

SHEFFIELD CITY COUNCIL

Highway Cabinet Member
Decision Session

Report of: Executive Director, Place

Date: 10 April 2014

Subject: Parking Services Income

Author of Report: Paul Fell Tel: 0114 205 7413

Summary: The purpose of this report is to set out how the Council uses income from parking in accordance with the Road Traffic Regulation Act 1984. Although not a comprehensive list, the report includes examples of appropriate uses of this income.

The report also sets out the parking prices and tariffs which it is proposed will be applicable in the City during the 2014/15 financial year and seeks approval to progress a range of improvements to parking delivery

Reasons for Recommendations:

Although the Council are already following the legislation in terms of using parking income. Recent high profile cases underline the need to have the decisions and actions taken by the Council formally recorded as having political endorsement.

Recommendations:

- Formally endorse the Council using income from parking in accordance with Section 55 (4) of the Road Traffic Regulation Act 1984 on the type of scheme highlighted in paragraph 4.7.
- Approve the continued use of the tariffs in paragraph 4.3 and Appendix A1 and A2 and endorse the proposal not to raise tariffs in 2014/15.
- Approve the continued use of the costs of residents and business permits set out in paragraph 4.5.

- Approve the rollout of the RingGo phone payment system Citywide and the ceasing of the transaction fee, as set out in paragraph 4.8.
- Approve the change in terms and conditions relating to pay and display in machine breakdown as set out in paragraph 4.9.
- Approve the further investigation of parking improvements set out in paragraph 4.10.

Background Papers: Appendix A1 – Street Parking Tariffs (pdf)
Appendix A2 – 2013 Off Street Schedule
Appendix B – Permit Parking Prices

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
Yes Cleared by Catherine Rodgers,
Legal Implications
Yes Cleared by Deborah Eaton,
Equality of Opportunity Implications
NO
Tackling Health Inequalities Implications
NO
Human rights Implications
NO
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
All
Relevant Cabinet Portfolio Leader
Leigh Bramall
Relevant Scrutiny Committee if decision called in
Culture, Economy and Sustainability
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

Parking Income

1.0 SUMMARY

- 1.1 The uses to which income from parking can be put are set out in Section 55 (4) of the Road Traffic Regulation Act 1984. This covers income from parking charges, parking permits and penalty charge notices (PCNs – often referred to as fines). There are similar statutory provisions relating to bus land contravention PCNs, and these were approved by Individual Cabinet Member Decision in January 2014.
- 1.2 The purpose of this report is to explain how the Council proposes to use income from parking in line with Section 55 (4) of the Road Traffic Regulation Act 1984 and to seek approval for those proposals. The report includes examples of appropriate spend.
- 1.3 The report will also highlight current parking tariff structures and charges which were approved by Council and which it is proposed should continue to be utilised in Sheffield during the year 2014/15 and in future years until any decision is taken to vary these charges. For clarity, no increase is proposed to the current tariff structure which is currently in operation.
- 1.4 The report also sets out a number of proposed improvements to the way in which parking is delivered and seeks approval for the investigation of a number of measures and implementation of others.

2.0 OUTCOME AND SUSTAINABILITY

- 2.1 The operation of on and off street parking spaces, the management of parking through the introduction of parking restrictions and use of parking permits contribute to the management of traffic in the city. Traffic management is a key part of the Local Transport Plan (LTP), a statutory document that sets out how transport will help support the development of the Sheffield City Region (SCR) over the next 15 years.
- 2.2 Traffic management through parking restrictions and their enforcement also enables the Council to help deliver its “Vision for Excellent Transport in Sheffield”, by investing in facilities to enable people to make informed choices about the way they travel and helping transport contribute to the social, economic and environmental improvements we want to happen in the City.

3.0 WHAT DOES THIS MEAN FOR THE PEOPLE OF SHEFFIELD

- 3.1 The priority in spending surplus parking income is the provision and maintenance of off street parking spaces. Income may also be used to fund public transport improvements, new highway schemes, highway maintenance, reducing environmental pollution and maintaining and improving public open spaces.

- 3.2 This report sets out proposed improvements to the delivery of parking in the City which will improve the customer experience and enhance the visitor's perception of parking accessibility in the city.

4.0 BACKGROUND

- 4.1 The Council receives income from parking via a number of sources, namely from Pay and Display machines, parking permits and Penalty Charge Notices (PCNs).

Pay and display income

- 4.2 The Council operates pay and display parking in a range of car parks and on-street parking spaces, both within the City Centre and in suburban areas.
- 4.3 In response to customer demands, the Council introduced a new range of on and off street parking tariffs in the City Centre in April 2013. These changes were approved by the full Council in its annual budget meeting. The changes were designed to provide a clear and easily understood tariff structure. The structure features the use of 50p/£1 monetary units and 30min/1 hour units of time. Also in response to customer feedback, time limits within all on street (and on most off street) spaces in the City Centre area were removed, although long stay parking is discouraged by relatively higher tariffs. In the city centre, time limits remain in car parks which are subject to planning conditions limiting them to short stay parking. The costs in the Permit Parking Zone were increased from 40p to 50p per hour. It is proposed that the parking prices throughout the city remain unchanged during the 2014/15 financial year and in subsequent years until such time that any further decision is taken by the Council to vary them. The current parking prices are set out in the schedules contained in Appendix A1 and A2.
- 4.4 At the same time the City Centre parking tariffs were changed, the days and times of operation of the City Centre Controlled Parking Zone were increased through an experimental Traffic Regulation Order (TRO) which can last for up to 18 months, with the formal objection period running for the first six of the 18 months. A separate report detailing objections to the TRO and making recommendations on the way forward will be brought for Cabinet Member approval. The only change proposed to the current tariff structure is to allow pre-payment for the flat rate evening and Sunday tariffs. These are currently only accessible to drivers who actually pay during the period that the flat rate is available. This change is proposed in response to customer comments.

Parking Permits

- 4.5 The changes to parking across the City which were introduced in 2013 also included changes to the prices and terms and conditions for residents and business parking permits. These are set out in Appendix B. It is not proposed to change these prices and terms and conditions

during the 2014/15 financial year and it is proposed to maintain these until any future decision to vary them.

Penalty Charge Notices

- 4.6 The Council's Civil Enforcement Officers enforce parking restrictions across the city. The cost of a PCN depends on the offence committed and are set by law. There are no plans to change them at present. Enforcement is carried out via foot patrols and, since October 2013, via a camera enforcement vehicle. Funding has been obtained from the South Yorkshire Safety Camera Partnership for a second camera enforcement vehicle, which is now being built. This will mean that greater effort can be put into the enforcement of school entrance markings in order to enhance safety and clearway restrictions on main routes to ensure that traffic flows are not impeded by inconsiderate parking.
- 4.7 The above sources jointly make up the 'parking account', the use of which is regulated by Section 55 (4) of the Road Traffic Regulation Act 1984. This Act sets out the purposes for which income from parking can be used. These are:
- Provision and maintenance of off street parking
 - Funding public transport
 - Highway and road improvements and maintenance
 - Reducing environmental pollution
 - Improvement and maintenance of public open space
 - Provision of outdoor recreational facilities open to the public without charge

All of these functions are carried out by the Council's Regeneration and Development Service, which includes Transport Traffic and Parking Services and Highways Maintenance Divisions. Any income from parking is currently utilised to underpin the activities of these two service areas.

Recognising that parking surpluses are a topical subject and mindful of recent high profile court cases, it is felt to be important that political approval is recorded of the usage to which parking income is currently put.

Paying by Phone

- 4.8 The Council currently utilises the RingGo telephone payment system, which allows drivers to pay for parking via mobile phone. The system allows drivers to receive reminders when their paid for time is expiring and to extend their parking time where this is allowed. This system is currently available in the city centre only. It is proposed that this system is now rolled out to the whole of the Council's pay and display parking spaces. There will be a cost of £10,000 to cover the necessary work to enter the new zones into the RingGo system and provide appropriate signage on all the Council's 500+ pay and display machines. The Council currently charges a 20p per transaction "convenience" fee on

RingGo transactions. This fee is optional and is felt to be restricting the uptake of mobile phone payments. Removing the fee will result in a reduction in income of around £15,000 per annum. However it is considered that this is a necessary step towards significantly increasing the use of electronic payment. Experience from elsewhere in the country indicates that the initial loss of income is mitigated by efficiencies associated with increased use of payment by phone. Approval is therefore sought to expand the use of the system as previously mentioned and remove the convenience fee, thus making telephone payment cost the same as using cash. This is part of a wider initiative to move drivers towards electronic payment methods, with the overall aim of improving convenience and reducing costs. Approval in principal is also sought to set up a telephone pre-payment system utilising “e-wallets” where drivers can pre-pay for blocks of parking fees. This system will allow the Council to provide incentives for pre-payment and also to make special offers to RingGo customers, for example cheaper Christmas parking offers.

Changes to Terms and Conditions

- 4.9 Currently, when pay and display machines break down and drivers cannot buy a ticket, we give free parking at that location until the day ends as it is difficult to prove whether a driver could have purchased a ticket or not. In poor weather there can be a significant number of machines not issuing tickets. This has an impact on income. If approval is granted to roll out the RingGo system city-wide, this will offer drivers a convenient alternative payment method when pay and display machines are out of order. Many other Local Authorities across the country have terms and conditions which require drivers to pay by RingGo or to use a nearby alternative pay and display machine in the event of any machine breakdown. Approval is therefore sought to alter legal orders and terms and conditions of use, such that when a pay and display machine is out of order, drivers will either have to:
- Purchase a ticket from a nearby machine which uses the same tariffs
 - Use the RingGo telephone payment system, or;
 - Park elsewhere if they cannot pay via these methods

If no payment is made and the vehicle remains parked in the bay or car park covered by the out of order machine, this will constitute a contravention of the prevailing waiting restriction and a penalty charge notice will be issued. It is considered that the reduction in loss of income from pay and display machines being out of order will cover the costs of implementing the improvements to the RingGo system detailed in section 4.8 and any necessary changes to legal orders and pay and display machine / car park information signs necessary to implement the new terms and conditions. It is proposed that these changes to terms and conditions be introduced when the RingGo system is rolled out to all the city’s pay and display spaces, as discussed in 4.8. This co-ordination is necessary as the new signing will incorporate clear information for drivers on what they should do in the event of a pay and display machine breakdown, as described above.

Parking Improvements

- 4.10 Improvements to parking in the City Centre will be developed and be the subject of a further report. They will include "Smart Parking" – a new technology which involves placing of sensors in parking bays. These sensors update a central system via radio, offering drivers real-time information on the availability of parking spaces and guidance to them via a smartphone app, which acts like a satellite navigation system. Once the driver has reached their parking space, the system links to telephone payment systems such as RingGo to allow cashless payment and provide reminders when paid time is expiring. Such systems are on trial in London, Birmingham and Manchester. The trial in Westminster has been successful and is now being rolled out to up to 10,000 parking spaces. It is felt that a Smart Parking system has significant potential to assist in overcoming the widely held, but incorrect, perception that parking is difficult to find in Sheffield. The linkage to cashless payment systems also holds out further potential for improving the customer experience and reducing costs. The system has been shown to improve payment compliance and parking space utilisation as well as offering the potential for targeted enforcement. It is proposed therefore to develop a business case for this initiative in Sheffield and then seek funding for a limited scale trial of Smart Parking technology in order to establish whether the improved space utilisation and compliance benefits obtained elsewhere can be replicated. The aim will be to establish whether the system can offer value for money. It is envisaged that in the region of 500 parking spaces in the city centre could be involved in the trial.

Relevant Implications

- 4.11 A full Equality Impact Assessment has previously been undertaken for the wider transport Capital Programme – which includes same types of schemes included above - in December 2012. The overall transport programme makes a clear commitment to the development of an inclusive transport system that takes into account the needs of everybody. Of particular importance is making public transport easier to access and use and the promotion of more sustainable and cheaper modes of travel. The Programme aims to provide real travel choices and alternatives, in particularly for the more disadvantaged groups in society. Everyone is affected by transport issues.

Financial Implications

- 4.12 There are no specific financial implications arising from the proposal to maintain the 2013/14 charges for on and off street parking and permit fees for 2014/15. It should be noted that any costs of extending the RingGo telephone payment system for pay and display parking beyond the City Centre, and removing the transaction convenience fee on RingGo calls outlined in paragraph 4.8 will be absorbed through efficiencies within the Parking Services budget. The business case for using 'e-wallets' to pay for parking by phone will be developed. The decision to roll out the e-wallets will be delegated to appropriate operational and finance officers.

- 4.13 The financial implications for new parking developments such as these set out in paragraph 4.10, will be subject to further reports.

Legal Implications

- 4.14 Examples of the types of expenditure for parking income have been described in paragraphs 4.7 in this report and as long as the Council continues to apply any generated for the purposes prescribed within the regulations then it is acting lawfully and within its powers.
- 4.15 Section 45 of the Road Traffic Regulation Act 1984 (“the act”) gives the Local Authority a power (a discretion) to redesignate parking places on a highway; to charge for the use of them and to issue parking permits for a charge. Section 55 of the Act provides for the creation of a ring-fenced account (the Specialist Parking Account “SPA”) into which the monies raised through the operation of the permit places must be placed. It also provides that any income created through the administration of the scheme may be applied for any of the purposes specified in Section 55(4) which have been highlighted in paragraph 4.7 above.
- 4.16 Section 112 of the Act imposes a general duty on the Council to exercise its function under the act 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” (“traffic management purposes”).

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Alternative options do not exist for utilisation of parking income, as the use of this income is specified by legislation.
- 5.2 The Council could maintain its current parking operation but this would not take advantage of developing technology to offer more customer focussed parking facilities in the City.

6.0 REASONS FOR RECOMMENDATIONS

- 6.1 Although the Council are already following the legislation in terms of using parking income, recent high profile cases nationally underline the need to have the decisions and actions taken by the Council formally recorded as having political support.
- 6.2 It is proposed to develop an initiative for Smart Parking and to revise the RingGo payment system to improve convenience for motorists seeking to park in Sheffield.

7.0 RECOMMENDATIONS

- 7.1 Formally endorse the Council using income from parking in accordance with Section 55 (4) of the Road Traffic Regulation Act 1984 on the type of scheme highlighted in paragraph 4.7.
- 7.2 Approve the continued use of the tariffs in paragraph 4.3 and Appendix A1 and A2 and endorse the proposal not to raise tariffs in 2014/15.
- 7.3 Approve the continued use of the costs of residents and business permits set out in paragraph 4.5.
- 7.4 Approve the rollout of the RingGo phone payment system Citywide and the ceasing of the transaction fee, as set out in paragraph 4.8.
- 7.5 Approve the change in terms and conditions relating to pay and display in machine breakdown as set out in paragraph 4.9.
- 7.6 Approve the further investigation of parking improvements set out in paragraph 4.10.

Simon Green
Executive Director, Place

10 April 2014