



<b>Meeting or Decision Maker:</b>	Leader of the Council
<b>Date:</b>	9 February 2017
<b>Classification:</b>	General Release
<b>Title:</b>	Parking Fees and Charges Review 2016
<b>Wards Affected:</b>	All
<b>Key Decision:</b>	An entry was included in the Forward Plan of Key Decisions on Wednesday 2 November 2016, enabling a decision to be made from Thursday 1 December 2016
<b>Financial Summary:</b>	A summary of the key financial effects are contained within section 6 of this report. The recommendations of this report could generate annual revenue of up to £1,288,000
<b>Report of:</b>	Stuart Love, Executive Director for City Management & Communities

## 1. Executive Summary

- 1.1 Demand for access to Westminster's kerbside is unabating. December 2015's 'Paid For Parking – Tariff and Operational Policy Review' Cabinet Member report outlined how the City's economy continued to grow and was forecast to grow further, as were its residential and visitor populations. The report stated that whilst this growth was welcomed, it brought its own challenges around managing the City's roads, its public transport infrastructure, the public realm and transport-related disbenefits such as noise and air pollution. It further stated that in managing and responding to the future growth of the City, the City Council ("The Council") continues to periodically and systematically review how its kerbside is managed to help ensure that the transport network and the quality of our public realm keeps pace with the social, economic and environmental challenges and opportunities that have the potential to benefit all of those who live in, work in and visit our City. The same applies just over one year on.
- 1.2 The Council aims, as part of its kerbside management review regime, to regularly review its parking-related fees and charges to ensure they continue to support the Council's wider traffic management objectives and obligations. The Council has committed to review its pay-to-park tariffs annually and its permit charges and

kerbside permissions (bay suspensions, yellow line dispensations and special permissions) biennially. Pay-to-park tariffs and kerbside permission charges were last reviewed (separately) in 2015. Permit charges were last reviewed in 2013. This report therefore considers pay-to-park tariffs and permit charges only. However, as skips licences were not considered as part of the 2015 Kerbside Permissions Charges Review, these too are incorporated into this review.

- 1.3 The Council's authority to operate and set parking-related charges is defined by legislation. Whilst rules differ slightly for pay-to-park tariffs and permit schemes, it is important to stress that, in the main, fees and charges cannot be set purely and intentionally as a means to raise revenue per se, and charges should have regard to the costs of administration and enforcement. However, in accordance with the Council's statutory responsibility to ensure, where reasonably practicable, the safe and expeditious movement of traffic, as well as the need to ensure the provision of suitable and adequate parking facilities on the public highway, the Council can also have regard to traffic management considerations in the setting of those charges. The Council is, therefore, able to set pricing levels to restrain demand and enable a more effective management of its kerbside for wider transport and environmental benefits.
- 1.4 This report sets out a range of measures intended to manage the kerbside and demand for it more effectively, to address continued high levels of 'parking stress' in some parts of the City and to rebalance levels of occupancy. The measures also attempt to further help the Council achieve its 'Fair Parking' commitment to residents, businesses and visitors.

## **2. Recommendations**

- 2.1 That, in the absence of the Cabinet Member for City Highways, the Leader of the Council approves the following:
- The extension of the 'parking stress' mitigation measure to casual pay-to-park tariffs in the G zone area of Westminster (Soho, West End and Covent Garden), as detailed in section 5.1 of this report.
  - The implementation of a further 'parking stress' mitigation measure to casual pay-to-park tariffs in the B zone of Westminster (Bayswater and Maida Vale South), as detailed in section 5.1 of this report.
  - The implementation of a minimum stay period for pay-to-park charges, as detailed in section 5.2 of this report.
  - The introduction of a nominal charge for electric and plug-in hybrid electric vehicles (EVs and PHEVs respectively) when using pay-to-park facilities, as detailed in section 5.3 of this report.
  - The withdrawal of the discount afforded by trades permits proportionate to casual pay-to-park tariffs, as detailed in section 5.4 of this report.

- An inflationary increase in the charges for resident permits and other specialist permit types, as detailed in section 5.5 of this report.
- The publication of Variation Notices issued under Section 46A of the Road Traffic Regulation Act (“The 1984 Act”), in order to give effect to the recommended changes above.
- A commitment to review the differential resident permit charges in 2017/18 to encourage the use of less polluting vehicles, as detailed in section 5.6 of this report.
- A reduction in the duration of a skip licence, as detailed in section 5.7 of this report.
- That each of the above be implemented from Monday 20 March 2017, or an appropriate date or dates thereafter, to be no later than 1 June 2017.

### **3. Reasons for Decision**

- 3.1 The rationale for each proposal is outlined in detail in section 5 below, but can collectively be summarised as follows:
- To continue to manage increasing demands on our kerbside and to further manage the impacts from continued growth and development by encouraging the safe and expeditious movement of traffic and the provision of suitable and adequate kerbside parking facilities for all users.
  - To discourage unnecessary car and kerbside use.
  - To make pay-to-park parking fairer for all in Westminster by promoting consistency of policy and provision.
  - To enable the Council to obtain more meaningful parking-related management information and thus better inform future kerbside policy, particularly in regards to the provision of infrastructure to support the use of EVs and PHEVs.

### **4. Background, including Policy Context**

- 4.1 Sections 4 and 5 of the December 2015 ‘Paid-For Parking – Tariff and Operational Policy Review’ Cabinet Member report outlined at length the policy and strategy context concerning the increasing demands on Westminster’s kerbside and strategic highway network. The same context applies in Westminster today.
- 4.2 The Council’s traffic management duties under the 1984 Act and the Traffic Management Act 2004 (“The 2004 Act”) mean that as well as having regard to the cost of scheme administration and enforcement, charging regimes should also have regard to traffic management considerations and therefore the setting of charges can legitimately be used as a method of restraining demand to enable more effective management of the kerbside. The setting of charges cannot however be used as a means to purely and intentionally raise revenue, although the generation

of revenue is permitted if it is incidental to the setting of charges for other valid reasons, such as to restrain demand.

- 4.3 To inform the 2015 'Paid For Parking Tariff and Operational Policy Review', a comprehensive Parking Occupancy Survey was carried out between February and June 2015, which remains the Council's most up-to-date evidence base in this regard. The 2015 survey identified that occupancy at Westminster's paid-for parking facilities had increased city-wide on average by 1.9% since 2011 and were subject to very high 'parking stress' levels, some of which equalled or exceeded 80% during the daytime in three of Westminster's seven parking zones (B, E and F). Similarly, weekday parking pressure was identified at resident parking bays at three further zones (B, C and F). The review noted that without intervention by the Council to address this position, it is likely that this trend would worsen in the years to come to the detriment of the City's future social, economic and environmental well-being and growth.

## 5. Proposals

The following changes are proposed –

### 5.1 **The extension of the 'parking stress' mitigation measure to casual pay-to-park tariffs in the G zone area of Westminster (Soho, West End and Covent Garden) and the implementation of a further 'stress' measure in B zone (Bayswater and Maida Vale South)**

- 5.1.1 Following recommendations from the December 2015 'Paid-For Parking – Tariff and Operational Policy Review' Cabinet Member report, pay-to-park tariffs increased in February and March 2016 across all parking zones of Westminster. The increases, which were the first to apply city-wide since 2009, varied by zone, but all were based on demand management principles intended to manage on-street parking and to suppress excessive demand.
- 5.1.2 As well as a general 1.9% increase on all zonal tariffs, which was applied to reflect the weighted average increase in occupancy from the previous parking occupancy survey in 2011, the 2015 review also resulted in: a 'parking stress' mitigation measure in the parking zones of highest parking 'stress' based on the 2015 Parking Occupancy Survey, namely zones B, E (Mayfair and St James') and F (Hyde Park, Marylebone and Fitzrovia); a harmonization of tariffs in E zone to a daily flat rate; sub-zone tariff alignment in F zone; cross-boundary mitigation measures in C zone (Harrow Road, Queen's Park and Maida Vale North) to discourage cross-boundary displacement into Westminster from the neighbouring boroughs of Kensington and Chelsea, Brent and Camden; and a realignment of trades permit charges.
- 5.1.3 These measures were introduced: as a demand and restraint pricing mechanism to help manage increasing demands on our kerbside and strategic highway network; to manage the expectant impacts from further growth and development by encouraging the safe and expeditious movement of traffic and the provision of suitable and adequate kerbside parking facilities for all users; to be more consistent with neighbouring boroughs so that parking is not inordinately displaced into Westminster's available kerbside space; and to align the Council's kerbside tariffs

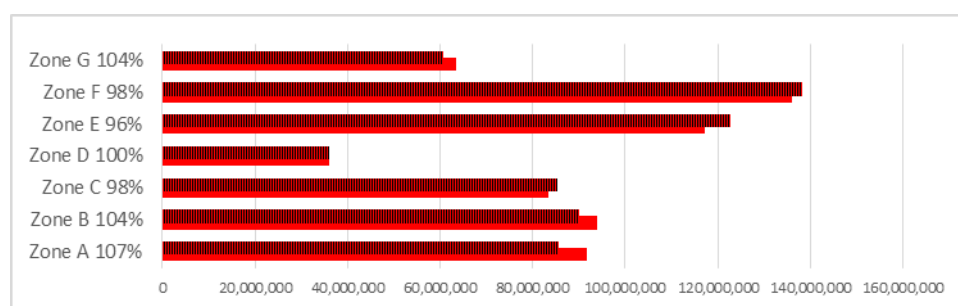
so that charges are consistent, fair and consistently applied across the whole of the borough.

5.1.4 The Council operates a 'traffic light' system to measure parking pressure or 'stress', based upon established parking management guidance, knowledge and experience. The following are therefore used to differentiate levels of parking occupancy:

- Red:  $\geq 80\%$
- Amber:  $\geq 70\%$  to  $< 80\%$
- Green:  $< 70\%$

5.1.5 When parking occupancy is 80% or more (red) this indicates high levels of parking pressure or stress, with supply either unable or struggling to meet a very high demand for parking amongst particular restriction types or within a wide area or zone. Where parking occupancy is 70% to 80% (amber) there is again likely to be pressure or stress, only less critical or pronounced. However, when occupancy is below 70% (green), supply is likely to be adequately meeting demand. The Council's 2015 Parking Occupancy Survey identified three parking zones of Westminster where paid-for parking bays were subject to 80% or more stress levels.

5.1.6 The 2015 tariff review report made the point that prior to implementation of its recommendations it was difficult to gauge the effects its recommended measures would have on demand. However, now that these measures have been in place for 10 months, it is evident from pay-to-park activity that they have by and large had the desired effect, with most zones having seen the intended reduction in demand. However, zones A (Knightsbridge, Belgravia and Pimlico), B and G have shown continued increased pay-to-park bay parking activity since the application of the tariff increases. When comparing data from April-December 2015 and April-December 2016, paid-for minutes in both B and G zone have increased by 4% and A zone by 7%.



5.1.7 Whilst the parking occupancy survey of 2015 remains the most comprehensive data source for parking stress levels across the whole of the City, bay sensor data allows us to analyse paid-for parking stress levels in zones where they have been installed (zones E, F sub-zones and G).

5.1.8 Bay sensor data shows that average occupancy levels in G zone regularly exceed the 70% amber threshold, and peak occupancy is above the 80% red threshold.

5.1.9 In line with the Council's objective to discourage unnecessary vehicle journeys or displacement to other zones it is therefore recommended to increase the hourly

pay-to-park tariff in G zone from its current rate of £4.50 an hour to £4.90 to match adjacent E and F zone tariffs.

5.1.10 Zones A and B have also shown a continued increase in pay-to-park activity since the 2016 increases took place. The 2015 occupancy survey showed that A zone was subjected to the least amount of parking stress with paid-for parking occupancy levels of 67% between 11am-3pm on weekdays. Therefore, despite the 7% increase in demand, we would expect this to remain within the less critical amber zone.

5.1.11 The 4% increase in pay-to-park activity in B zone has been experienced despite the application of a 'parking stress' mitigation measure from the 2015 review. The 2015 occupancy survey illustrated that B zone was already subject to 80% pay-to-park occupancy levels, so it is therefore proposed that a further 'stress' mitigation increase be applied to further increase the current hourly B zone tariff from £2.70 to £2.90.

5.1.12 G zone borders the London Borough of Camden and B zone borders the Royal Borough of Kensington and Chelsea (RBKC). Bordering Camden pay-to-park charges are £5.40 per hour and RBKC's are £2.30 and £3.50 per hour.

## **5.2 The implementation of a minimum stay period for pay-to-park charges**

5.2.1 The RingGo pay-to-park service has been provided by Cobalt via Parking Services' Business Processing and Technology contract with NSL Limited since July 2014. Despite commonly being referred to as 'pay by phone', Parking Services' pay-to-park service enables motorists to pay for their parking session through a number of different channels and devices.

5.2.2 The RingGo system currently allows motorists in Westminster to purchase parking time in one minute increments and has no set minimum charge or stay. Motorists are therefore able to purchase one minute of parking and a number of motorists commonly do this in the following scenarios: firstly, policy dictates that blue disabled badge holders and Westminster car club drivers are granted an hour's free parking after the expiry of a payment, meaning that such drivers can obtain 61 minutes parking by purchasing just one minute of parking time. Allied to other concessionary policies, such vehicles will not be subject to enforcement action until the payment has expired by 63 minutes. Secondly, since the 1 April 2015, the Deregulation Act 2015 dictates that motorists must be given 10 minutes' grace in parking bays after the expiry of a payment to park. In this instance, the purchase of one minute of parking time effectively grants ten minutes parking before a vehicle can be subject to enforcement action for an expired payment. In the absence of any sort of 'meter feeding' policy in Westminster there is nothing to then stop the motorist in both scenarios purchasing a further one minute to start the cycle over again, and so on up to the maximum stay which is usually four hours.

5.2.3 Contractually, the Council internalises the pay-to-park transaction fee and associated charges. For every pay-to-park transaction, including amendments and cancellations, the Council pays Cobalt a set transaction charge. This amounts to charges to the Council of over £800k per year. Furthermore, for each payment-related transaction the Council also pays a payment service provider fee, as well as a merchant acquiring fee, which varies depending on the type of card used, i.e.

debit or credit. These amount to further charges to the Council at an estimated £1m per year.

- 5.2.4 Many other local authorities externalise these charges through the charging of an additional 'convenience' fee to use the pay by phone system or by incorporating them into the parking tariff. The convenience fee is commonly set at 20p per transaction. In order to ensure that the Council does not lose money on individual pay-to-park transactions, it is recommended that a minimum stay be introduced, proposed to be 10 minutes. This is considered the most practical way for the Council to cover its transactional costs.
- 5.2.5 Whilst this would introduce a minimum charge and potentially increase charges for those wishing to park for a short duration, the impact of a minimum charge for short duration parking would be small. Hourly tariffs vary throughout Westminster's seven parking zones. Under this recommendation a ten minute minimum stay in the zones of Westminster with the highest hourly tariff (E and F) would currently equate to an 82p charge. In the zone with the lowest hourly charge (C) it would equate to 28p. These are compared with current one minute purchases of 8p in E and F zones and 3p in C zone, for transactions that each cost Parking Services around 25p to process.
- 5.2.6 Motorists will still be able to purchase parking in one minute increments over and above the ten minute minimum purchase and the Deregulation Act ten minute grace policy will still apply meaning that a ten minute minimum purchase would actually afford the motorist up to 20 minutes of parking time.
- 5.2.7 In comparison, most other London authorities who operate a similar pay by phone service operate some element of minimum purchase or minimum stay. A list of comparable London boroughs' policies in this regard is included as Appendix B.
- 5.2.8 A 30 minute minimum purchase is already in operation at all of our 133 Payment Terminals, which have replaced pay and display bays.

### **5.3 The introduction of a nominal charge for EVs and PHEVs when using pay-to-park facilities**

- 5.3.1 To encourage the take up and use of EVs, the Council introduced a kerbside policy in 1998 of allowing EVs free parking up to the maximum stay in paid-for parking bays throughout the borough.
- 5.3.2 In 2013, this concession was extended to PHEVs to align with Source London's permit scheme membership eligibility.
- 5.3.3 Initially, when paid-for parking consisted of parking meters and pay and display, the (as were then) Parking Attendants operated the concession by the unsophisticated method of the visual identification of EVs by vehicle type. Upon the introduction of pay by phone parking in Westminster through the Verrus system in 2006, EV drivers were required to register with the system to then be permitted free parking up to the maximum stay. However, when the Council changed its provider from PaybyPhone (Verrus rebadged) to RingGo in 2014, this functionality was not included in the new system so it was necessary for the Council to revert back to its initial unsophisticated visual identification method based on vehicle type.

- 5.3.4 As there is no registration process and/or nil charge transaction involved in operating this concession, the Council generates no data regarding the number of EV and PHEV drivers who currently take or have historically taken advantage of the concession with which to inform future kerbside policy.
- 5.3.5 Furthermore, whilst the Council has afforded free parking for EVs up the maximum stay (and more recently for PHEVs), the use of such vehicles has increased significantly and it is expected that this trend will continue as the Ultra Low Emission Zone (ULEZ) and other measures are brought into effect.
- 5.3.6 In order for the Council to keep its commitment of making parking in Westminster fair for all, to enable the provision of meaningful data to inform future kerbside policy and to align with the proposal to introduce a minimum stay period to cover Council transaction costs as outlined in section 5.2 of this report, it is proposed that a nominal charge be applied to EVs and PHEVs for each pay-to-park parking session undertaken, allowing the vehicles to be parked up to the maximum stay which is in most cases 4 hours. The nominal charge is proposed to be in line with the minimum stay charge, as outlined in section 5.2, so will differ by zone, from 82p in the zones with the highest charge to 28p in the lowest.

#### **5.4 The withdrawal of the discount afforded by trades permits compared to casual pay-to-park tariffs**

- 5.4.1 The trades permit scheme was introduced in 1998 to allow bona fide trades persons convenient and longer-term access to the kerbside in order to carry out works for Westminster residents. A trades permit allows the permit holder to park in any pay-to-park or resident bay in the applicable parking zone during controlled hours. In order to encourage compliance with the regulations and to discourage unnecessary journeys, the permit removed the necessity for the vehicle to be moved when any maximum stay was reached, which is usually 4 hours. In addition, trades permits were set at a rate approximately 20% lower than the equivalent daily casual parking tariff for the relevant zone.
- 5.4.2 The main purpose of the permit is to allow trades persons easier and longer-term access to the kerbside when carrying out works or services to Westminster premises and residences. Considering the advantageous concession the trades permit affords in this regard, i.e. allowing all day parking in the same bay, including in resident bays up to 17:30, it is felt that the additional 20% discount on the casual parking tariffs is overly generous. Furthermore, we have seen increased demand for such permits and have received complaints from residents and businesses to the effect that some users may be taking advantage of the concessions that the permit affords. It is therefore proposed that the 20% discount be withdrawn. The permits would therefore retail at the price of a day's paid-for parking in the applicable zone.

#### **5.5 An inflationary increase in the charges for resident permits and other specialist permit types**

- 5.5.1 As part of its kerbside management regime, the Council has committed to review its permit charges biennially. The charges for resident and other specialist permit types, such as doctor and hospital permits, have remained static since July 2013, when Consumer Price Index (CPI)-related inflationary increases of 6.5% were

applied to take account of the effect of two years' cumulative inflation since the previous increases in January 2011.

- 5.5.2 The 1984 Act allows the Council, as an enforcement authority, to operate a resident permit scheme, but does not allow its main purpose to be revenue raising. It has traditionally been Council practice to ensure that its resident permit scheme is self-financing by setting the charges at such levels which cover the costs of administering, operating and enforcing the scheme.
- 5.5.3 However, as there are currently approximately 33,500 resident permits on issue but only circa 26,750 on-street resident and shared-use parking spaces available, it is also necessary to build some element of restraint into the charging regime. This is in line with the Council's traffic management duties under the 1984 Act and the 2004 Act to secure the expeditious, convenient and safe movement of vehicular traffic and the provision of suitable and adequate parking facilities.
- 5.5.4 The resident permit charges represent a considerable discount on the cost of a pay-to-park parking space in Westminster and whilst it has long been Council policy to keep charges for residents at as low a level as possible, the charges can and should be set at a level which seeks to reduce demand as part of a restraint-based strategy.
- 5.5.5 To ensure that the effect of three years of cumulative inflation is accounted for, an inflationary increase in line with the CPI of 2.5% is proposed to resident and specialist permit charges. The last permit-related inflationary increase took effect in July 2013. The annual inflation rate of the CPI published in January 2014 was 1.9%, in January 2015 0.3% and in January 2016 0.3%. A rounded cumulative figure of 2.5% is therefore proposed for the three year period of 2013-2016.
- 5.5.6 This proposal would increase each permit type charge as follows:

Permit Type	Current Charge (p/yr)	Proposed Charge (p/yr)
Resident Permit >1200cc	£141	£145
Resident Permit ≤1200cc	£100	£103
Motorcycle resident permit	£50	£52
'Eco' vehicle resident permit	Nil	Nil
Doctor permit	£128	£132
Hospital permit	£128	£132

- 5.5.7 It is therefore recommended that 'eco' resident permits remain free of charge to complement and align with other policies to improve air quality.
- 5.5.8 A comparison of Central London borough resident permit prices is included in Appendix C.

## **5.6 A commitment to review the differential resident permit charges in 2017/18 to encourage the use of less polluting vehicles**

- 5.6.1 Since April 2000 the Council has operated a differential pricing system for resident permits based on vehicle engine size, as detailed by DVLA vehicle records. The

threshold was introduced to encourage residents to purchase/own/use smaller engine-sized and less polluting vehicles. The threshold was originally 1100cc but was amended to 1200cc in April 2001 in response to the DVLA introducing what were then 12 new road fund licence rates related to vehicle emissions for new cars. It was considered too confusing and impractical to mirror this with 12 different permit prices so a two-tier price system continued with an amended threshold to reflect the DVLA's changes.

5.6.2 A resident with a vehicle with an engine size of up to and including 1200cc (cubic centimetres) can currently obtain a resident permit at a significantly discounted rate in comparison to a vehicle with a larger engine:

- Engine size  $\leq$ 1200cc - £100 p/yr
- Engine size  $>$ 1200cc - £141 p/yr

5.6.3 However, as vehicle technology has advanced in the intervening years, this method of relating engine size to emissions has become increasingly unsophisticated, inaccurate and out-of-date.

5.6.4 Of all valid resident permits currently on issue, 1,912 (6.33%) are for vehicles with an engine size of  $\leq$ 1200cc. However none of these vehicles would align to TFL's congestion charging ULED classification and DVLA's tax Band A qualification, and 991 (52%) of the permits on issue are to vehicles which have CO<sub>2</sub> emissions of 121 g/km or higher, thus aligning with DVLA tax bands D and above.

5.6.5 The rationale for smaller engines being less polluting is clearly outdated, but it is still not absolutely clear what the most efficient way to measure low emission vehicles is. Ideally we would encourage vehicles which emit low levels of CO<sub>2</sub>, NO<sub>2</sub> and particulates.

5.6.6 It is therefore proposed that the Council will look to explore the possibility of introducing a tiered emissions-based charging structure for resident and other permit types in a future review in 2017/18.

## **5.7 A reduction in the duration of a skip licence**

5.7.1 The Council currently charges £78 for a skip licence, which covers up to two skips for a period of three months. This charge has applied for a number of years. If placing a skip on-street, it is also necessary that a bay suspension or yellow line dispensation be arranged and paid for.

5.7.2 As skip licences are so intrinsically linked to bay suspensions and yellow line dispensations, the administration of skip licences is carried out by Parking Services rather than by the Council's Road Management team.

5.7.3 Skip licence charges and arrangements differ greatly across London. A comparison with ten other London boroughs is included as Appendix D. What is evident from this comparison is that whilst it is relatively expensive to licence a skip in Westminster for a short duration, it becomes increasingly good value the longer the skip stays on street, up to Westminster's three month limit. Therefore, if wishing to place a skip on-street for a fortnight, Westminster's licence fee is the third most

expensive of the 11 boroughs listed. However, if wishing to place a skip on-street for three months, Westminster is the cheapest.

- 5.7.4 A review of kerbside permissions (bay suspensions, yellow line dispensations and special permissions) was carried out in 2015, culminating in the 'Kerbside Parking Permissions Fees and Policies Review' Cabinet Member report of October 2015. One outcome of the review was a re-modelling of the kerbside permissions' charging regime to a tiered charging structure, whereby charges increase by duration. The purpose of this change was to provide a demand and restraint mechanism to discourage and deter unnecessary suspensions, to reduce the number of bays taken out of commission and to reduce the length of time for which bays are suspended. The tiered charging structure was also mirrored for yellow line dispensations and special permissions.
- 5.7.5 Skip licences were not included in the 2015 review and what has since become apparent is by continuing to offer better value for money by duration, skip licences are completely at odds with the Council's kerbside permissions' policy, which aims to discourage and disincentivise duration on-street.
- 5.7.6 It is therefore proposed that the skip licence fee remains at £78 and continues to cover up to two skips, but the duration of the licence reduces from three months to one month.

## **6 Financial Implications**

- 6.1 The purpose of the Parking stress mitigation measure proposed in B and G Zone as outlined in Section 5.1 of this report is to manage the expedient movement of traffic and restrain demand. It is possible that additional revenue will be generated but it is difficult to gauge the effect on demand as, by its very nature, the intention of the tariff increases is to reduce demand. It is proposed that a full financial review be conducted once the tariff changes have been implemented for a period of three months and any resulting impacts be incorporated into future budgets.
- 6.2 The service receives around 140,000 pay-to-park transactions for  $\leq$ ten minutes each year. By introducing a minimum charge of ten minutes, it is possible that additional annual revenue of up to £920k may be generated. We would expect some dilution of transaction volumes as customer behaviour changes and customers seek to potentially avoid payment when parking for only very short durations. This would be closely monitored and again any resulting analysis would be built into future budgets.
- 6.3 Due to operational processes, Parking Services currently generates no data on the usage of EVs and PHEVs in the City. It is therefore impossible to accurately predict the financial impact of the introduction of any nominal charge. It should be noted however that any revenue is likely to be more than off-set by expenditure in the investment in infrastructure to support and promote the use of EVs and PHEVs in the City.
- 6.4 Trades permits revenue for 2016/17 is currently forecasted to be around £1.2m. A withdrawal of the 20% trade permit discount could generate an additional £240k per

annum; although it is anticipated that implementation of such a policy would reduce demand accordingly.

- 6.5 A 2.5% increase in resident permit charges is expected to result in an extra £128k per annum revenue. However, it is anticipated that an increase in charges will be to some degree off-set by reduced demand as residents continue to seek alternatives to the ownership and use of private cars, and investment continues in expanding the Council's car club offering.
- 6.7 The financial effect of the reduction in skip license duration is not known and will be closely monitored by Officers once the change has been implemented.

## **7. Legal Implications**

- 7.1 The Council's authority to operate and set parking charges is defined by statute. Under Section 46 of the 1984 Act, the Council has discretion as to the charges it sets (by means of traffic orders or Notices of Variation of charges under Section 46A). In accordance with Section 55 of the 1984 Act the income the Council receives from on-street parking is placed into the 'Parking Places Reserve Account', which can only be used by the Council for highway improvements and other traffic related measures.
- 7.2 Section 122 of the 1984 Act sets out the considerations which must be taken into account by the Council in exercising its statutory powers, including in relation to parking. In essence section 122 states:
- (1) It shall be the duty of every local authority upon whom functions are conferred by or under this Act so to exercise the functions conferred on them by this Act as (so far as is practicable having regard to the matters specified in subsection (2) below) to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway, or, in Scotland the road.*
- (2) The matters referred to in subsection (1) above as being specified in this subsection are—*
- (a) The desirability of securing and maintaining reasonable access to premises;*
- (b) The effect on the amenities of any locally affected and (without prejudice to the generality of this paragraph) the importance of regulating and restricting the use of roads by heavy commercial vehicles, so as to preserve or improve the amenities of the areas through which the roads run*
- (bb) The strategy prepared under Section 80 of the Environment Act 1995 (national air quality strategy)*
- (c) The importance of facilitating the passage of public service vehicles and of securing the safety and convenience of persons using or desiring to use such vehicles; and*
- (d) Any other matters appearing to the local authority to be relevant.*
- 7.3 A number of cases have considered the legal duties of local authorities in relation to the exercise of their powers contained under section 122 of the 1984 Act and two main themes have emerged.
- 7.3.1 In the leading case of *Cran v London Borough of Camden* (1995) RTR 346 it was established that even though section 122(2)(d) allows a local authority to take into

account any other matters appearing to it to be relevant, it does not allow the local authority, in setting the charges for parking, to take account of extraneous financial matters such as the aim of generating revenue for other Council projects, however worthy such projects might be. As long as the Cran case remains the law, the Council cannot set or increase its charges with the motive of generating revenue. This decision has been reinforced in subsequent decisions including *Attfield vs London Borough of Barnet* (2013) EWHC 2089 (Admin)

- 7.3.2 In contrast to the above there are a number of decisions in which the Courts have made clear that the creation of a surplus from increased parking charges will not in and of itself be unlawful providing the primary motivation for or intention of the increase is the achievement of objectives which are consistent with the duty contained in section 122. This principle was established in the case of *Chaumeton v London Borough of Camden* (2015) EWHC 1010 which highlighted the fact that Camden's purpose was not to raise revenue but was to address the problems that come with private vehicular traffic and was thus considered a legitimate purpose. The Court therefore erred in the Council's favour by stating that it had acted in good faith and there was no evidence to support the allegation made by the claimant that the intended purpose of the increases and changes in parking charges, introduced through traffic management orders made on 20 March 2012, was to help the Council raise additional revenue for various purposes, a claim firmly rejected by the Court.
- 7.3.3 In a direct reference to the issues raised in this report, it was, however, accepted in the case of *Djanogly v City of Westminster* 2011 RTR 21 that it would have been a proper exercise of the Council's powers to raise charges with a view to depressing demand. It therefore would be, in this case, a proper aim for the City Council to set differential parking charges across the zones with the objective of controlling demand in the most oversubscribed areas.
- 7.4 The changes proposed would necessitate the publication of Variation Notices in a local newspaper pursuant to Section 46A of the 1984 Act, at least 21 days before the increases are due to come into force. The proposed changes as part of the consultation process will also feature on the Council's website.
- 7.5 The Local Authorities (Transport Charges) Regulations 1998 allow local authorities to impose charges for anything done in connection with or in consequence of requests and applications under the Highways Act 1980 and the 1984 Act for various consents, permissions etc such as licences for skips. Regulation 4 states that "the amount of the charge is to be at the relevant authority's discretion and, in determining the amount, the authority shall have regard to the cost to them of dealing with matters of the description in question".
- 7.6 Government guidance, issued in 1998 at the same time as the Regulations, advised that local authorities should not charge for loss of revenue, as opposed to charging for their reasonable expenses. The Council must exercise all the powers conferred upon it by statute for a proper purpose, and recovering lost revenue per se would not be a proper purpose.
- 7.7 However, Regulation 4 does not limit the Council to charging merely what it costs to deal with skip licence applications as the Council can legitimately have regard to its duties under section 122 of the 1984 Act, as detailed earlier.

- 7.8 The proposed skip licence duration change has no Traffic Order implications.

## **8 Staffing Implications**

- 8.1 This report has no staffing implications.

## **9. Consultation and Communication Implications**

- 9.1 Publication of Variation Notices under section 46A of the 1984 Act will be necessary in order to give effect to all the proposed pay-to-park and permit related changes. Where such a variation may affect a neighbouring authority, the Council is required by section 25(2) of the Local Authorities Traffic Order (Procedure) (England and Wales) Regulations 1996 to send a draft copy of this Notice to that authority. Under such legislation the Council must give at least 21 days' notice (through publication of the Notice) of the commencement date of any such proposed variation in charges.
- 9.2 Information pertaining to pay-to-park, permit schemes and skip licences is clearly advertised on the relevant pages of the Council's website. A communications campaign advising of the charging and policy changes will be undertaken in good time prior to the proposed implementation date(s). Web content, as well as applicable application forms, booking confirmation, renewal information and invoices will be amended to make reference to the changes, and residents and businesses will be updated through existing Council channels.

## **10. Implementation**

- 10.1 The implementation of the pay-to-park proposals (namely the B and G zone tariff increases, the nominal charge for EVs and PHEVs and the introduction of a minimum stay period) all involve updating on-street conditions of use (CoU) parking signage. To enable signage to be amended only once, it is proposed that these changes come into effect simultaneously, but due to the large number of CoU signs that are present on-street across the City, that implementation be phased by parking zone. It is proposed that an adhesive overlay is used in the short-term to reduce costs and ensure the effective coordination between the on-street sign changing operation and back office system changes. This is key to ensuring that signage and the RingGo pay-to-park system charges correspond.
- 10.2 The tariff increase at B and G zone Payment Terminals will also be coordinated with the respective zonal pay-to-park tariff changes. No amendment is necessary to Parking Cards.
- 10.3 The withdrawal of the trades permit discount will be implemented simultaneously with the B and G zone pay-to-park tariff changes.
- 10.4 The resident and specialist permit-related charge increases will occur together from a specified date. Up to that point all annual permits will continue to retail at their current prices.

- 10.5 The proposed change to the skip licence terms and conditions will apply from a specific date. All skip licences applied for up to this cutover date will be honoured under the current terms and conditions for their duration.
- 10.6 Subject to the recommendations in this report being approved and no delays in the communication of these changes, it is proposed that all the changes take effect from Monday 20 March 2017 or an appropriate date or dates thereafter, no later than 1 June 2017. The schedule will be publicized on the Council's website.

## **11. Other Implications**

- 11.1 See appendix A

**If you have any queries about this Report or wish to inspect any of the Background Papers please contact:**

Darren Montague, Service Implementation Manager, Parking Services  
[dmontague@westminster.gov.uk](mailto:dmontague@westminster.gov.uk)

## BACKGROUND PAPERS:

*'Parking Permits and Suspensions Fees and Charges Review'* Cabinet Member report dated 22 May 2013

[http://transact.westminster.gov.uk/committee/index.cfm?c\\_docs=Cabinet%20Member%20Decisions/Archived%20Decisions/Business/2013-2014/03%20-%20Parking%20Permits%20and%20Suspensions%20Fees%20and%20Charges%20Review](http://transact.westminster.gov.uk/committee/index.cfm?c_docs=Cabinet%20Member%20Decisions/Archived%20Decisions/Business/2013-2014/03%20-%20Parking%20Permits%20and%20Suspensions%20Fees%20and%20Charges%20Review)

*'Paid for Parking – Tariff and Operational Policy Review'* Cabinet Member report dated 15 December 2015

<http://committees.westminster.gov.uk/ieDecisionDetails.aspx?ID=445>

*'Kerbside Permissions Fees and Policies Review'* Cabinet Member report dated 14 October 2015

<http://committees.westminster.gov.uk/ieDecisionDetails.aspx?ID=414>

Map of WCC showing parking zones and sub-zones of Westminster

[http://transact.westminster.gov.uk/docstores/publications\\_store/parking/parking\\_zones\\_map.pdf](http://transact.westminster.gov.uk/docstores/publications_store/parking/parking_zones_map.pdf)

Parking Occupancy Survey 2015

<http://committees.westminster.gov.uk/documents/s16324/Background%20Paper%20-%202015%20Westminster%20Parking%20Occupancy%20Surveys%20Report.pdf>

*NB: For individual Cabinet Member reports only*

For completion by the **Leader of the Council**

**Declaration of Interest**

I have <no interest to declare / to declare an interest> in respect of this report

Signed:

Date:

NAME:

**Councillor Nickie Aiken**

State nature of interest if any .....

.....

*(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)*

For the reasons set out above, I agree the recommendation(s) in the report entitled '*Parking Fees and Charges Review 2016*' and reject any alternative options which are referred to but not recommended.

Signed .....

Leader of the Council

Date .....

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional

comment:

.....

.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

### Other Implications

1. **Resources Implications** – The recommendations of this report may result in a minor increased resource requirement for back office administration and increase back office costs and handling times as a result, especially during the cut-over phase(s).
2. **Business Plan Implications** – The recommendations of this report are in accordance with the City Management and Communities Business Plan for 2015-17.
3. **Risk Management Implications** – The proposals contained in this report could present reputational risks to the Council.
4. **Health and Wellbeing Impact Assessment including Health and Safety Implications** - None
5. **Crime and Disorder Implications** - None
6. **Impact on the Environment** – The recommendations of this report align with the Council's wider transport and environmental policies of discouraging unnecessary car use.
7. **Equalities Implications** – The recommendations of this report present no significant equality implications. An Equalities Impact Assessment has been carried out.
8. **Human Rights Implications** - None
9. **Energy Measure Implications** - None

## Appendix B

### London Borough comparison of minimum pay-to-park charging policies

London Borough	Minimum Pay-to-Park Charge/Time
Barnet	15 mins
Camden	20p
City of London	15 mins
Croydon	30 mins
Enfield	15 mins
Islington	5-10 mins depending on tariff
Lambeth	20p P&D, none/1 min PbP
Newham	30 mins
RBKC	20p P&D, none/1 min PbP
Southwark	none/1 min
Tower Hamlets	none/1 min
Waltham Forest	30 mins (first 15 mins in PbP is free & free period 1-2pm)
Wandsworth	20p P&D, none/1 min PbP
Westminster	30 mins Payment Terminals (replaced P&D), none/1 min PbP

Data obtained directly from London Boroughs who responded to a survey dated 08/11/16.

## Appendix C

### Comparison of Central London borough resident permit charges

Borough	Emissions / EV Permit Discount?	Res Permit Summary	Res Permit Prices p/a	Other Permits / Concessions
WCC	Y	Free 'eco' discounted MC discounted ≤1200cc	'Eco' FOC MC £50 ≤1200cc £100 >1200cc £141	EV & P-IH free in pay-to-park bays up to max stay
RBKC	Y	discounted elec 7x tiered charges re cc & CO2g/km diesel surcharge 2nd+ vehicle surcharge	Band 1 - elec & CO2 ≤100g/km £78 Band 2 - CO2 101-120g/km £104 Band 3 - CO2 121-150g/km & ≤1549cc £121 Band 4 - CO2 151-165g/km £135 Band 5 - CO2 166-185g/km £150 Band 6 - CO2 186-225g/km, >225g/km reg 01/03/01-23/03/06 & >1549cc £161 Band 7 - CO2 >225g/km & reg from 23/03/06 £214 £40 diesel surcharge unless meet Euro 5 £68 additional vehicle surcharge	n/a
H&F	Y	discounted 'green'	green' Euro 5 or CO2 ≤100g/km £60 1st res perm £119 2nd res perm £497 (no green discount on 2nd)	n/a
Camden	Y	Reduced Elec charge 4x tiered charges re cc & CO2g/km online discount tiered diesel surcharge 2nd & 3rd vehicle surcharge discounted MC	Elec £29.84 Tariff 1 - CO2 <150g/km or <1299cc £85.80 (or £95.80). Diesel surcharge £20.60 Tariff 2 - CO2 151-185g/km or 1300-1849cc £114.27 (or £124.27). Diesel surcharge £26.72 Tariff 3 - CO2 186-225g/km or 1850-2449cc £153.13 (or £163.13). Diesel surcharge £35.07 Tariff 4 - CO2 >225g/km or >2450cc £272.47 (or £282.47). Diesel surcharge £59.73 2nd vehicle as above + £56.39 surcharge 3rd vehicle as above + £140.69 surcharge MC £58.58	EV 75% discount on business permits (£82.11 vs £328.45 + £34.89 diesel surcharge)
Islington	Y	Free elec & lowest C emission vehicles 12x tiered charges re cc & CO2g/km Diesel surcharge Some exempted vehicles	Elec & <100 CO2g/km FOCCO2 101-110g/km or <900cc £17CO2 111-120g/km or 901-1100cc £29CO2 121-130g/km or 1101-1200cc £77CO2 131-140g/km or 1201-1300cc £94CO2 141-150g/km or 1301-1399cc £101CO2 151-165g/km or 1400-1500cc £126CO2 166-175g/km or 1501-1650cc £144CO2 176-185g/km or 1651-1850cc £169CO2 186-200g/km or 1851-2100cc £214CO2 201-225g/km or 2101-2500cc £249CO2 226-255g/km or 2501-2750cc £348CO2 >256g/km or >2751cc £449all with £96 diesel surchargeExemptions for those who depend on their vehicle for employment (carers, black cabs, trades, DVLA cat N1 goods vehicles <3.5t, DVLA cat M vehicles for carriage of passengers)	n/a
Brent	Y	Free lowest C emission & cc vehicles 2nd & 3rd vehicle surcharge	Band 1 - CO2 <110g/km or <1101cc FOC (2nd £40, 3rd £80) Band 2 - CO2 110-130g/km or 1101-1200cc £56 (2nd £96, 3rd £136) Band 3 - CO2 131-150g/km or 1201-1550cc £83 (2nd £123, 3rd £163) Band 4 - CO2 151-175g/km or 1551-1800cc £111 (2nd	Same rules & rates apply to annual visitor permits

			£151, 3rd £191) Band 5 - CO2 176-200g/km or 1801-2400cc £139 (2nd £179, 3rd £219) Band 6 - CO2 201-255g/km or 2401-3000cc £167 (2nd £207, 3rd £247) Band 7 - CO2 >255g/km or >3000cc £222 (2nd £262, 3rd £302)	
Barnet	Y	3x tiered charges re CO2 g/km 2nd+ vehicle surcharge	Low - CO2 ≤110g/km £30 Med - CO2 111-200g/km £40 High - CO2 >200g/km £60 Additional vehicles £70	n/a
Kingston	N	Standard charge per vehicle	Standard res perm £90	n/a
Richmond	Y	Free DVLA Band A vehicles 2nd & 3rd+ vehicles surcharge	DVLA Band A - CO2 ≤100g/km FOC Standard - £99 2nd vehicle - £148 3rd vehicle+ - £198	Differential pay-to-park charges intro'd in 2009 & scrapped in 2010

Data obtained from information published on each borough's website 20/04/16.

## Appendix D

### London Borough comparison of skip licence charges and arrangements

London Borough	Charge	Duration	No. of skips	Suspension & Dispensation Charges Also?	Comparative Skip Licence Charge to Place Skip in Bay for 2 wks	Comparative Skip Licence Charge to Place Skip in Bay for 3 mths
WCC	£78	3 mths	2	Both	£78	£78
Barnet	£50	2 wks	multiple	unclear	£50	£350
Brent	£42	2 wks	1	Susp only	£42	£294
Camden	£44.37	2 wks	1	Susp only	£44.37	£277.29
	£77.64	4 wks				
City of London	Not permitted (only within hoarding)	n/a	n/a	n/a	n/a	n/a
Enfield	£53	2 wks	1	unclear	£53	£263
	£35 (fortnightly extension)					
H&F	£68.70 (mth 1)	1 mth	1	Susp only	£68.70	£187.90
	£59.60 (mthly extension)					
Islington	£86	1 mth	1	Susp only	£86	£258
RBKC	£89	3 mths	1	Susp only	£89	£89
Lambeth	£60	1 mth	1	Susp only (only permitted in bays)	£60	£180
	£44 if not in CPZ					
Wandsworth	£32.50	2 wks	1	Susp only	£32.50	£220.60
	£62.70	4 wks				

Data obtained from information published on each borough's website 26/09/16.