

THE EXECUTIVE

27 APRIL 2004

REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES

REVIEW OF ON-STREET AND OFF-STREET PARKING CHARGES 2004 / 2005	FOR DECISION	
<p><i>This report concerns the setting of fees and charges, which is a decision reserved by the Constitution (Scheme of Delegation) to the Executive.</i></p> <p><u>Summary</u></p> <p>This report provides information on the Parking Account for the current financial year and sets out options for setting on and off-street parking charges for the financial year 2004 / 2005.</p> <p>There are a number of options on the level of increase included in Appendices B and D. The report takes into account the effect of the redevelopment of Barking Town Centre and the effect on off-street parking. As a result the report recommends that there is no increase in Off-Street Parking Charges for 2004 / 2005. It is proposed that the On-Street Parking Charges are generally increased in line with inflation. This will result in an anticipated increase in income of £3,000.</p> <p>The report also looks at future developments in enforcement such as CCTV.</p> <p><u>Recommendations</u></p> <p>The Executive is recommended to agree:</p> <ol style="list-style-type: none">1. That with the exception of Off-Street Permits that there are no changes to the Off-Street Parking Charges for 2004/05; and2. To increases, in line with inflation, the On-Street Parking Charges 2004 / 2005.		
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1. Background

- 1.1 The Executive last considered both the On-Street and Off-Street Parking Charges at its meeting on 18 March 2003 (Executive Minute 360 refers). The Executive approved an increase in the Off -Street Parking Charges of approximately 14% and an increase in On-Street Parking Charges of approximately 4%.

- 1.2 The Road Traffic Act 1991 suggests that Council's car parking operations should attempt to be at least self financing. The Act also states that any surplus from the Council's On-Street Parking Account shall be ring-fenced for use on car parking, road Safety, concessionary fares or highway improvements.
- 1.3 Reports have been presented to the Executive with regard to future development of a number of sites, which are currently utilised for paid for parking within Barking Town Centre. The latest report on the likely consequence of such development on the Account indicates that there will be a loss to the Revenue account of £243,610 per year.
- 1.4 The cost of making new Traffic Orders, changing signs and modifying Pay and Display machines is approximately £3,500. This cost will be met by the Parking Account.

2. Off-Street Parking Charges

2.1 Pay and Display

- 2.1.1 The 2004/05 budget for the Off-Street Parking Account is shown at Appendix A. This includes the increases in income budgets to take account of the contribution towards savings targets, plus inflation taken at 2.5%.

In summary it shows a predicted annual surplus of approximately £27,620 when Capital charges are excluded or a deficit of approximately £410,930 when Capital charges are included (the Capital charge for London Road Multi-Storey Car Park is £309,000 and £126,000 for The Mall Car Park at the Heathway).

- 2.1.2 In looking at any increase in car parking charges it is important to note that the mechanism of existing payment machines do not accept coinage of less than 5p. It should also be recognised that due to the size and weight of the 5p coin the payment machines have greater difficulty in keeping clear.
- 2.1.3 Attached as Appendix B is a matrix of charging options based on 10p band. In deciding which option to implement consideration needs to be given to the following:
 - (a) Parking charges of neighbouring Councils
 - (b) Possible effect on Barking Town Centre and Heathway Shopping Area regeneration
 - (c) Future vitality and use of the car parks
- 2.1.4 Based on information currently available, it is predicted that income from off-street car parks will exceed the budget for 2003/04 by approximately £91,000. This is as a result of last years price increases, effective enforcement and the success of works at The Mall Car Park in maintaining an income stream (£82,000 in the period April 2003 to February 2004)

- 2.1.5 As the current car park sites are redeveloped the income stream for the Account will decrease from around September 2004. Currently there is sufficient capacity in Barking Town Centre to cope with this displaced short-term shopper car parking. However, the Executive may recall that it was recommended that the Town Hall Car Park could be made available to shoppers when development of Clockhouse Avenue Car Park starts. An e-mail was sent to all staff advising of this change.
- 2.1.6 During the redevelopment period it is difficult to predict accurately the loss of income from displaced shopper parking. There may be significant differences in the number of car-borne shoppers using Barking Town Centre depending on whether their parking option is between the surface or multi-storey car arks which remain available.
- 2.1.7 For the above and following reasons it is recommended that for 2004/5 the Charges are held at the 2003/04 levels for the following reasons:
- (a) Further increases in parking charges at this time may result in a reduction of usage at a time when regeneration of Barking Town Centre is about to commence.
 - (b) During development work in Barking Town Centre there is likely to be disruption and competitive parking charges may retain loyal patronage during the transitional period.
 - (c) Following improvements to security at The Mall Car Park, car borne shoppers are increasingly utilising this facility when shopping at Heathway shopping area. This has resulted in the revenue from this car park returning to previous levels and it is more likely that income will continue to increase as more shoppers feel secure in using this facility. An increase in charges at this time may halt this trend.
 - (d) Income has increased to a sufficient degree to meet the budgetary requirements of the service (including contributions towards savings and taking account of projected inflation).

The current charges (2003/04) are shown in Appendix B.

- 2.1.8 Parking income can be unpredictable and therefore it would be unwise to anticipate that the over achievement in 2003/04 can be maintained in subsequent years. In future years a number of car parks in Barking Town Centre will be lost to the Parking Account with a resultant loss of Revenue

The following car parks are in the current redevelopment programme:

- Axe Street
- Clockhouse Avenue
- North Street / London Road
- Wakering Road

Based on figures available to the end of December 2003, it is likely that the combined net income from these car parks will amount to approximately £243,610 during 2003/2004.

2.2 Off-Street Permit Charges

2.2.1 Listed below is a list of Off-Street Parking Permit Charges which were approved for the 2003/04 financial year after increases in value which ranged from 4.0 to 10.7%.

Description	Current Cost (£)
Pre-paid Local Worker Permit (BTC)	300 pa
Pre-paid Local Worker Permit (BTC)	90/qtr
Contract Parking (BTC)	385 pa
Contract Parking – Shared Bays (BTC)	437 pa
Court House Staff	86 pa
The Mall Car Park Annual Permits	115 pa
London Road/North Street Residents	19.30/qtr

2.2.2 It is recommended that these values be retained for the 2004/05 financial year or until displacement issues are resolved regarding staff parking and future development.

3. On-Street Charges

3.1 The 2004/05 budget for the On-Street Parking Account is shown at Appendix C. This includes the projected increases in income to take on board the contribution towards savings targets, plus inflation (taken at 4%).

In summary it shows an annual surplus of approximately £119,200 excluding Capital charges and a surplus of £48,830 when Capital charges are taken into consideration.

3.2 Appendix D provides a matrix of options for increasing the value of Resident, Visitor, Business and Operation Permits that the Executive may wish to consider. However, the Executive is recommended to approve the increases given below for on-street parking provision. They are intended to reflect an overall increase in line with inflation, but exert a degree of pressure in ensuring that residents consider carefully whether they should park more than two vehicles within the Controlled Parking Zones. The cost of dispensations permits (e.g. for service vehicles and statutory undertakers), which was introduced last year was not considered sufficient to deter excessive applications and is recommended that this charges is increase to £5.00 per day, which brings it closer to the charge for on-street parking:

	Current Cost (£)	Proposed Cost (£)	Percentage Increase
Residents Permits (First two vehicles)	17.70	18.00	1.70
Residents Permits (subsequent vehicles)	22.00	25.00	13.60
Visitor Permits	3.30	3.40	3.00
Business Permits (BTC)	295.00	310.00	5.10
Business Permits (Elsewhere)	115.00	120.00	4.30
Operational Permits (essential services)	40.00	41.00	2.50
Operational Services (health and nurses)	17.70	18.00	1.70
Doctors Permits	47.00	48.00	2.10
30 day temporary cover/permit (Residents only)	10.00	10.50	5.00
Dispensation (Service Vehicles/ Trade, Statutory Undertakers etc)	2.50 per day	5.00 per day	100.00

3.3 These increases will generate approximately £3,000 of additional income per annum if current demand is maintained.

4. Additional Parking Issues

4.1 The following items will have significance to future delivery of the parking services:

- (i) CCTV – Approval from the Association of London Government (ALG) is still awaited but it is anticipated that enforcement using CCTV will begin during 2004. This will utilise new cameras funded by the London Bus Initiative (LBI) and existing safety cameras.
- (ii) Tow away / Clamping – Work is continuing in preparation of tow-away and / or clamping of vehicles for parking offences. Such enforcement action is being prepared for housing areas in association with officers of the Parking Service. Discussions are underway with regard to a financial contribution to this initiative from Transport for London/London Buses.
- (iii) Abandoned / Untaxed Vehicles – the abandoned vehicles service is now more closely aligned with parking services. As a result of an Association of Local Government (ALG) initiative, which this Council supports, it is planned that there will be a major assault on untaxed vehicles during 2004.

Increased and coordinated action between these services with the support of the DVLA and the police is likely to lead to an increase in the number of vehicles being taxed and a reduction of untaxed vehicles on the roads of the Borough. By the end of 2004 the aim is to be able to tow away vehicles which are parked in breach of parking restrictions or are untaxed to a privately owned secure compound. This will compliment continuing improvements in the removal of abandoned vehicles.

(iv) The Mall Car Park Sunday Opening

The improvements made to The Mall Car Park have lead to increased use and a request from local shops for the car park to open on Sundays. Sunday shopping is now an accepted community practice and whether the car park is open or not, the shops have been opening on Sunday's.

It is recommended that The Mall Car Park should open on Sundays with fee charges equivalent to Monday to Saturday. It is not possible to determine whether this will lead to an overall increase in income as some shoppers may chose to change their visit from a Saturday to Sunday, however, it is considered unlikely that such an arrangement will lead to a financial loss to the Off-Street Account.

5. Financial Summary

- 5.1 The anticipated final account for the Parking Service for 2003/2004 shows an anticipated net surplus above the budget of approximately £250,000. As a result it is recommended that the Off-Street Parking Charges remain fixed with On-Street Parking Charges increasing in-line with inflation. Which give an estimated Revenue income for 2004/05 of £1,326,510.
- 5.2 Due to redevelopment it is difficult to predict the use of Council Pay and Display car parks in Barking Town Centre. The public may chose to use other Council owned car parks or private car parks and it is therefore recommended that the Off-Street Parking Account budget remains unchanged at a budgeted deficit of £410,930 including Capital Charges, or a surplus of £27,620 excluding Capital Charges.
- 5.3 The service has continued to utilise external funds to develop alternate means of enforcement (for example utilising CCTV) which will change the nature of enforcement in some areas. Experience from other boroughs shows that this will lead to an initial increase in income followed by a rapid decline as compliance increases. However, this new method of working will at least cover its full cost of operation and there will be no implication on the Revenue budgets.
- 5.4 With the redevelopment issues around parking in the Barking Town Centre, it is difficult to predict the usage and therefore income levels. Some drivers may utilise alternative car parks, while others may choose to park illegally or not come to the Town Centre at all.
- 5.5 Income from the car parks being developed is approximately £243,610 per annum based on income in 2003/04.

6. Consultation

Phil Horner, Senior Accountant, Strategic Finance
Bob Cooper, Interim Head of Finance for LESD

The following Portfolio Holders were also advised of the proposals during the production of this report

Councillor McKenzie, Portfolio Holder for Street Scene
Councillor Geddes, Portfolio Holder for Financial Planning and Strategy
Councillor Porter, Portfolio Holder for Public Facilities

Background Papers

Executive Report and Minute 360, 18 March 2003. Review of On/Off Street Parking Charges