

REPORT TITLE: REVIEW OF RESIDENTS' AND OTHER PERMIT COSTS

CABINET (TRAFFIC AND PARKING) COMMITTEE

4 JANUARY 2017

PORTFOLIO HOLDER: CLLR JAMES BYRNES - PORTFOLIO HOLDER FOR  
TRANSPORT AND PROFESSIONAL SERVICES

REPORT OF ASSISTANT DIRECTOR (ENVIRONMENT)

Contact Officer: Richard Hein Tel No: 01962 848060 Email  
rhein@winchester.gov.uk

WARD(S): ALL

PURPOSE

To approve the Council's approach to a cost neutral residents' parking scheme. Charges for parking scheme have not been reviewed for 10 years and it is considered appropriate to review the situation in 2016 and to recommend increases in the price of some permits to ensure a cost neutral scheme for the taxpayer.

This report therefore sets out in detail the costs and income associated with the administration and enforcement of the Council's parking scheme. It provides information from the last time that charges for residents' permits were amended and takes on board recommendations from the Department for Transport's Statutory Guidance for Civil Parking Enforcement, and gives comparisons with the charges levied by other Local Authorities for similar schemes.

Charges for residents' permits are not allowed to be set at a level to generate surplus income for the Council, but as referred to above, should make a scheme cost neutral, where those who are eligible to apply for permits pay for the benefits associated with having them.

In light of the review into the current costs of operating the scheme, it is recommended that the charges levied for some permits be increased as set out below.

The main changes recommended are increase to the price of the second and subsequent permits and visitors' permits, scratch cards, amenity permits, guest

house permits and business customer permits.

It is proposed the price of the first residents' permit and visitors' permit remains at the current price.

Two further recommendations are made on other aspects of the residents' permit scheme relating to refunds on issued permits and using permits in adjacent zones are also included for consideration.

**RECOMMENDATIONS:**

1. That the proposed changes in the price of residents' and other permits as set out in Appendix A be agreed to achieve a cost neutral situation for the Council's residents' permit scheme.
2. That the price of residents' permits is reviewed on an annual basis and rise in line with increasing Council costs.
3. That the maximum refund figure for any type of permit when surrendered should not exceed 50% of its original value at the time of surrender unless there are exceptional circumstances when a higher percentage can be considered and agreed by the Head of Parking Services and CCTV.
4. That any adjacent zone for use of a qualifying permit should be set down by the Parking Services team and not by the user of the permit. The adjacent zone will be set next to or close to the qualifying zone of the permit.
5. That the Head of Legal and Democratic Services be authorised to make the necessary Orders/Notices.

IMPLICATIONS:1 COMMUNITY STRATEGY OUTCOME

- 1.1 Reviewing the level of charges applied to the residents' permit parking scheme is relevant to the Community Strategy in relation to the Efficient and Effective Council outcome.

2 FINANCIAL IMPLICATIONS

- 2.1 This review of the charges for residents' permits, and including this alongside income from suspensions and penalty charge notices issued in residents' parking areas, will ensure that the cost of providing the scheme is equal to the income received.
- 2.2 Those residents who do not qualify or reside in an area which does not incorporate residents' parking should not be expected to fund any shortfall in income.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None

4 WORKFORCE IMPLICATIONS

- 4.1 None apart from initial administrative costs.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND EQUALITY IMPACT ASSESSMENT

- 6.1 Consultation has taken place with Councillor Godfrey (Leader with Portfolio for Finance and Corporate Policy) and Councillor Byrnes (Portfolio Holder Transport and Professional Services) and with Officers from Financial Services.
- 6.2 Consultation has also taken place with Hampshire County Council who state that the residents parking scheme should be cost neutral.

7 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property N/A</i>		
<i>Community Support N/A</i>		
<i>Timescales N/A</i>		
<i>Project capacity N/A</i>		

<i>Financial / VfM Failing to review the cost of residents parking permits now and in the future will mean that the scheme is not cost neutral.</i>	The cost of the residents' parking scheme has not been reviewed for 10 years and there is a deficit in expenditure over income	Reviewing costs annually will ensure the scheme remains cost neutral
<i>Legal N/A</i>		
<i>Innovation N/A</i>		
<i>Reputation N/A</i>		
<i>Other, residents may not be supportive of increased costs</i>	Those who are not part of the residents' parking scheme should not have to support a scheme financially without receiving any of the benefits.	To make the cost of residents' parking in Winchester cost neutral as required under Statutory guidance.

## 8 SUPPORTING INFORMATION:

- 8.1 The report of the Southern Internal Audit Partnership (Final Internal Audit Report) on Parking income collection 2014/15, identified the fact that the income from residential parking permit charges are intended to equal the cost of providing administration and enforcement of the scheme and noted that charges for permits have not been changed since 2006. A review was therefore overdue. In response it was agreed that the Head of Parking Services and CCTV in conjunction with Financial Services would look at the scheme in terms of administration and enforcement costs against income from people purchasing permits and other income from penalty charge notices issued in residents' parking areas and charges for suspensions and dispensations. This work was needed to ascertain if the scheme was cost neutral.
- 8.2 The latest Statutory and Operational Guidance for Civil Parking Enforcement (CPE) issued by the Department for Transport is entitled Traffic Management ACT 2004. This is the Secretary of State's Statutory Guidance to Local Authorities on the Civil Enforcement of Parking Contraventions (Nov 2015) and it states that, as part of the financial objectives (2.5), raising revenue should not be an objective of civil parking enforcement nor shall local authorities set targets for revenue or the number of penalty charge notices they issue. Section 2.6 states that enforcement authorities should run their enforcement operations (both on and off street) efficiently, effectively and economically and that authorities must not set their charges at unreasonable levels. Section 2.9 goes on to say that previous guidance indicated that local authority parking enforcement should be self- financing and advises that this is still a sensible aim. The Secretary of State will not expect either national or local taxpayers to meet any deficit.

- 8.3 The last time that the cost of residents' permits were fully reviewed was in 2006. At the meeting of the Cabinet (Traffic and Parking) Committee on 19 January 2006 (Report CAB 1219 refers), item 3 Review of Residents' Parking Scheme, the Director of Development at the time reminded Councillors that the starting point of the review was to achieve a cost-neutral scheme. He confirmed that the current proposals would leave a deficit, but the situation would be reviewed. During discussions, Committee reiterated the view that in general the scheme offered good value for money to residents.
- 8.4 The Committee agreed that the proposal for the first annual permit charge per household be increased from £20 to £24 per annum from July 2006, this should be advertised and that the City Secretary and Solicitor be authorised to publish the appropriate notice.
- 8.5 Following the meeting, and a series of questions raised by residents with Councillors and Officers, an information sheet was produced in July 2006 regarding the on-street permit scheme.
- 8.6 A further meeting of the Cabinet (Traffic and Parking) Committee was held on 27 September 2006 following a number of representations from residents about the new charges (Report CAB 1338 refers). At this meeting, it was agreed that whilst limiting the increase to £22 may result in a deficit, it was agreed that the fee for residents and visitors first parking permits would be increased by £2 per annum to its current figure of £22.
- 8.7 The cost of further permits set originally at £50 has not been reviewed to date; in the inner residents' zone a qualifying resident may purchase one residents' or visitors' permit at £22 and a second permit at £50, residents may also purchase two books of scratch cards per annum at a cost of £10 per book. In the outer zones, where there is less pressure on kerb space, residents may purchase two residents or visitors permits (or a combination) at £22 each and two further permits at £50 each.
- 8.8 In all of the central permit zone areas there are more permits than the number of available spaces on street which means that residents who choose to buy permits are not guaranteed a space to park their vehicles. The system operates on a first come first served basis.
- 8.9 The cost of providing administration and enforcement of the residents' parking scheme in Winchester has been calculated by the Head of Parking & CCTV working closely with colleagues in the Council's Finance Team. They have carefully worked out the percentage of staff time for both Enforcement Officers and the back office team attributed to each area relating to on street enforcement, off street enforcement and residents' parking. Based on these figures, the total cost of administration and enforcement of the residents' parking scheme amounts to £379,810 per annum (based on 2015/16 figures)
- 8.10 Income from residents' parking can be identified as income received from residents/visitors and other permits as shown in Appendix A (but not season tickets). This amounted in 2015/16 to £266,000 and paid penalty charge

notices issued in residents' parking areas (which relate to the scheme only) amounted in 2015/16 to £46,000. In addition the Council carry out suspensions of parking bays upon request for events such as building works or removals. Approximately 200 requests are attended to each year at a cost of £40 each equating to approximately £8000. Therefore total income from residents' parking for 2015/16 amounted to £320,281. This means there was a total overall deficit (difference between income received and costs of operating the scheme) of approximately £59.5k on expenditure in that year.

- 8.11 The Head of Parking & CCTV Services has looked at the cost of residents' parking permits elsewhere and compared these to charges in Winchester. Findings have been included as Appendix B. From the information provided the cost of a first residents' or visitors' permit in Winchester is less than many others, however the new recommended price of a second or subsequent permit will be slightly more than in some other local authority areas.
- 8.12 At the current time, there have been a number of occasions when a resident has purchased a permit and then surrendered the permit after a week and has therefore obtained a week's parking for around 80 pence or less. When taking into account the original cost of administration of issuing the permit in the first place (including cost of materials) and then the cost of processing a refund, the current arrangement results in a financial loss to the Council. It is therefore proposed that the maximum level of a refund when a permit is surrendered would not exceed 50% of its original purchase price unless there are exceptional circumstances when a higher % refund can be considered by the Head of Parking Services and CCTV and a figure using his discretion. For example , a larger refund may be reasonable because of a medical condition or a bereavement.
- 8.13 At the current time, when a permit is purchased, the permit holder when their property is located near to the edge of a residents' zone, may select an adjacent zone to park in; this can be selected by the permit holder under current rules of the scheme and is not set by the Parking team. It is therefore possible for a permit holder in this situation to select a zone near to where they work or attend leisure activities which may already be oversubscribed. In future it is recommended that the named adjacent zone be set by the Parking Services team at the time the application is made.

## 9 OTHER OPTIONS CONSIDERED AND REJECTED

- 9.1 Consideration was given to a rise in the cost of the first residents' and visitors' permits but this was rejected following consultation with the Leader of the Council and Portfolio Holder for Transport and Professional services in favour of a greater increase in the cost of second and subsequent permits. This was on the basis of supporting the need that most people need to maintain essential access to a least one vehicle.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

Parking and Traffic CAB 1219 19<sup>th</sup> January 2006

Parking and Traffic CAB 1338 27<sup>th</sup> September 2006

Other Background Documents:-

None

APPENDICES:

Appendix A Proposed Permit Costs

Appendix B Local Nearby Permit Costs

<u>Permit Type</u>	<u>Current charge &amp; 2015/16 Income</u>			<u>Proposed Charges &amp; forecast annual income</u>	
	<u>Number of permits sold</u>	<u>Cost per permit</u>	<u>Yearly income</u>	<u>Proposed price</u>	<u>Forecast yearly income</u>
Amenity Permit	138	£15	£2,070	£25	£3,450
Business All Zones Permit	13	£300	£3,900	£300	£3,900
Business Customer Permit	50	£50	£2,500	£75	£3,750
Business Staff Permits	3	£50	£150	£50	£150
Guest House Permits	30	£25	£750	£50	£1,500
Residents Permit (Incl. Env friendly)	2,288	£22	£50,366	£22	£50,366
Residents Permit (2nd)	734	£50	£36,650	£70	£51,380
Visitors Permit	1,924	£22	£42,328	£22	£42,328
Visitors Permit (2nd)	2,118	£50	£109,400	£70	£148,260
Scratchcards	1,521	£10	£17,910	£13	£19,773
Contractor Permits	77	£10	£770	£10	£770
PCN income per year.			£46,000		£46,000
Bay Suspension income			£8,000		£8,000
<b>TOTAL (Including PCN/Suspensions)</b>			<b>£320,794</b>		<b>£379,627</b>

Notes:

- 1) Proposed increase on a second permit would be £1.66 per month
- 2) A £70 permit would provide parking at a cost of £1.34 per week



Organisation	Residents Permit	Visitors Permit	Scratchcards	Business Permit	Season Tickets	Other
Winchester City Council	£22.00 £50.00	£22.00 £50.00	£10.00 per 10	Business all zones £300.00 Business Customer £50.00 (4hr) Business Staff £50.00	Group B £1472.00 Group D £1288.00 Group DC £1104.00 Group E £552.00 Group F £275.00	Amenity £15.00 Guest House £25.00 Contractor £10.00 Park and Ride Annual £552.00
Isle of Wight	P&D On-street £50.00 P&D The Parade £50.00 P&D 200m CP £150.00 Residents zone £40.00 Motorcycle £10.00		£5.00 for 10	£40.00 Motorcycle £10.00		Staff £150.00
Worthing	Zone ABC £36.00 Zone D-O £20.50	£7.00 a week			North Farm £350.00 South Street £350.00 Beach Green £350.00 Old Fort £350.00 Riverside £350.00 Albion Street £600 Brighton Road res £100 Southwick Beach/Square £350.00	Carers £20.00 Non Res Zone D,E, H- L £150.00 Zone A,B,C £250.00 Healthcare £10.00 Doctors £200.00 Suspension £20.00 per day
Test Valley	£15.00	£15.00			£640.00 Shepherds Spring Lane £5.00	
Eastleigh	1st £30.00 2nd £60.00 3rd (if space) £120.00	FREE		1st £60.00 2nd £120.00 3rd (if space) £360.00	£1320 Hedge End/Stroudley Way £832.00	
Salisbury	£20.00 (limited waiting) £40.00 (residents) £90.00 (Bradford on Avon and Trowbridge)	FREE	£4.00 per day		£1,390.00	
Portsmouth	1st £30.00 2nd £60.00 3rd (if space) £120.00	12 hours £1.00 24 hours £1.90 4 days £5.70 7 days £10.00		1st £120.00 2nd £240.00 3rd (if space) £360.00	£1824.00 (all car parks)	
Surrey Heath	1st £50.00 2nd £75.00		£20.00 for 10		Main Square £995.00 Knoll Road £825.00 Yorktown £540.00 Rural £100	Off street £100
Hart	£35.00	2 weeks £4,00	50p each (max 200pa)	£500.00		Dispensations £15.00 per week

Southampton	£30.00	£30.00 or £6.00 for 10	£306.00	£1,200.00	Overnight £150.00 Off-street ( <i>after 6pm</i> ) £750.00 Anytime City Centre £1,200.00
Reading	1st FREE 2nd £120.00	2 books FREE £22.00 thereafter ( <i>max 5</i> )	£275.00		
Rushmoor	1st £45.00 2nd £65.00	£12.00 for 12			Annual £1,200.00
West Berkshire	£30.00	£1.00		Newbury Surface £900 Northbrook MS £850.00 Kennet MS £1040.00 Hungerford £315.00 Hangbourne £370.00 Theale £130.00	
Dorset	£65.00	£15.00 for 20 £7.50 for over 60s	£65.00	£720.00	Waivers £10.00 then £7.50 thereafter
Gosport	£70.00			Long Stay CP £450.00	Medical £10.00 Seafront £70.00 General public £450.00
Wokingham	£30.00			Wokingham (6 months) £450.34 Twyford/Earley/Winnersh (6 months) £303.60 Woodley (6 months) £450.34 Country Parks £113.00	