

LONDON BOROUGH OF HARROW

Agenda item:

Page no:

Meeting:	Transport and Road Safety Advisory Panel
Date:	3 December 2003
Subject:	Charges for Business Parking Permits
Key decision:	No
Responsible Chief Officer:	Interim Head of Environment and Transport
Relevant Portfolio Holder:	Environment and Transport
Status:	Part 1
Ward:	All
Enclosures:	Appendix A – minute from meeting of 17 th September 2003 Appendix B – existing on-street charges Appendix C – other outer London borough permit charges Appendix D – existing off-street charges Appendix E – Town Centre zone plan

1. **Summary**

- 1.1 This report follows up on a report to September's meeting concerning the introduction of on-street parking provision for business use, carers and teachers.
- 1.2 Members requested a further report on considering options for setting charges for on and off-street business permits.

2. Recommendation

2.1 for decision by Cabinet:

That the Panel recommend to Cabinet, when they consider the annual report on the review of fees and charges, that the charge for on-street business parking permits should be £300p.a., to apply in all controlled parking zones in the borough except Harrow Town Centre (defined for this purpose as zones D, E and F), where adequate off-street parking space is available for businesses.

2.2 for decision by the Portfolio Holder (Environment and Transport):

That the Panel recommend to the Portfolio Holder that the 'no return' period associated with the maximum stay for business permit holder be 30 minutes.

REASON: To manage parking.

3. Consultation with Ward Councillors

3.1 Not appropriate

4. Policy Context (including relevant previous decisions)

4.1 On 17 September this panel received a report on the review of permits in Controlled Parking Zones. The report covered the proposed introduction of on-street permits for use by businesses, carers and teachers. The report was substantially accepted with a request that a further report should be prepared considering options for setting charges for business permit parking on and off-street, following suggestions from Panel members and representations from the business community. A copy of the full minute and recommendation, subsequently agreed by the Portfolio Holder, is attached at Appendix A.

5. Relevance to Corporate Priorities

5.1 The environment in Harrow is enhanced by managing parking and by encouraging more sustainable transport activity and promoting the vitality of local centres.

6. Background information and options considered

6.1 The following sections consider various factors that could influence the setting of charges and suggest options for setting the charges.

6.2 Members are reminded that it has been agreed that on-street business permit parking will only be available for operational vehicles and limited to two per business. The business parking will take place in shared use (business/pay and display) bays and is limited to a maximum stay of 3 hours.

6.3 A detail omitted from the last report and decision was the specification of the 'no return' period that should accompany a maximum stay. Whereas this is normally one or two hours for pay and display parking, it is suggested that for business permit parking this should be reduced to half an hour.

- 6.4 A factor in calculating annual costs is how many days per year to assume. This will vary from business to business. Many offices based business may only operate 5 days per week, say 250 days per year. Whereas retail or service businesses may operate 6 days per week, say 300 days per year. Although some business will operate 7 days per week, parking charges do not apply on Sundays, except for Harrow Town Centre, so 300 days per year is taken as the maximum.

On-street business permits

Option 1 – relate to existing on-street parking charges

- 6.5 The costs of Pay & Display parking varies from zone to zone and is equivalent to an hourly charge ranging from 60 pence to £2.40. Existing charges are shown at Appendix B.
- 6.6 For one or two hour zones, businesses would have the option to park free in nearby residential streets outside the zone operating hours. This means that if a business user is prepared to accept the (time) cost and inconvenience of moving the vehicle for the restricted hour(s), only parking on a Pay & Display bay for the restricted hour(s), the annual cost would range from £150 - £240 for a one hour zone and £300 - £480 for a two-hour zone. A range is quoted to cover the slightly different charges at different centres and the different assumptions for 250 or 300 days per year.
- 6.7 For all day zones such as Edgware the equivalent cost, assuming say 4 hours paid parking per day would be £600 - £720 p.a. for 250 – 300 days per year. The equivalent annual cost for Harrow Town Centre, assuming 4 hours paid parking per day would range from £300 -£360 (High Mead, Station Road area) to £2,400 – £2,880 (Greenhill Way, Lyon Road, St John’s Road).
- 6.8 As on-street business permits will only be issued to vehicles essential to the operation of the business, it is to be expected that the vehicle will be away from the business premises for a part of the day.
- 6.9 If the charge was based on 2 hours of paid parking per day, for say 250 days per year, then the annual permit charge would range from £300 - £450 for all of the district centres in controlled parking zones (excluding the Town Centre).
- 6.10 This approach is not appropriate for the Town Centre where there are 5 different on-street tariffs. However, given the availability of off-street car parks in the Town Centre, the high demand for on-street spaces and the need to encourage off-street parking in preference to on-street, business permits could be restricted to off-street in the Town Centre, as now.

Option 2 – relate to existing off-street business permit charges

- 6.11 Off-street charges for vehicle specific permits are currently (including VAT) £700 a year in Harrow Town Centre and £470 elsewhere. For business specific permits the current charges are £750 and £617 p.a. respectively.

- 6.12 It is normal for on-street charges to be higher than off-street charges in order to encourage drivers to park off-street. Off-street parking is normally preferred because of the adverse impact on-street parking can have on safety and congestion, particularly if it involves vehicles circulating streets looking for a parking place. However, for business season permits, it should be noted that off-street charges allow all day parking whereas on street permits, which are for operational vehicles only, would allow a maximum stay of three hours. On this basis members may consider that a lower charge for on-street parking is justified.

Option 3 – relate to other London boroughs

- 6.13 The table in Appendix C shows fees charged by other outer London boroughs. It can be seen that these vary widely, from £45 to £590 (both in Enfield). The survey did not always show which charges related to one hour or all-day zones and the terms of use might differ i.e. available for use in all zones or zone specific.

Option 4 – relate to rateable values

- 6.14 The possibility of relating charges to rateable value has been explored. This attempts to relate the charge to a factor that reflects the relative well-being of the immediate area such that lower charges would apply in areas in need of regeneration.
- 6.15 Business rates are derived from a notional rental to be expected from properties in a given area. However, two properties in the same shopping street with identical floor areas would not necessarily pay the same rate if, for example, the frontage of one was greater than the other. Charging a different permit price for adjacent similar sized businesses is not considered appropriate. Although this could be overcome by detailed analysis to establish a value for a model property in every different area, this would involve significant workload and therefore have resource implications.
- 6.16 This system is therefore not recommended.

Conclusion on on-street business permit charge options

- 6.17 Given the availability of off-street car parks in the Town Centre, the high demand for on-street spaces and the need to encourage off-street parking in preference to on-street, business permits should be restricted to off-street in the Town Centre (defined for this purpose as zones D, E and F), as now. A Town Centre zone plan is attached at Appendix E.
- 6.18 For other areas, a key influence on the charge is the cost of parking on-street without a permit. This of course varies depending on the area and length of stay per day. Assuming 2 hours paid parking per day, the equivalent annual cost would be £300 - £450 depending on the area and whether 5 or 6 days per week is assumed.

- 6.19 Existing off-street business permits outside the Town Centre cost £400 - £525p.a. Bearing in mind this allows unrestricted all day parking, whereas on-street permits for operational vehicles will be restricted to a maximum stay of 3 hours, it would be reasonable for the on-street permit charge to be lower than the off-street charge i.e. lower than £400.
- 6.20 If a charge of £300p.a. was set, this would be lower than the unrestricted off-street charge, and equivalent to 2 hours paid parking per day in the least expensive areas (based on 250 days per year i.e. 5 days per week). This charge could then apply for all areas of the borough except the Town Centre.
- 6.21 Although this charge is based on an assumption of 2 hours paid parking per day, when issued, holders would be entitled to park on pay and display spaces for, say 2x3 hours per day, for which the equivalent annual cost is £900 - £1440.
- 6.22 Any business permit charge is tax deductible.
- 6.23 Another consideration is demand, which is currently unknown. The charge may need to be reviewed in the light of experience to reflect demand and capacity to meet that demand.

Off-street business permits

- 6.24 Currently, Harrow's off-street business permits are only available at centres where there is spare capacity in the car parks, namely Harrow Town Centre, Pinner, Wealdstone and Stanmore. It is not a requirement that the vehicle is essential to the operation of the business. There are no restrictions on length of stay.
- 6.25 Off-street charges for vehicle specific permits are currently £700 a year in Harrow Town Centre and £470 elsewhere. For business specific permits the current charges are £750 and £617 p.a. respectively. Appendix D shows the existing daily, annual and permit charges for off-street parking.
- 6.26 At the last meeting it was noted that off-street charges are normally set lower than on-street charges to encourage vehicles to park off-street. However, in the case of business permits, different conditions apply for on- and off-street parking. Off-street parking is unrestricted whereas on-street parking is limited to operational vehicles and a 3 hour maximum stay. These restrictions are very significant and should be reflected in the permit price. Hence, notwithstanding the advantages of encouraging off-street parking, the price of an off-street permit should be higher than on-street to reflect the greater benefit to the user.
- 6.27 On this basis, there is no need to review the off-street charge if an on-street permit charge of £300p.a. is set.

7. Consultation

- 7.1 None

8. **Finance Observations**

- 8.1 The revenue implications of these recommendations are difficult to assess but it is expected that there will be a minimal effect on the overall parking revenue budget.

9. **Legal Observations**

- 9.1 The introduction of business permits would require a revision to the Parking Places Order and the introduction of business parking bays, both of which can be made under section 45 of the Road Traffic Regulation Act 1984.

10. **Background Papers**

- 10.1 The report to the TARSAP meeting on 17 September 2003 and the minutes of that meeting

11. **Author**

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