**SUSTAINABLE DEVELOPMENT, PLANNING AND TRANSPORT COMMITTEE**

**15 NOVEMBER 2016**

**PART I - DELEGATED**

**7. REPORT ON PARKING SERVICE CHARGING AND INCOME**

(DCES)

1. **Summary**

1.1 The report sets out some further options and recommendations for bridging the gap between income and expenditure for the Council’s parking services following the request made at the December 2015 Policy and Resources Committee and the Council’s budget-setting meeting on 23 February 2016.

2. **Details**

2.1 This Committee has previously been presented with options for increasing the Parking Services income in response to an existing deficit. At the June 2016 meeting of this Committee the following recommendations were agreed (with the intention that all will take effect during the autumn of 2016):

* Return the existing 8 business permit bays in the Station Approach car park, South Oxhey to general car park use (only 4 to be returned until the existing traders have moved).
* Doctor and Health Services Permits - To increase charges to £25 each for the first five permits increasing to £55 thereafter. That Officers investigate the option of a joint parking permit with Watford and Three Rivers for health service employees.
* To increase the price of all dispensations to £30 per vehicle per day.
* To increase the price of long-term Pay and Display parking in the District from £3 to £4.

2.2 At the September 2016 meeting this recommendation was varied slightly due to an update in circumstances:

* Resolution to return the existing 8 business permit bays in the Station Approach car park, South Oxhey, to general car park use - the car park is now due to be closed for some time and resurfaced. It would therefore not be practical to redesignate the bays at this time.

It is understood this car park is subsequently to be remodelled. We are awaiting further information on alternative provision during its closure.

2.3 The increase in the price of Doctor and Health Visitor permits and dispensations has been actioned and new prices were charged from 1 October 2016. The proposed long term tariff charge is due to be implemented from 14 November 2016.

2.4 It is apparent as a result in some of these increased charges that we issue other forms of permits/dispensations that are not covered above, these are specifically:

Suspensions and Annual Pay and Display permits

2.5 Suspensions

A suspension sees the erection of signage at a particular location that prohibits parking. These are traditionally requested by utility companies undertaking work in the area and often involve the suspension of more than one bay at a time for a longer duration. These are currently charged at £20 per day and this has historically been the same price as dispensations.

2.6 Although agreement of a suspension/dispensation is at the discretion of the Council, including the appropriateness of what has been applied for, the variation in price which now exists (Members agreed to increase the price of all dispensations at the June 2016 meeting) raises concern that individuals/companies may apply for a suspension rather than a dispensation due to the variation in price. In 2015/16 TRDC issued suspensions totalling £980.

2.7 There is a more formal process involved in issuing a suspension, as compared to a dispensation, including the erection of site notices and consequently Officer time. A proposed increase to £30 per day is considered to better reflect the resources invested in the suspension process and bring the fee in line with Watford BC. Whilst this could be increased further based on Officer resource it is considered appropriate to match the price of dispensations to avoid the issues detailed in 2.6 above arising.

2.8 Existing suspension request prices are reduced based on time periods, so although they are currently £20 per day, they are only £120 for 7 days. However, when Members increased the price of dispensations no reductions were permitted and it is proposed that this is the same stance taken for suspensions.

2.9 Annual Pay and Display Permits

For £780 a year TRDC issue an annual Pay and Display permit for use in our long stay car parks. This is approximately equivalent to paying £3 per day for all working days of the year (260 days, charges are only applied Monday to Friday). It offers no saving on the current long term pay and display tariff but provides convenience for those not wishing to pay each day. Currently we have 18 issued. All are issued to the same company, assuming for the benefit of their employees.

2.10 From 18 November 2016 the long term Pay and Display tariff in the Council car parks is increasing to £4 for 24 hours. This would then make the current annual Pay and Display permit a cheaper alternative for those wishing to park in the Council long stay car parks.

2.11 On this basis, it is advised that the annual Pay and Display permits are withdrawn from sale with immediate effect whilst future alternatives are considered. Whilst it could immediately be replaced with an annual permit at an increased cost £1,040 (£4 x 260 days) it is considered more appropriate to consider other forms of permits/season tickets which would be more attractive to the customer as part of the wider review currently being undertaken. It is noted there could be a small loss of income but this is considered to be temporary whilst we review alternatives. The next permits to expire are due to be renewed on 30 November 2016 and 26 January 2017, however, these

vehicles will still be able to use the Pay and Display car parks and pay the daily tariff.

3. **Options/Reasons for Recommendation**

3.1 Three Rivers District Council’s Parking Service continues to run at a cost of approximately £180,000 per annum. All other Local Authorities in Hertfordshire run their parking services at either cost neutral level or in surplus and the majority of this income comes from on- or off-street parking charges.

4. **Policy/Budget Reference and Implications**

4.1 The recommendations in this report are within the Council’s agreed policy and budgets.

5. **Financial and Legal Implications**

5.1A summary of the budgeted revenue costs and income for 2016/17 is shown below.

5.2 TRDC’s parking service does not comply with the Road Traffic Regulation Act as it is not cost neutral and runs at a loss.

|  |  |  |
| --- | --- | --- |
| **Service Area (Decriminalised Parking and Car Parking - Maintenance)** | **Original Budget**  **2016/17**  **£** | **Original Budget 2016/17**  **£** |
| **Expenditure** |  |  |
| Employees | 52,230 |  |
| Premises | 86,330 |  |
| Transport | 1,740 |  |
| Supplies and Services | 17,500 |  |
| Third Party Payments | 288,930 |  |
| Support Services | 40,890 |  |
| **Total Expenditure** |  | 487,620 |
|  |  |  |
| **Income** |  |  |
| On-Street Parking | (200,000) |  |
| Long-Term Pay and Display | (102,600) |  |
| Parking Fees | (1,650) |  |
| Rent | (3,000) |  |
| **Total Income** |  | (307,250) |
| **TOTAL** |  | **180,370** |
| Target saving identified in budget |  | (90,000) |
| **Net Cost of Service** |  | **90,370** |

|  |  |
| --- | --- |
| **Income Area (previous and proposed recommendations)** | **Projected net income per annum based on current usage (excluding costs)**  **£** |
| Increase in permit prices | (28,750) |
| Increase in price of dispensations | (300) |
| Increase in price of DHV permits | (2,800) |
| Increase in price of long-term parking tariff | (19,000) |
| Increase in price of suspensions | (490) |
| **TOTAL** | **(51,340)** |

5.3 The 2016/17 target is to reduce the Car Parking budget by £90,000 and £180,000 in future years.

5.4 The table above illustrates that if all agreed changes to prices are implemented this could reduce the cost of service to £130,000. Officers are continuing to explore options to achieve a cost neutral position.

6. **Equal Opportunities Implications**

6.1 **Relevance Test**

|  |  |
| --- | --- |
| Has a relevance test been completed for Equality Impact? | No |
| Did the relevance test conclude a full impact assessment was required? | No |

7. **Risk Management and Health & Safety Implications**

7.1 The Council has agreed its risk management strategy which can be found on the website at http://www.threerivers.gov.uk. In addition, the risks of the proposals in the report have also been assessed against the Council’s duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

7.2 The subject of this report is covered by the Regulatory Service Plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

7.3 The following table gives the risks if the recommendations are agreed, together with a scored assessment of their impact and likelihood.

|  |  |  |  |
| --- | --- | --- | --- |
| Description of Risk | | Impact | Likelihood |
| 1 | Increasing charges for Parking Services will reduce take up of the services and subsequently result in displacement parking and also impact on income | III | D |

7.4 The following table gives the risks that would exist if the recommendation is rejected, together with a scored assessment of their impact and likelihood:

|  |  |  |  |
| --- | --- | --- | --- |
| Description of Risk | | Impact | Likelihood |
| 2 | The parking service will continue to run with an annual deficit with no future investment in the enforcement service possible. | IV | B |

7.5 Of the risks detailed above none is already managed within a service plan.

7.6 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Likelihood** | A |  |  |  |  |  | Impact | Likelihood |
| B |  |  |  | 2 |  | V = Catastrophic | A = >98% |
| C |  |  |  |  |  | IV = Critical | B = 75% - 97% |
| D |  |  | 1 |  |  | III = Significant | C = 50% - 74% |
| E |  |  |  |  |  | II = Marginal | D = 25% - 49% |
| F |  |  |  |  |  | I = Negligible | E = 3% - 24% |
|  | I | II | III | IV | V |  | F = <2% |
| **Impact** | | | | | |  |  |

7.7 In the officers’ opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of treatment plans are reviewed by the Audit Committee annually.

8. **Recommendations**

8.1 That the Committee agree the following recommendations:

1. To increase the price of all suspensions to £30 per vehicle per day from 1 December 2016
2. To cease the issue of the existing annual Pay and Display permit with immediate effect.
3. To continue to review the annual Pay and Display permits

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**Data Quality**

|  |  |  |
| --- | --- | --- |
| 1 | Poor |  |
| 2 | Sufficient | x |
| 3 | High |  |