



Cabinet
17th August 2020

**Report from the Strategic Director
Regeneration & Environment**

Daily Visitor Parking Charges, And Permit Refunds

Wards Affected:	Wards containing Controlled Parking Zones - Alperton, Barnhill, Brondesbury Park, Dollis Hill, Dudden Hill, Fryent, Harlesden, Kensal Green, Kenton, Kilburn, Mapesbury, Northwick Park, Preston, Queen's Park, Queensbury, Stonebridge, Sudbury, Tokyngton, Welsh Harp, Wembley Central and Willesden Green
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt:	Open
No. of Appendices:	None
Background Papers:	None
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1.0 Purpose of the Report

- 1.1 Cabinet agreed on 24 October 2016 to introduce a new price structure for daily visitor parking bookings in Controlled Parking Zones, linked informally to London bus fares set by TfL. This report now considers a proposal to make a formal link between the cost of daily visitor permits and the cost of bus fares in Greater London. Any change in the price of visitor permits would then be directly aligned to changes in bus fares. The link will ensure that there is no price incentive to travel by private vehicle rather than use public transport, in support of the objectives of the Council's Long Term Transport Strategy.
- 1.2 The report also considers a proposal to increase the maximum value of refunds on parking permits that are returned or cancelled, from one third to one half. This reflects the reduction in associated administrative costs following the widespread introduction of virtual permits.

2.0 Recommendations

That Cabinet agrees to:

- 2.1 Consult parking account holders on a recommendation to formally link and align the cost of daily visitor permits to bus fares set by Transport for London (TfL); charges for daily visitor permits would then directly align with any future price changes made by TfL to the cost of bus fares.
- 2.2 Consult parking account holders on a recommendation to increase the maximum refund value for all parking permits that are cancelled, from the current entitlement of up to *one third* of the value of the permit to up to *half* of the remaining value of the permit.
- 2.3 Delegate authority to the Strategic Director of Regeneration and Environment, in consultation with the Lead Member of the Environment:
 - (i) to consider the outcome of the consultation responses in relation to the proposals set out in paragraphs 2.1 and 2.2 of this report; and
 - (ii) if he thinks fit to do so, to proceed thereafter with the statutory consultation and notification process in respect of those proposals; and
 - (iii) after consideration of the responses to this statutory consultation and notification process, if he thinks it fit to do so, to implement the proposed changes to the daily visitor parking permits and permit refunds; and
 - (iv) to amend current Traffic Management Orders to implement the proposals set out in paragraphs 2.1 and 2.2 of this report.

3.0 Background / Detail

Daily Visitor Parking Charges

- 3.1 On 24th October 2016, following consultation with residents and businesses, Cabinet endorsed a new pricing structure for daily visitor parking permits. Cabinet agreed that in principle the cost of visitor parking permits should be equitable with the cost of bus fares. The aim was to encourage people to consider switching to more sustainable modes of transport without there being a price incentive favouring private car usage.
- 3.2 In November 2016, new visitor parking charges were introduced in Controlled Parking Zone (CPZ) areas, with a £1.50 charge for up to 2 hours, a £3 charge for up to 4 hours, and a £4.50 charge for 'all-day' visitor parking of more than 4 hours.
- 3.3 The Mayor of London has held the cost of bus fares since 2016. The current cost set by TfL of a single bus fare is £1.50, a return fare by bus is £3.00, and the daily cap on bus fares is £4.50. At this point we do not know the exact fares which will be in place from January 2021, but increases are expected to be based on RPI plus 1%.
- 3.4 In June 2020 central Government imposed on TfL a series of changes to fares and travel permit conditions. Specifically, TfL were required to announce that fares on public transportation, including buses, would be expected to rise by Retail Price Index (RPI) + 1% in January 2021. To ensure that daily visitor permits remain linked to the price of bus fares, an equivalent linked increase to daily visitor permits would ensure prices remain equitable.
- 3.5 Daily visitor parking bookings allow residents that live in CPZs to receive visitors during a Zone's operational hours. Residents can book a parking session for their visitor online, over the telephone or by text message, providing they have a parking account.

- 3.6 The Council regulates on-street parking to manage demand from residents, businesses and visitors, assist the smooth flow of traffic and reduce vehicle trips, particularly at peak times. This supports the Council's aims of encouraging the uptake of sustainable travel options, and reducing carbon emissions and air pollution.
- 3.7 The Council's 2015 Parking Strategy states that charges should be reviewed regularly and also states that the '*Council will progressively develop a parking and CPZ permit charge structure that reflects balanced transport policies and overarching environmental aims and objectives*'. In September 2012, the Council's Executive adopted a pricing principle which was that '*No charge should be made that undermines policy objectives*'. A key objective in linking visitor parking charging to that of public transportation is to encourage the use of more sustainable modes of transport, such as public transport, cycling and walking.
- 3.8 Car usage makes a significant contribution to the borough's carbon emissions. When considering the new price structure in 2016, it was felt that balancing the cost of visitor parking with that of public transport could encourage a greater uptake of more sustainable modes of transport.
- 3.9 In 2016/17, prior to the new pricing structure being introduced, residents booked 420,000 visitor parking sessions. By 2019/20, residents booked just 280,000 visitor parking sessions, demonstrating that the pricing structure had successfully reduced by one third the number of visits made to CPZs by car. This has improved management of parking spaces in CPZs, and contributed to a reduction in both air pollution and carbon emissions in Brent.
- 3.10 To ensure that the objectives of the visitor parking pricing structure are preserved, visitor permit prices should remain aligned to the charge for bus fares made by TfL.

Permit Refunds

- 3.11 Any resident or business that holds a parking permit for a Controlled Parking Zone is entitled, under the permit terms and conditions, to cancel their permit. In the majority of cases, permits are cancelled due to the permit holder moving out of their current CPZ. Other instances include permit holders deciding to no longer own a private vehicle.
- 3.12 The Council's Parking Contractor, Serco, administers permit refunds. The process for cancelling a permit is done online through the permit holders parking account. Permit holders are able to log into their account, select 'account summary' where there is an option to 'cancel permit'.
- 3.13 In accordance to section 16 of the 'Parking Permits Terms & Conditions', a refund is at present up to one third of the cost of the remaining value on the permit. Refunds are processed and credited onto the original payment card used to purchase the permit or to a linked bank account in the event that the payment card has expired.
- 3.14 The arrangements for refunds are set out in a Traffic Management Order, and are currently as follows:
- 24 month permits – maximum 8 months' refund;
 - 12 month permits – maximum 4 months' refund;
 - 6 month permits - maximum 2 months' refund;
 - 3 month permits - maximum 1 month's refund.

Refunds represent a third of the value and only full months remaining are eligible for a refund.

- 3.15 The maximum refund level of one third was set to reflect the administrative cost of cancelling printed parking permits. The widespread introduction of virtual parking permits has reduced these costs, and it is now proposed to increase the maximum refund value to up to 50% of the remaining value of the permit. Specifically:
- 24 month permits – maximum 12 months' refund;
 - 12 month permits – maximum 6 months' refund;
 - 6 month permits - maximum 3 months' refund;
 - 3 month permits - maximum 1.5 month's refund.

Consultation

It is proposed that the Council proceeds to a 28-day online consultation with residents and businesses holding an active parking account via the Brent corporate Consultation Hub. Consultation would commence early September 2020.

- 3.16 It is not considered that wider consultation with all residents would be appropriate in this case. Only parking account holders would be affected by the proposed changes. Residents without a parking account cannot purchase parking permits, and cannot make visitor parking bookings.
- 3.17 The decision on whether to implement the amendment of relevant Traffic Management Orders, in relation to the matter set out in paragraphs 2.1 and 2.2 above, will be made by the Strategic Director Regeneration and Environment and this is covered in the recommendation set out in paragraph 2.3(iv) above. This will be done in consultation with the Lead Member for Environment, after consideration of the outcome of the statutory consultation and notification process pursuant to the Cabinet decision to delegate such authority. If this proceeds, the expected target date in respect of the proposals set out in paragraphs 2.1 and 2.2 of this report is 4 January 2021.
- 3.18 If the recommendations in section 2 of this report are agreed, the Cabinet is asked to note that changes to daily visitor permits will then align in future to any equivalent change made by TfL to bus fares, effective from the date TfL implement price changes.

4.0 Financial Implications

- 4.1 An estimate of the financial implications of implementing a formal link between the cost of bus fares daily visitor permits, as set out above, suggests this could provide additional revenue in 2021-2022 of between £15k to £20k p.a. This assumes that TfL implement the proposed 2021 increase to bus fares.
- 4.2 For illustrative purposes, the most recent RPI published by the Office of National Statistics in June 2020 was 0.7%. Revenue from visitor permit sales in 2019-20 was £0.86m. Assuming RPI will remain at similar levels into early next year when TfL announce fares, the combined increase of RPI + 1% would equate to a 1.7% increase. It is not expected that an inflation-led increase on this scale would have any significant impact on demand.
- 4.3 Any additional revenue generated through daily visitor permit sales would contribute towards the Parking Account surplus currently applied wholly to concessionary fares.

- 4.4 An estimate of the financial implications of increasing the permit refund from one third of the value of the permit to half the value could result in net refunds increasing by £40k. In 2019-2020 2,100 permit refunds were processed. The total one-third refunded value across all permits cancelled was £80k.
- 4.5 The small reduction in parking permit income from increasing the permit refund will be met from existing resources.

5.0 Legal Implications

- 5.1 Under Section 45 of the Road Traffic Regulation Act 1984 (RTRA 1984), a local authority has powers to designate parking places on the highway, to charge for use of them, and to issue parking permits for a charge.
- 5.2 Section 55 of the RTRA 1984 makes provision for the monies raised under section 45 of the RTRA 1984, in that it provides for the creation of a ring-fenced account (the SPA – Special Parking Account) into which monies raised through the operation of parking places must be placed, and for the application of any surplus funds. Any surplus generated is appropriated into the Council's General Fund at the year end and can be spent on matters defined in section 55(4) of the RTRA 1984 Act (mainly transport and highways matters, which are listed in the Act).
- 5.3 Section 122 of the RTRA 1984 imposes a general duty on local authorities when exercising functions under the RTRA. It provides, insofar as is material, as follows:
"(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 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...
(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 locality 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;
(d) any other matters appearing to the local authority to be relevant"
- 5.4 Should an increase to visitor parking charges and an amendment to the permit policy be approved for implementation, both of these proposed changes would respectively require the amendment of the existing Traffic Management Orders (TMO) under the Road Traffic Regulation Act 1984.

6.0 Equalities Implications

- 6.1 An equalities analysis was undertaken prior to the introduction of revised visitor parking charges in 2016. This indicated that a key question was whether there would be any adverse effect on residents who live in CPZs and receive visitors who provide them with care. This could particularly affect elderly residents, or those with disabilities.

- 6.2 However, two measures are in place that mitigate against any significant impact: the Essential User permit, which is available to public and voluntary sector staff providing formal care; and the Visitor Household permit, which is particularly helpful to residents who receive regular informal care visits. Both of these permits are already subject to annual inflation-driven price increases. The proposals in this paper would bring daily visitor booking charges in line with the inflation-led approach.
- 6.3 In conclusion, therefore, it is not considered that linking visitor permit booking charges to inflation in future would have any significant equalities implications.
- 6.4 There are no equalities implications associated with introducing a change to permit refunds.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 Both consultation and the process of statutory consultation and notification on the aforementioned changes will be required. This will be scheduled to take place in Autumn 2020.

8.0 Human Resource / Property Implications

- 8.1 None

Related documents:

- Cabinet: 27 June 2016 On-Street Parking Service Offer
- Cabinet: 24 October 2016 Visitor Permit Charging
- 2015 Parking Strategy
- Long Term Transport Strategy

Report sign off:

Amar Dave

Strategic Director of Regeneration and Environment.