

EAST HERTS COUNCIL

EXECUTIVE – 3 FEBRUARY 2015

REPORT BY EXECUTIVE MEMBER FOR ECONOMIC DEVELOPMENT

RESIDENT PARKING PERMIT CHARGING POLICY

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To explain the statutory basis for on-street parking charges.
- To confirm the current financial status of the Council's resident permit parking schemes.
- To invite the Executive to freeze permit charges for 2015/16 pending a full review of permit policy scheduled for that year.

<u>RECOMMENDATIONS FOR EXECUTIVE: That:</u>	
(A)	the current financial status of the Council's resident permit parking schemes be noted;
(B)	the charging principles advocated for 2015/16 be endorsed, subject to a further review during that year; and
(C)	support for a freeze to permit charges in 2015/16 be confirmed.

1.0 Background

1.1 East Herts Council administers twelve on-street permit parking schemes – seven in Bishop's Stortford, three in Hertford and two in Ware. Of the twelve, three are extremely small and/or do not include provision for residents. These are the Chambers Street scheme in Hertford, the Church Street scheme in Ware and the South Road (Millers 3) scheme in Bishop's Stortford. These small schemes are not examined in detail in this report although the principles advocated in this report would apply if adopted. A list of the nine significant schemes in operation within the district is offered in **Essential Reference Paper 'B'**.

- 1.2 East Herts Council has taken the view that it should only implement a resident permit parking scheme where a majority of residents who have voted have indicated their support. A comprehensive informal and formal consultation process is always undertaken to confirm majority support before a scheme is progressed.
- 1.3 All schemes are subject to a six month review following implementation to identify potential for amendment/improvement following initial implementation.

2.0 Report

Statutory Basis for On-street Charging

- 2.1 Sections 45 and 46 of the Road Traffic Regulation Act 1984 (RTRA 84) allow local authorities to designate on-street parking places for use by specified classes of vehicle and for permits to be issued, for which a charge may be levied. Permit parking schemes in East Herts have been introduced using these powers.
- 2.2 Until 2014/15 a maximum of two permits per household has been permitted, with the second permit twice the price of the first. With very few exceptions first and second permit prices are consistent across all schemes - £36 and £72 per annum respectively in 2014/15. In response to resident requests a third permit has been proposed within the Council's Fees and Charges for 2015/16, priced the same as the second permit, in the small number of schemes where road capacity will tolerate this. The price of visitor parking has remained unchanged since 2004/05 at 10p an hour (5p an hour for pensioner households).
- 2.3 A local authority must set its on-street charges with the traffic management objectives of the RTRA 1984 in mind and may seek to do no more than break even financially. It is unlawful to set on-street charges with the intention of generating a net revenue surplus. Should an authority *inadvertently* generate a surplus from its on-street activities, Section 55 of the RTRA 1984 ring-fences the use of that surplus for specific purposes

Operating Costs and Income

- 2.4 Officers have modelled income and expenditure figures in respect of each of the Council's resident permit schemes based on

permits in circulation in 2014. These figures are set out in **Essential Reference Paper 'C'** along with the sources of the data and any assumptions that have been made

- 2.5 Implementation costs have not been included. These can be considerable. For example, the budgeted implementation cost for the 'Southmill' scheme proposed for Bishop's Stortford is in the region of £30,000. These costs may be met by special items of one off revenue funding, approved by the Executive and Council on a cost/benefit basis or where Section 106 planning obligations have funding to support such schemes.
- 2.6 The permit income and Penalty Charge Notice revenue derived from permit scheme controls has been identified and shown in **Essential Reference Paper 'C'**. As the PCN revenue identified is a function of permit schemes and would not exist otherwise, officers recommend it *should* be taken into account when assessing the financial position of schemes. With PCN revenue included, schemes are shown to have operated at a net deficit of £34,000 in 2013/14. **Essential Reference Paper 'C'** also shows that the break-even point of each scheme varies, largely because the cost of civil enforcement and signage is not scalable in proportion to the size (number of residences and hence motorists) of each scheme.

Fees and Charges Recommendations – 2015/16

- 2.9 The Council's MTFP anticipates an annual increase in permit related income of 2.5%. This would generate additional income of approximately £2,150 in 2015/16, which is insignificant compared to the current calculated deficit of £34,000.
- 2.10 The Council is moving permit schemes onto a 'virtual' platform, enabling residents and their visitors to purchase parking time on-line, rather than having to display permits or visitor vouchers which will reduce the administration costs of permit schemes.
- 2.11 The Council will be considering its off-street charges in 2015/16 and it is proposed to consider appropriate charging for permit schemes within this review.
- 2.11 Under the above circumstances officers propose that there be no increase to permit charges in 2015/16.

3.0 Implications/Consultation

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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