

Cabinet SUPPLEMENTAL AGENDA

DATE: Thursday 17 October 2013

AGENDA - PART I

ENVIRONMENT AND ENTERPRISE

KEY 14. 2013-2014 PROPERTY DISPOSAL PROGRAMME (Pages 1 - 2)

Amended Appendix to the Report of the Corporate Director of Environment and Enterprise.

16. ANY OTHER URGENT BUSINESS

Which cannot otherwise be dealt with.

KEY (a) PARKING REVIEW - 20 MINUTES FREE PARKING INITIATIVE: (Pages 3 - 20)

Report of the Corporate Director of Environment and Enterprise.

AGENDA - PART II - Nil

Note: In accordance with the Local Government (Access to Information) Act 1985, the following agenda item has been admitted late to the agenda by virtue of the special circumstances and urgency detailed below:-

<u>Agenda item</u>	<u>Special Circumstances/Grounds for Urgency</u>
14. 2013-2014 Property Disposal Programme – Appendix 2, OS Plan relating to Whitchurch Lane	<p>The amended appendix was not available at the time the agenda was printed and circulated, as it was being consulted on.</p> <p>Members are requested to consider this appendix, as a matter of urgency, as the additional piece of land needs to be</p>

considered with the public conveniences, as part of Cabinet's decision on the substantive item.

16(a). Parking Review - 20
Minutes Free Parking
Initiative

The report was not available at the time the agenda was printed and circulated, as it was being consulted on.

Members are requested to consider this item, as a matter of urgency, to allow a decision to be made at the earliest opportunity as there are financial implications in continuing the Rayners Lane trial until November 2013 and beyond.

[Note: Due to the late circulation of the above-mentioned items after the normal Cabinet agenda despatch, the deadline for the receipt of public and Councillor questions on the contents of the items is 3.00 pm on Tuesday, 15 October 2013.]

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TITLE
Public Convenience
Whitchurch Lane
Edgware

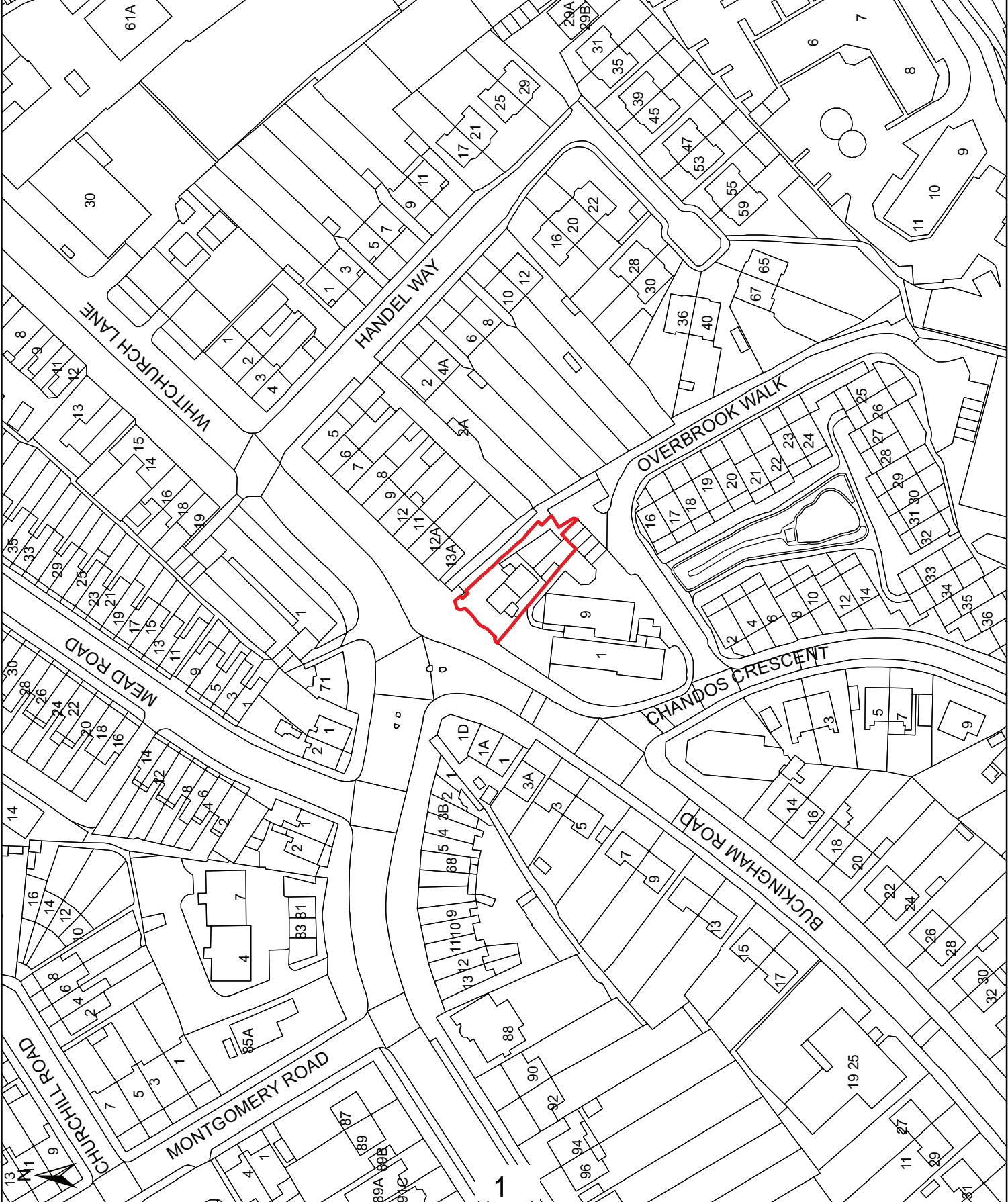
Agenda Item 14
Pages 1 to 2

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Issue



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REPORT FOR: CABINET

Date of Meeting:	17 October 2013
Subject:	Parking Review - 20 minutes free parking initiative
Key Decision:	Yes
Responsible Officer:	Caroline Bruce, Corporate Director of Environment and Enterprise
Portfolio Holder:	Councillor Susan Hall, Leader of the Council and Portfolio Holder for Community Safety and Environment
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix A: Trial location plan Appendix B: Trial monitoring data Appendix C: North Harrow regeneration

Section 1 – Summary and Recommendations

This report sets out the background to the Rayners Lane 20 minutes free parking trial and provides options for member's consideration on the future use of free parking periods in the borough.

Cabinet is requested to consider the following recommendations:

1. Note the review of the Rayners Lane free parking trial as set out in the report,
2. Consider the implications of on-street free parking borough wide, reviewing the options available and agree a preferred option:
 - a) Implement 20 minutes free parking in all on-street pay and display parking places borough wide,

- b) Do not implement 20 minutes free parking in the borough and remove the Rayners Lane trial of 20 minutes free parking.

Reason: (For recommendation)

To ensure that a consistent parking charges policy is implemented.

Section 2 – Report

Introduction

- 2.1 In accordance with the Council's Transport Local Implementation Plan a simpler and more transparent system of charging was proposed as a part of a parking charges review undertaken in 2011. This proposed standardising the on-street and off-street parking charges to a simpler tiered schedule of charges relative to the four types of economic centre classified in the Local Development Framework. This aimed to support local businesses by making charges relevant to the economic status of an area and was approved at Cabinet in October 2011.
- 2.2 The then administration requested that officers develop a proposal for free parking which was included in the MTFS with a financial provision of £261k in 2013/14 and £307k in 2014/15 (£568k full year effect).
- 2.3 In June 2013 Cabinet agreed that the proposed parking charges be subject to a statutory consultation and that the Portfolio Holder be delegated responsibility to agree the final scheme. In addition Cabinet agreed that a trial of 20 minutes free parking be undertaken in Rayners Lane and the results be reported back to Cabinet in October 2013 for a decision on the future of borough wide free parking. This report provides an assessment of the free parking trial.

Options considered

- 2.4 There is a popular view that providing a free parking period will encourage trade for local businesses and improve the local economy. However, there is no conclusive evidence to support this. Therefore, Cabinet in June 2013 agreed to undertake a trial of 20 minutes free parking in Rayners Lane to review the merits of such a proposal.
- 2.5 This report evaluates the outcome of the trial and provides important information on financial and operational performance to support members with making a decision on the implementation of a borough wide free parking period.

Rayners Lane trial

Background

- 2.6 Rayners Lane district centre provides an appropriate location to evaluate a free parking trial because the existing charging time periods are already 20 minutes and the existing charge is 40p/20mins which is close to the proposed 30p/20mins set out in the parking charges review for this location. This area is quite typical of district centres across the borough and represents an average level of parking activity. Appendix A provides details of the pay and display parking places included in the trial.
- 2.7 The trial commenced on 12th August following the distribution of information leaflets to local people, briefings with ward councillors and the Portfolio Holder, a press release and information notices which were displayed on site. A significant effort was made to publicise the trial and explain how the new system would work.
- 2.8 All of the pay and display machines in Rayners Lane have modems installed so that accurate and detailed information about ticket issue was able to be downloaded remotely and allowed a detailed assessment of parking income to be undertaken. Also traffic surveys were commissioned both before and during the trial to monitor parking occupancy levels, the duration of stay in parking places and also the level of pedestrian activity in the area. These surveys were compared to establish what changes had occurred.
- 2.9 Approximately 5 weeks of data was collected prior to the trial commencing and another 5 weeks of data during the trial. A significant part of the monitoring period was during the summer holiday period, however, there were also periods outside of the summer holiday period that could be used to check for any variations and ensure that the results were representative. Appendix B provides a full summary of the information collected before and during the trial.

Financial impact

- 2.10 The information about tickets issued and payments made were downloaded regularly from the pay and display machines via wireless connections and is very accurate. There was no missing data reported during the period. The data has also been adjusted for any transactions made using the cashless parking system. Appendix B, charts 1 and 2, give information about the tickets issued and the parking income received before and during the trial.
- 2.11 Parking income reduced steadily week on week from the commencement of the trial. The reduction in income was approximately 45% at the end of the monitoring period. Applied borough wide this would equate to an estimated loss of parking income of approximately £541k. This is comparable with the financial assessment undertaken for the Commissioning Panel and the growth figure included in the MTFS of £568k. However, it must be noted that the trial by its nature was in one location only and patterns of behaviour could be different in other locations in the borough.

Operational impact

- 2.12 The number of tickets issued increased significantly by 92% by the end of the monitoring period. The increase is accounted for by a greater number of people using free 20 minute tickets with a reduction in longer duration stay tickets as shown in Appendix B, chart 6. In addition a larger proportion of parking places were occupied. In appendix B, comparing charts 4 & 5, it can be seen that the average amount of available vacant parking places has now reduced from 29% to 21%.
- 2.13 It is clear from the surveys that the average occupancy levels do vary widely within the trial area between about 50% - 90%, however, the average occupancy levels have increased from 71% to 79% and a detailed assessment of the surveys shows that parking places are still available at all periods of the day throughout the trial area. London Councils have advised that Boroughs should aim to achieve occupancy levels in pay and display parking places that do not exceed an average of 85% and the trial is currently operating within this tolerance.
- 2.14 The increase in tickets issued, however, would significantly increase the maintenance and servicing costs of the pay and display machines. The increased usage would result in more regular mechanical problems needing repairs and a larger number of tickets to be replaced. When applied borough wide this would equate to an additional maintenance cost of about £25k which is not currently factored into the financial assessments and therefore there is no budget allocation. An additional member of staff would also be required to oversee this considerable increase in activity. The cost of an additional technician would be £35k making the total additional funding required £60k.
- 2.15 Another consequence of the free parking scheme is that it will not be possible to achieve future possible savings by reducing the current stock of 220 pay and display machines. The introduction of cashless parking (pay by phone) was intended to provide an alternative means of payment and, subject to take up, to reduce ticket issue from pay and display machines. This would potentially have allowed up to 30% of machines to be decommissioned reducing the associated maintenance and servicing costs. However, free tickets can only be obtained from pay and display machines and with the projected increase in usage it would not be possible to reduce the number of machines.
- 2.16 The procurement of the cashless parking system has also factored in a predicted level of usage and income based upon a transaction charge, current trends and the cost of the supplier. The introduction of free parking will affect this calculation as fewer tickets would be purchased by phone, generating less income. The level of losses is difficult to predict at this stage as the system only commenced operation in August 2013.

Pedestrian movement

- 2.17 Pedestrian movement was monitored in two locations in the Rayners Lane area, Rayners Lane North and Alexandra Avenue, to see if the trial would generate additional footfall. The locations are shown in Appendix 1. Only a

small increase in pedestrian movement was observed from the surveys and the results can be seen in Appendix B, chart 3.

Enforcement

- 2.18 A review of the number of penalty charge notices (PCNs) issued for parking offences can be seen in Appendix B, chart 7. There is an element of variability in this data but a general decline in the number of PCNs issued is observed during the trial when compared with the before data.
- 2.19 The decline is caused by more free tickets and less paid tickets being issued. It is easier to undertake enforcement on paid tickets because there is a charge involved which makes it easier for an enforcement officer to establish if an offence has been committed straight away. However, enforcing compliance with free tickets and checking for unlawful free ticket issue is much more difficult because the enforcement officer needs to make a log of all vehicle registration numbers on site over successive visits with cross referencing in order to establish if there is a contravention (e.g. a successive free ticket issued within 4 hours of the first free ticket). The parking occupancy surveys have indicated that there is an element of unlawful free ticket issue occurring that equates to about 15% of all free tickets issued.
- 2.20 Unlawful ticket issue can be prevented by installing keypads and modems into pay and display machines so that free ticket issue can be regulated. This would allow all free tickets requested to be logged in a central database and linked to a vehicle registration number so that tickets are only issued within the permitted time scales. This would require all pay and display machines in the borough to be upgraded at considerable cost. The likely cost of such a measure would be in the region of £200k - £300k.
- 2.21 Appendix B, chart 7 indicates the impact on PCNs issued and indicates a 45% reduction in PCNs since the trial started. A reduction in revenue of approximately £4300 over the 5 week period of the trial in Rayners Lane has been monitored so far. When considering that PCNs issued for ticket offences borough wide average about £730k annually this level of reduction scaled up would equate to approximately £310k per annum.
- 2.22 It should be noted that in Appendix B, charts 4 and 5, approximately 25% of vehicles are parked without a ticket and this trend has not changed since the introduction of the trial. The option of having a free ticket has not changed attitudes with this particular group of customers.

Summary

2.23 The impacts can be summarised as follows:

- The loss of parking income from tickets is in line with the projection in the commissioning panel financial assessment (approximately £541k per annum),
- The availability of parking space is in accordance with London Councils guidance and no operational problems have been reported,
- Servicing and maintenance costs of pay and display machines borough wide would increase by approximately £60k per annum,
- Charges from PCNs borough wide would reduce by approximately £310k per annum,
- Parking charges from the cashless parking system would be reduced,
- It would not be possible to realise the £30k savings per annum already included in the MTFs by reducing the number of pay and display machines borough wide.

2.24 In total the 20 minutes free parking proposal would cost approximately £941k of which only £568k is budgeted for giving a shortfall of £373k.

Economic impact of free parking

2.25 The Rayners Lane free parking trial has not been in operation long enough to gauge what the economic impact of the scheme is in this area. However, there is a similar scheme in operation in North Harrow which has had a free parking period of one hour since 2004. Appendix C provides the background to the North Harrow Centre and provides an opportunity to compare the economic vitality of a centre where free parking is available

2.26 Whilst the objective of these measures in North Harrow was to help local businesses and support the local economy, no material impact on the quantity or turnover of parking was evident in surveys undertaken in the Cambridge Road car park or on-street. Through the mid to later years of the last decade shop vacancy rates actually increased to a peak of 23.09% in 2009/10 despite free parking being available and so this does not seem to have been a significant factor in preventing the centre's economic decline.

2.27 As a consequence of the centre exhibiting the highest vacancy rates in the Borough, a programme of measures was implemented led by the Council's Economic Development team, as shown in Appendix C, which gives details of the vacancy rates and the action plan implemented. The effect of the programme has been to reduce vacancy rates to a level that is broadly consistent with observed vacancy rates for other centres of this type elsewhere in the borough. This demonstrates that a more proactive and

versatile regeneration initiative is required in order to improve economic activity in district centres.

- 2.28 While parking is clearly an important issue for all shopping areas in the borough, it should be noted that in 2011, Transport for London produced a customer service report called Travel and Spend in London's Town Centres. The results of this research showed that people who walk or use the bus to get to a town centre spend more per head per month than other mode users. While their spend per visit is lower, this higher monthly spend is due to the higher frequency of visits by bus and on foot.
- 2.29 On this basis it appears unlikely that the free parking initiative will have a significant impact on the local economy in Rayners Lane.

Legal implications

- 2.30 Parking charges can be amended by advertising a 21 day statutory notice period in advance of the changes being implemented. As long as there is no change to the charging time period there is no statutory consultation required.
- 2.31 If any changes to charges also require a change in the related charging time periods then the traffic regulation orders affected need to be amended and this is subject to statutory consultation requirements, which the council needs to comply with. The council has powers to change charging time periods for pay and display bays under the Road Traffic Regulation Act 1984 and The Local Authorities Traffic Orders (Procedure) (England and Wales) 1996.
- 2.32 Cabinet in June 2013 authorised a statutory consultation on the proposed tiered parking charges and the related charging time periods. The amended traffic regulation orders need to be confirmed and operational before a borough wide 20 minute free period could subsequently be introduced by statutory notice. This is because the 20 minutes period needs to be reflected in all the traffic regulation orders for on-street pay and display parking places.

Financial Implications

- 2.33 The paper presented to Cabinet in June 2013 already reported that the proposal to introduce a free parking period for the first 20 minutes of parking would result in a reduction of approximately £522K from on-street parking bays. A review of the Rayners Lane free parking trial has indicated that there would be an annual reduction of approximately £541k if the losses in the trial were scaled up borough wide. This is broadly in line with the original financial assessment prepared for the commissioning panel and the resultant growth budget included in 2013/14 MTFS (£261K in 13/14 and £307K in 14/15, giving a full year effect of £568K).
- 2.34 The review of the trial also reveals that there would be an additional cost for maintenance and servicing of pay and display machines of approximately

£60k due to the large increase in tickets that would be issued. This cost is not currently budgeted for.

- 2.35 There has been a reduction of 45% in the level of penalty charge notices issued before and during the trial. This has resulted from the reduction in paid tickets and also in the significantly increased difficulty for enforcement officers to monitor free tickets as this requires a greater level of resource which cannot be easily provided. The impact of this reduction on penalty charge notices borough wide would be a loss of £310K. This potential shortfall is much greater than anticipated. At the time of carrying out the original financial assessment, it was difficult to provide any reliable prediction of the impact of 20 minutes free parking on PCN charges and therefore this element did not form part of the growth budget detailed in paragraph 2.33.
- 2.36 Should the 20 minutes free on-street parking be implemented borough wide, there would be a potential part-year financial implication of £338K for 2013/14 (a reduction of P&D and PCN income of £320K and an additional cost of £18K).
- 2.37 Parking income from the cashless parking system would be reduced and the balance between costs and income would need to be monitored to ensure that the scheme does not become loss making.
- 2.38 There is also a saving assumption of £30K included in the 2013/14 MTFS for reduced maintenance on parking equipment following the introduction of the cashless parking system. The free parking trial has suggested that a large number of tickets are being issued from P&D machines which would make it difficult to reduce the number of pay and display machines as intended and also lead to an increase in maintenance cost compromising the assumed saving associated with the cashless parking system.
- 2.39 In summary, the budgetary position resulting from the implementation of 20 minutes free on street parking borough wide is presented below. Should this be implemented, there would be an on-going budget pressure of £373K for the Council. This is after taking into consideration the growth budget already provided in the MTFS.

	2013/14 (part year)	2014/15 (full year)
Growth budget in MTFS	£261K	£568K
Financial impact of the 20 minutes free parking:		
Loss of P&D income (estimate)	£210K	£541K
Loss of PCN income (estimate)	£110K	£310K
Additional maintenance costs	£18K	£60K
13/14 MTFS potentially not achieved (parking equipment)	£30K	£30K
Total	£368K	£941K
Net budget pressure	£107K	£373K

Performance Issues

- 2.40 There are no specific performance measures identified.
- 2.41 The advice from London Councils is that the setting of parking charges is principally aimed at managing parking demand such that the occupation of parking bays does not exceed an average of 85%. The occupation of bays has been monitored by undertaking parking occupancy surveys
- 2.42 The occupancy levels at the end of the monitoring period are approximately 79% and therefore currently within the tolerances required. However, the trial has only been operating for a short duration and would need to be closely monitored to ensure this is maintained below 85%.

Environmental Impact

- 2.43 The implementation of differential parking charges is included in the council's LIP policies. Whilst a free parking initiative can fit within a differential parking charges strategy the free element has a significant impact on driver behaviour because for this initial short period of time (20 minutes) demand is not being managed. The results of the trial have shown a large increase in the number of free tickets being issued and an increase in parking occupancy levels. This indicates that there is a larger turnover of vehicles which could have detrimental impacts on air quality, modal shift (less cycling / walking / public transport use), traffic congestion and travel journey times (more traffic on the network) and also on people's health through greater inactivity and sedentary lifestyles.

Risk Management Implications

- 2.44 Risk included on Directorate risk register? No. Is there a separate risk register in place? No.
- 2.45 The main risks identified with the free parking proposal are:
- Greater loss of parking charges from pay and display machines, cashless parking (pay by phone) and penalty charge notices,
 - Increased running costs from greater machines maintenance and servicing
 - A reduction in the availability of short term parking space, this will disproportionately affect mobility impaired people
- 2.46 The MTFs has allowed for £568k of losses from parking charges but the losses are expected to be larger than currently evaluated based on the results of the free parking trial.

Equalities implications

- 2.47 Was an Equality Impact Assessment carried out? Yes.
- 2.48 A full equality impact assessment was undertaken as a part of developing the original charging proposals and was submitted to Cabinet in October 2011 with a report on the parking review public consultation. No adverse impact on any equality groups was identified at that stage.
- 2.49 It is not considered that the proposals set out in the current report have any additional equality impacts because the basic principle of the proposal remains the same.
- 2.50 Consideration of the equalities implications is a continuing duty and so the EqIA will be reviewed and, if necessary, updated in light of any relevant responses from the statutory consultation prior to any final decision of the Deputy Leader and Portfolio Holder for Environment and Community Safety.

Section 3 - Statutory Officer Clearance

Name: Jessie Man	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 14 October 2013		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 14 October 2013		

Section 4 – Performance Officer Clearance

Name: Martin Randall	<input checked="" type="checkbox"/>	on behalf of the Divisional Director Strategic Commissioning
Date: 14 October 2013		

Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker



on behalf of the
Divisional Director
Environmental Services

Date: 14 October 2013

Section 6 - Contact Details and Background Papers

Contact:

David Eaglesham

Service Manager – Traffic & Highway Network Management

020 8424 1500

david.eaglesham@harrow.gov.uk

Background Papers:

Cabinet report – October 2011 – Parking charges review

<http://www.harrow.gov.uk/www2/documents/s92398/Parking%20-%20cover%20reportR.pdf>

Cabinet report – June 2013 – Parking charges review
implementation

<http://www.harrow.gov.uk/www2/documents/s108207/Parking%20Review%20Implementation.pdf>

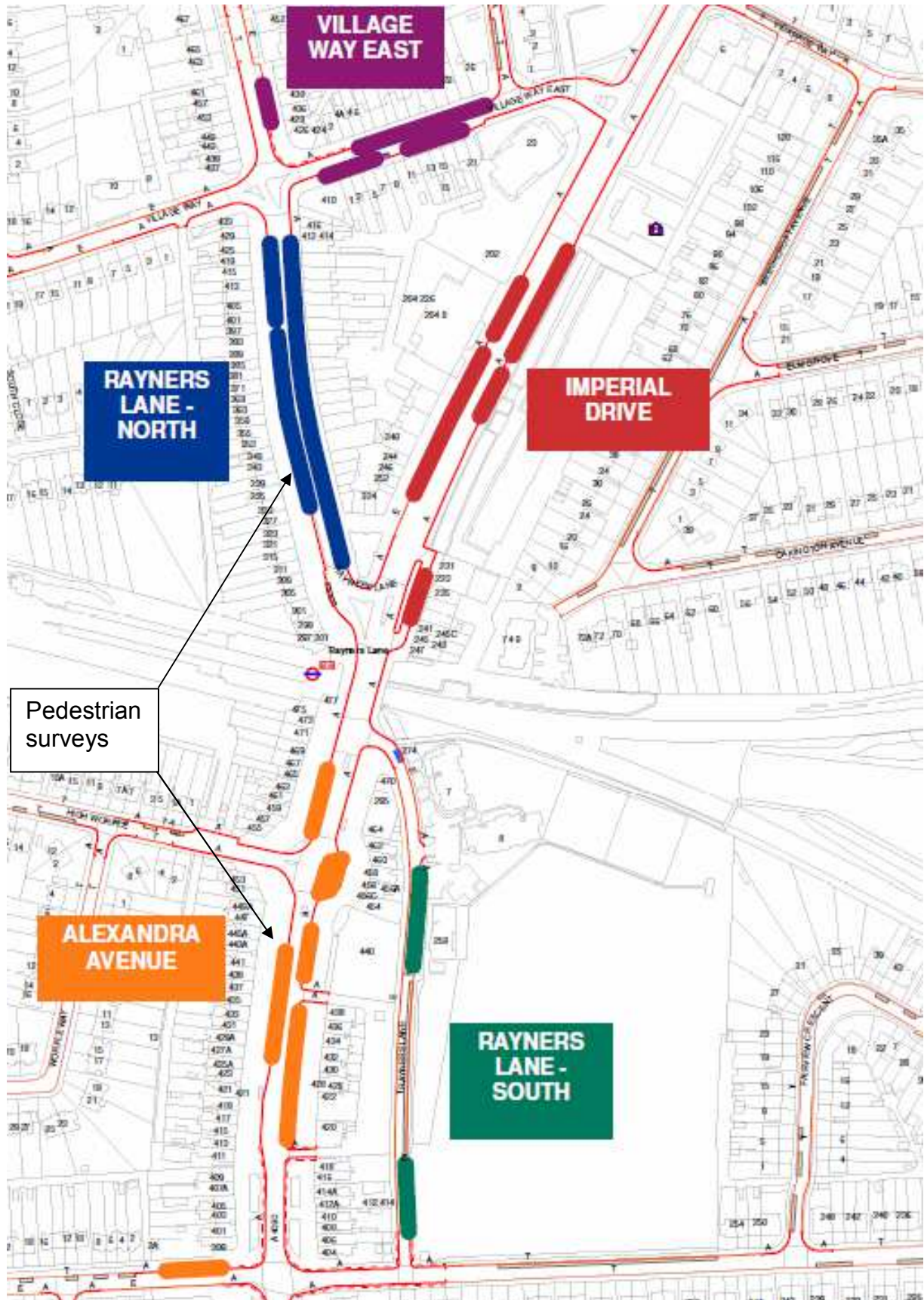
**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies]

APPENDIX A

Rayners Lane trial - location of pay and display bays



APPENDIX B

Rayners Lane trial – monitoring data

Chart 1 - Parking tickets issued

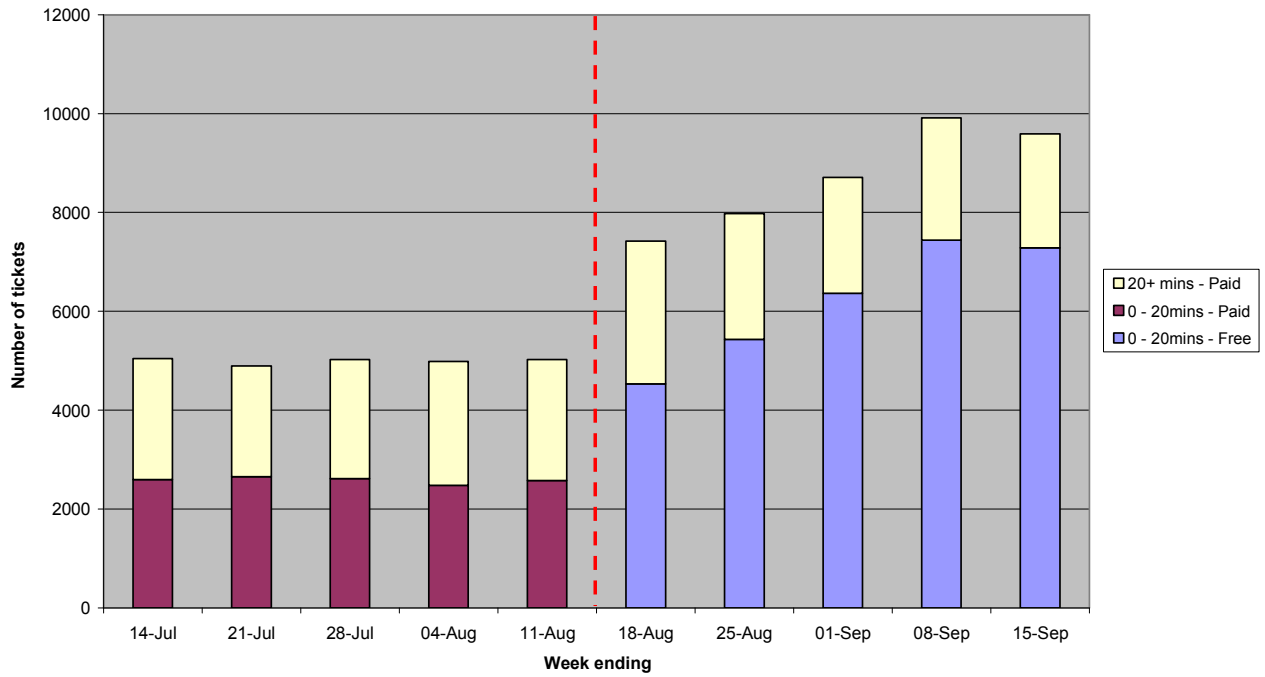


Chart 2 - Parking income

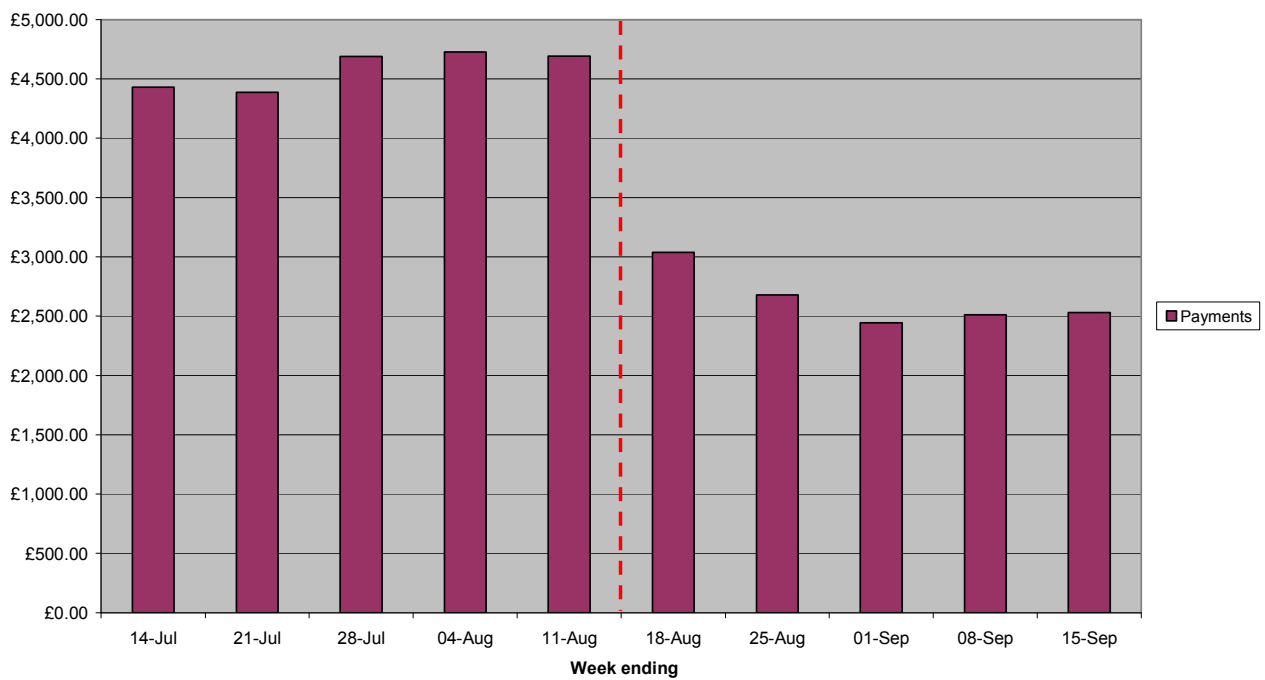


Chart 3 - Pedestrian surveys

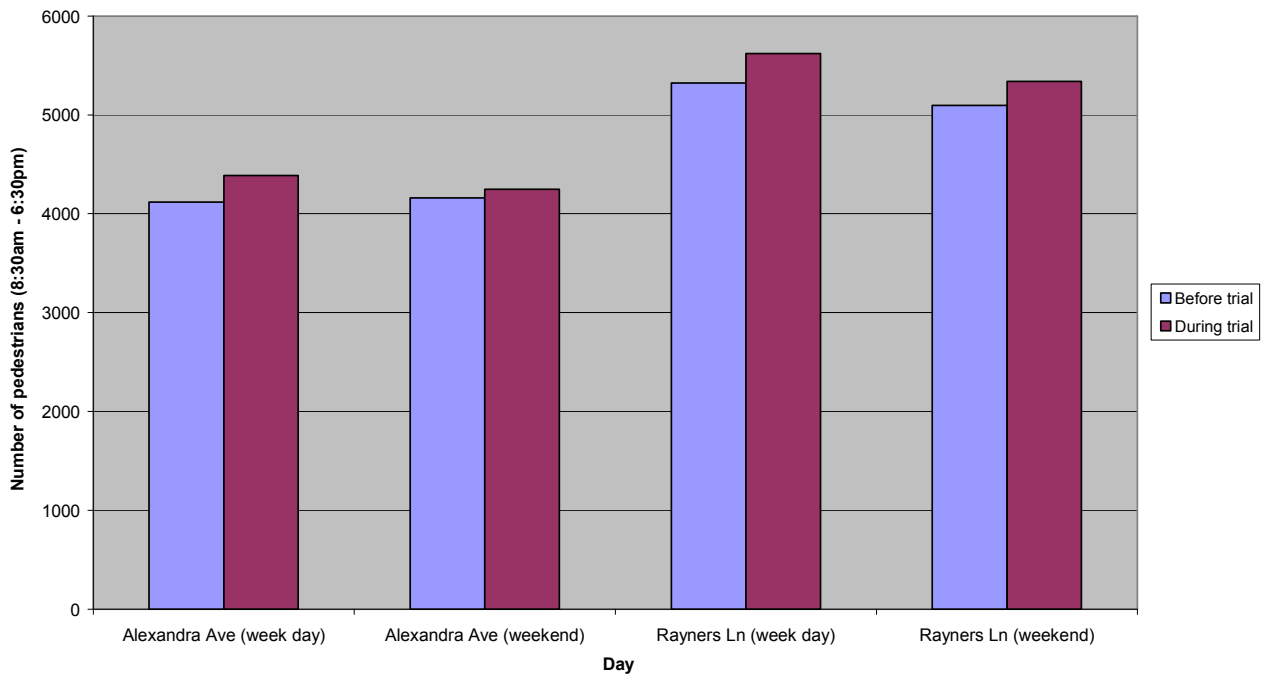


Chart 4 - Parking places occupancy before trial

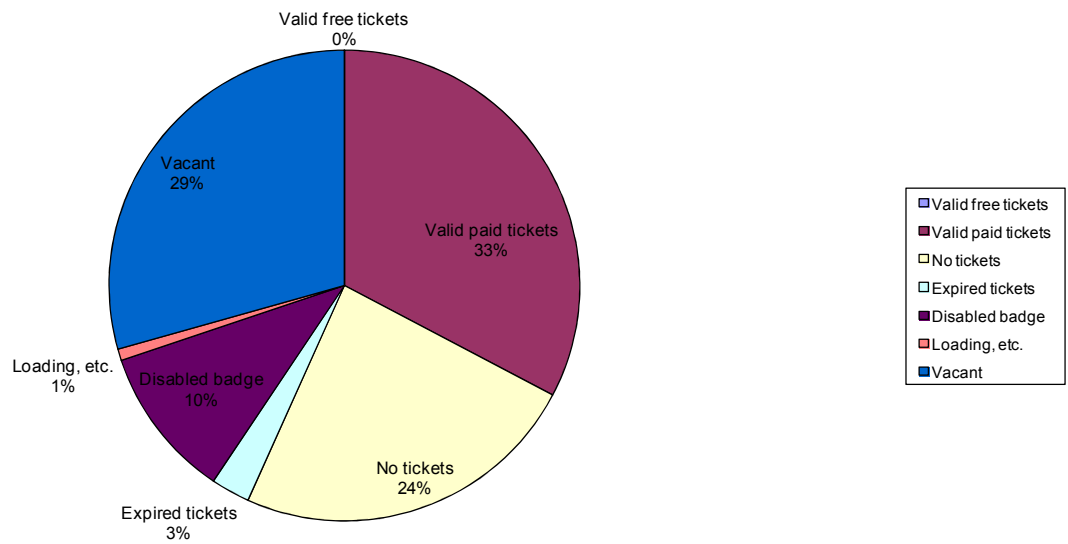


Chart 5 - Parking places occupancy during trial

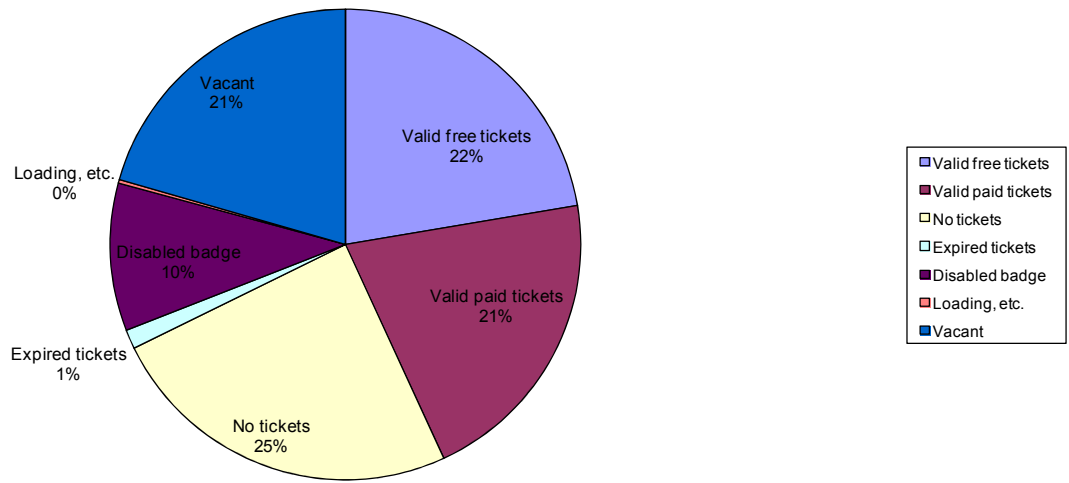


Chart 6 - Parked vehicles - duration of stay

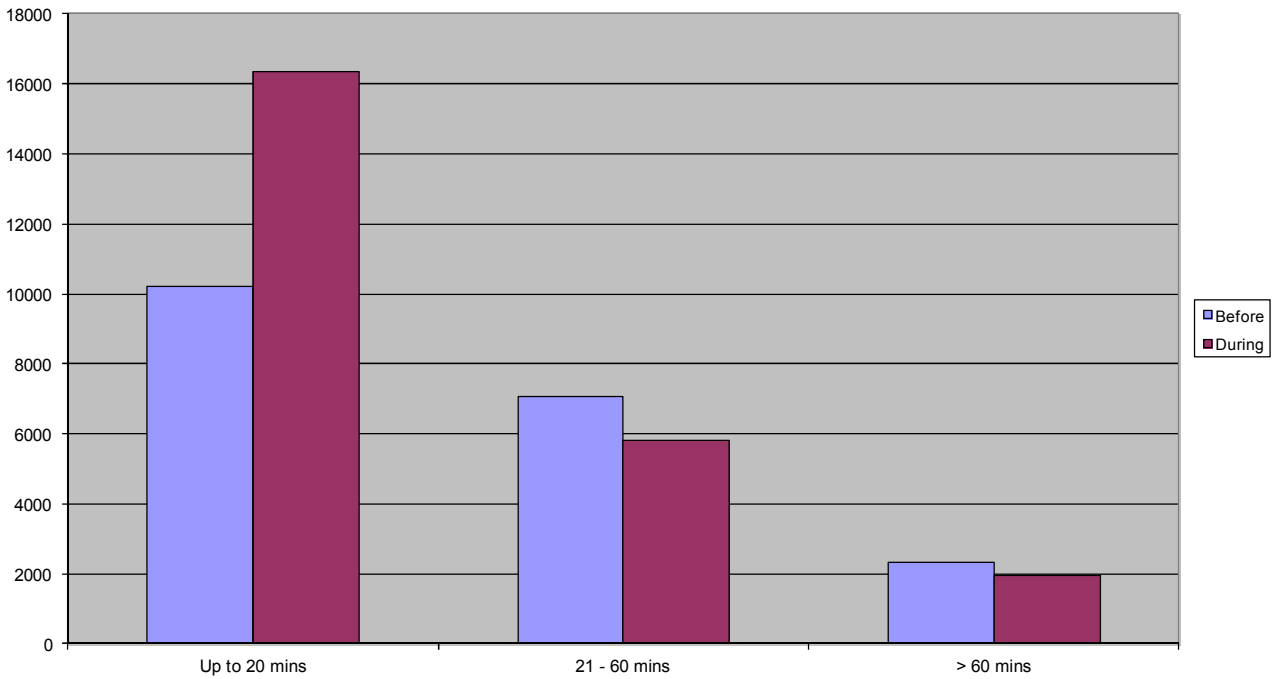
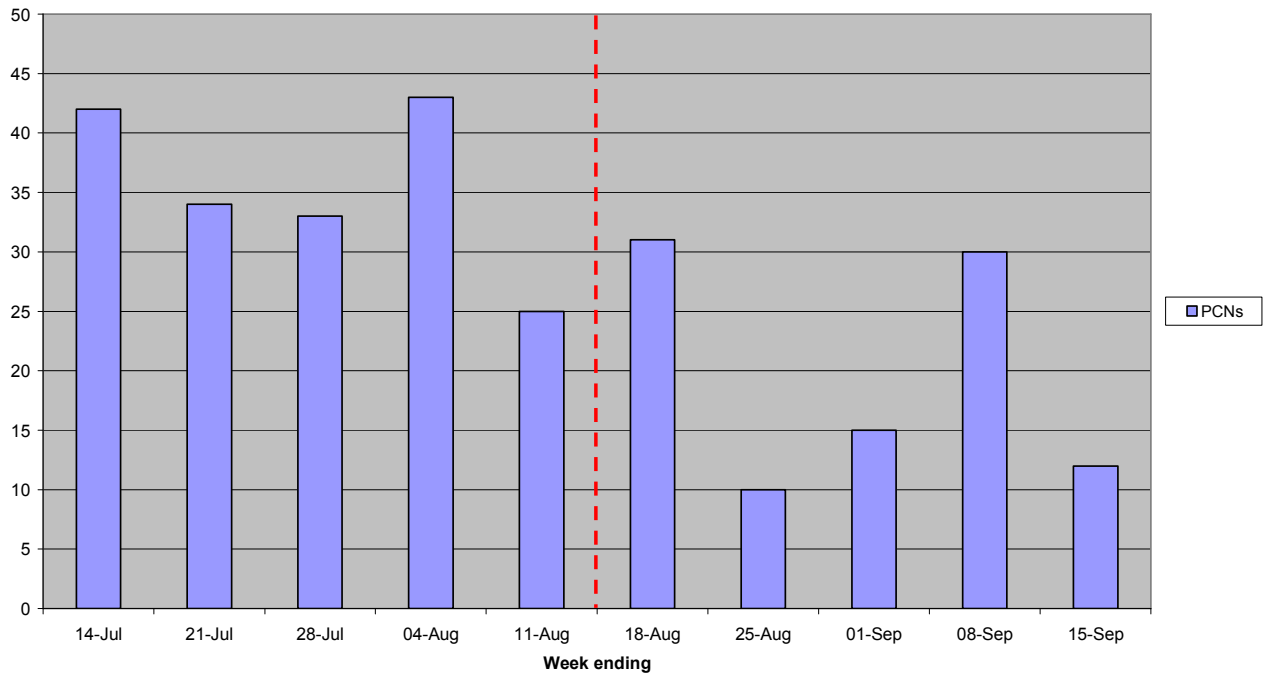


Chart 7 - On street penalty charge notices issued



APPENDIX C

North Harrow regeneration

In 2003, prior to the closure of the Safeway supermarket, the total vacant frontage in North Harrow was 1.46%. The supermarket accounted for 6.39% of frontage. In 2005/6 the vacancy rate had grown to 11.98% and this peaked at 23.09% in 2009/10. The table below shows North Harrow's vacancy rates in the context of Harrow's other district centres

Town Centre	% Frontage Vacant	% Frontage Vacant	% Frontage Vacant	% Frontage Vacant	% Frontage Vacant
	2008/09	2009/10	2010/11	2011/12	2012/13
Harrow	5.62	7.77	6.41	8.95	9.49
Burnt Oak (part)	6.28	8.21	3.49	1.84	0.00
Edgware (part)	6.70	7.33	7.41	14.58	7.88
Kenton (part)	1.59	8.29	6.59	6.18	0.00
Kingsbury (part)	3.92	0.00	3.92	3.92	0.00
North Harrow	15.52	23.09	21.03	13.77	6.47
Pinner	3.58	3.63	2.99	3.55	4.80
Rayners Lane	10.34	11.83	9.87	10.66	10.54
South Harrow	4.49	4.34	1.49	3.08	3.65
Stanmore	1.65	0.80	4.95	0.00	0.80
Wealdstone	9.75	10.44	9.15	7.92	9.35
Belmont	11.04	12.66	10.01	6.60	3.33
Harrow Weald	3.21	3.21	3.98	8.35	10.52
Hatch End	3.17	7.13	6.66	4.06	3.11
Queensbury	5.58	5.06	9.08	7.50	9.68
Sudbury Hill (part)	0.00	6.27	3.27	3.27	0.00

North Harrow was chosen for specific attention because of the high vacancy rate. In 2010 and 2011 stakeholder meetings were held with traders, ward councillors, community groups and the police to review the issues. This resulted in an action plan for North Harrow. In the summer of 2011 the council secured funding from the Mayor's Outer London Fund (OLF). This led to the appointment of a Town Centre Manager and the delivery of a number of projects generated from the action plan. The OLF programme aimed to help develop a North Harrow Partnership, market and promote the centre, improve its infrastructure and provide greater flexibility in planning policy through the introduction of a Local Development Order.

Initiatives to market North Harrow included Autumn, Winter and Spring events, the launch of a North Harrow web site, production and distribution of a Business Directory, installation of new notice boards and planters, the purchase and installation of Festive Lights and a Visual Merchandising training programme for local traders. The local infrastructure was improved by partial resurfacing of Cambridge Road Car Park, and the installation of 9 new on-street parking bays. The introduction of a Local Development Order in July 2012 provided greater flexibility in planning policy and may have had an impact in attracting the Gym Group to North Harrow. The vacancy rate fell to 13.77% by June 2012, and the occupation of the former supermarket site by the Gym Group, helped North Harrow reach a low of 6.47% in 2013. The cumulative impact of investment and activity in North Harrow secured new businesses into the area, reduced the number of empty shops and created a new positive community image of the area.

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