdrawal of revenue budget for maintenance, equipment and supplies, cost £65,000

These examples give a flavour of the potential impacts of a funding reduction. There are many other items of expenditure which are currently funded by surplus income from the Parking Account.

Cost of running a vehicle

- 4.15 Recent studies concluded that the average cost of running a car in the UK is £3,500 per annum, equating to 27p per mile travelled. Therefore the price of a first residents permit (£36 per annum (or £18 per annum for emissions category A&B vehicles)) represents around 1% of the overall average cost of running a car, the daily cost being less than 10p.
- 4.16 Permit schemes were designed through public consultation in order to offer local residents and businesses relief from the issues caused by all day commuter parking. The advantages offered by a parking permit, which gives permit holders priority over any other motorists coming into the area during the scheme operating hours are very significant and represent extremely good value for the comparatively modest fee charged, compared to the other costs of running a vehicle.
- 4.17 Although the income from parking permits is more than the cost of processing requests, producing the actual permits and administering the scheme, a successful permit parking scheme needs to be well enforced - and it is in enforcement where the majority of Parking Services costs arise. The combined income from enforcement (through PCNs) and permits still do not cover the overall cost of running the service. It is only when cash income from pay and display parking is factored into the equation that the service produces a surplus.
- 4.18 As can be seen from the information provided above, the cost of parking permits in Sheffield is relatively modest and local residents and businesses gain a genuine advantage from having a permit. Many other Local Authorities charge for parking permits and a number of these charge more than Sheffield. Sample prices for an annual first Resident Permit:
- Bristol - £30 (second permits are £80, third permits £200)
 - Trafford - £32.50
 - Howden - £35
 - Sheffield - £36
 - York - £46.50 to £130 (depending on vehicle type and emissions)
 - Colchester - £60
 - Harrow - £64.90
 - Brighton & Hove - £90 or £120 (depending on zone)
 - Hackney - £10 to £265 (depending on engine size and emissions)
 - Manchester City Centre - £250-£750 (depending on zone)
- 4.19 It is therefore recommended that no changes be made to current permit prices as a result of this request.

- 4.20 The request in the second petition is for those on a low income to receive a reduction in permit prices.
- 4.21 As has already been demonstrated, compared to the average costs of running a vehicle, the cost of a parking permit is modest and it does offer a significant benefit to permit holders.
- 4.22 The financial impact of lowering permit prices for those on low incomes is very difficult to quantify as it is not known how many current or potential permit holders are on lower incomes, so the number eligible for any discount is currently very difficult to estimate.
- 4.23 Having a further differentiation in permit price would also add to the complexity and cost of permit administration as some proof of the persons income would need to be provided by the applicant or obtained by the Service in order to establish eligibility for any reduced price. Previous experience has shown that it is very difficult to share this type of information (for example, through housing or council tax records) between Council departments due to confidential nature of the information held.
- 4.24 It is therefore recommended that no changes be made to current permit prices as a result of this request.

Relevant Implications

Equalities Implications

- 4.25 A full Equality Impact Assessment has previously been undertaken for the wider transport Capital Programme in December 2012. The overall transport programme makes a clear commitment to the development of an inclusive transport system which provides an alternative for those who choose not to use a car and takes into account the needs of everybody. Of particular importance is making public transport easier to access and use and the promotion of more sustainable and cheaper modes of travel. The Programme aims to provide real travel choices and alternatives, in particularly for the more disadvantaged groups in society. Everyone is affected by transport issues.

Legal Implications

- 4.26 Section 45 of the Road Traffic Regulation Act 1984 gives the Council a power (a discretion) to designate parking places on a highway; to charge for the use of them and to issue parking permits for a charge. Income and expenditure within the peripheral parking zone forms part of the 'parking account' which is regulated by Section 55 of the Road Traffic Regulation Act 1984. As long as the Council continues to apply any surplus generated for the purposes prescribed within the legislation then it is acting lawfully and within its powers.

Financial Implications

- 4.27 If the recommendations are agreed there would be no financial implications. However, if permit prices were returned to 2010/11 rates as requested by the petition, this would create a budget pressure of around £300k which would require alternative savings to close this gap.

Any reduction in permit prices for people on low incomes would also create additional budget pressure both in terms of reduced income and increased administration costs of running such a scheme. Without further work it is difficult to quantify what the extent of this pressure might be but alternative savings would need to be found to mitigate any additional budget pressures.

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The costs and impacts of reducing permit prices have been considered.

6.0 REASONS FOR RECOMMENDATIONS

- 6.1 The parking permit prices to be used in the 2014/15 financial year have already been set and endorsed by the Cabinet Member in April 2014.
- 6.2 Service budgets for the 2014/15 financial year have already been set in anticipation of Parking Services achieving income targets, which include around £423,000 from income from parking permits in parking zones. Any reductions in the permit prices would be a pressure on the Parking Services Budget.
- 6.3 The cost of a permit is demonstrably modest and confers a significant degree of benefit to the permit holder. Therefore no justification is found for the contention that fees are unfair or excessive.
- 6.4 Offering a further discount to people on low wages would add complexity and cost to the permits administration process and would provide limited relief when compared with the cost of running a car.

7.0 RECOMMENDATIONS

- 7.1 Note the requests contained in the two petitions.
- 7.2 Endorse the permit prices already agreed for 2014/15 without further change.
- 7.3 Instruct officers to advise the petitioners of the decision.

Simon Green
Executive Director, Place

12 June 2014