

Appendix 1 - Parking Review Business Case

Opportunity Title	Parking Review
Subject / Service Area	Parking Services

Opportunity type and description

Cost recovery	Restructured charges	New income stream	Traded service
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Opportunity Description	<p>The Parking Business case contains 13 opportunities for income generation</p> <ol style="list-style-type: none"> 1. Clamp persistent PCN evaders who do not pay their fines 2. Rent space to car washing and valeting services in car parks 3. Increase the cost of parking permits for car parks by 10% 4. Review seasonal tariffs in relation to the non seasonal tariffs rates 5. Use mobile enforcement vehicles to enforce illegal parking at schools/bus stops and where necessary to improve safety 6. Offer parking management solutions to private car park operators 7. Differentiate off street parking charges related to location 8. Restructure the parking charges for disabled permit holders and charge a nominal fee for the permit. 9. Charge skip providers the on street parking charges as well as the skip licence where located on chargeable spaces 10. Introduce more on-street parking areas 11. Review management options of on-street and off-street motorbike parking areas 12. Provide additional advertising hoarding space in car parks 13. Investigate pay on exit options for car parks across Torbay <p>1. Clamp persistent PCN evaders who do not pay their fines</p> <p>This is an opportunity to clamp vehicles of owners who continually ignore parking fines and whose vehicles are not registered to the correct address. This is part of the Traffic Management Act 2004.</p> <p>The greater benefit to this opportunity is to stop people continually re-offending. It is proposed that the Council would set a threshold of 5 unpaid fines and clamp the vehicle on the next offence. The clamp could be administered by either a subcontractor or the Council itself. If it is the latter, there would need to be someone available to release the clamp.</p> <p>It is anticipated that the income from this opportunity would drop off over time as the offenders are caught and deterred from re-offending.</p> <p>There are presently 1,200 PCN evaders each on average owing £90 per penalty charge notice. The costs of this to the Council can be broken down as follows:</p> <ol style="list-style-type: none"> a) 54 PCNs for not paying in a car park 54 x £7 = £378 lost car park income and the costs of issuing penalty charge notices. b) 89 PCNs in limited waiting bays in a local shopping area - this stops trade to this area as well as the costs of issuing the penalty charge notices. The owner of the vehicle is aware at bailiff stage the car is not worth recovering. c) 50+ PCNs issued for parking in pay and display on street and loss of income at an average of £10 = £500. <p>2. Rent space to car washing and valeting services in car parks</p> <p>The Council could rent spaces in car parks to small vendors to provide associated services such as car washing. The locations in the car parks would need to be arranged so there is no loss of car parking</p>
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	<p>spaces and possible parking income. A survey of the most appropriate spaces is still to be determined.</p> <p>3. Increase the cost of parking permits for off street car parks by 10%</p> <p>The Council currently differentiates its parking charges according to the time of year. The main opportunity here is to increase the cost of a seasonal parking permit. There are a series of different effects that this opportunity could have on revenue generation;</p> <ul style="list-style-type: none">• existing permit holders would no longer pay for a permit but end up paying more than before in daily parking charges (net increase),• existing permit holders continue to buy a permit, with seasonal variation built into the price (net increase) or• no long pay for a permit but end up paying the same or less in daily parking charges (net decrease). <p>There were 2680 parking permits sold in 2010/11. the projected income for 2011/12 is £423,000.</p> <p>4. Review seasonal tariffs in relation to the non seasonal tariffs rates</p> <p>Currently, during the Winter months, from 1st October to 30th April, the parking charges at certain on street pay and display areas are reduced. This is to increase footfall in beach areas and offer a dispensation to residents. A review on the opportunities to change the seasonal tariff in some locations and re-structuring charging tariffs may result in extra income being generated. A full survey of the options will be evaluated against potential usage. This will be considered as part of the 2012/13 budget setting process.</p> <p>5. Use mobile enforcement vehicles to enforce illegal parking at schools/bus stops and where necessary to improve safety</p> <p>The opportunity is to use a drive-by enforcement vehicle to enforce illegal parking outside of schools and bus stops and areas where safety is currently compromised. There is evidence of this working effectively in Plymouth.</p> <p>6. Offer parking management solutions to private car park operators e.g. Sainsbury's</p> <p>There is a possibility that the Council could provide an enforcement service to private car park operators. This service could either be charged for by the hour (c. £60 per hour) or annually (c. £30,000). This is already being done for the Riviera Centre, but for £20,000 per year due to it being at 'arms-length' from the Council.</p> <p>Currently local authorities' enforcement powers do not extend to private car parks and this would need to be challenged by the legal team. A brief investigation into this has revealed that there are a few Council's in the UK that manage car parks on behalf of private owners.</p> <p>The size of the market for offering this service in the bay is unknown. The parking team at the Council on occasion receives calls asking if the Council can enforce the parking restrictions in private car parks.</p> <p>It is recommended that initial market testing is undertaken before this opportunity is pursued further. To this end no income has been projected for this opportunity.</p> <p>7. Differentiate off street parking charges related to location</p> <p>Opportunity to generate additional revenue by differentiating the price of car parking based on location and by re-structuring the tariffs. For instance, there is the potential to charge a premium for parking spaces along the seafront compared to those further out of the city centre. This will considered as part of the 2012/13 budget setting process.</p> <p>8. Restructure the parking charges for disabled permit holders and charge a nominal fee for the permit.</p> <p>There is an opportunity to generate additional income by charging a nominal fee for disabled parking permits. There are many examples of other authorities who do this, with neighbouring Teignmouth recently introduced a £20 annual charge for a Disabled Parking Permit.</p> <p>There is a risk with this opportunity that some of these people would choose not to park in car parks but instead park on double yellow lines which is in their entitlement as blue badge holders. It is proposed that</p>		

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	the Council implement a £20 charge for all permits at the time of renewal.		
	<p>9. Charge skip providers the on street parking charges as well as the skip licence</p> <p>Currently residents and businesses that place a skip on a road do not pay for the parking if it occupies an on street parking space. This causes a loss of parking income for the Council. This opportunity proposes that skip hirers pay for parking spaces that their skips occupy. This cost would be borne by the provider and passed on to the end-user in their hire charges.</p>		
	<p>10. Introduce more on-street parking areas</p> <p>There is an opportunity to introduce more on street parking areas in the bay. It is proposed not to include secondary shopping areas at this time, as businesses in these locations would suffer in the current financial climate. A list of those proposed roads, maps of each location and the associated tariffs are attached in Appendix 2. This would provide better turnover of parking spaces and ensure this encourages people to use car parks and provide efficient turn over of limited on street parking areas.</p>		
	<p>11. Review management options of on-street and off-street motorbike parking areas</p> <p>Currently there are some motorbike areas allocated within the Council's car parks and there limited designated spaces on the highway in on-street parking areas provided. To ensure that maximum opportunity for income is achieved from the spaces available to car users and to take into account the Council's green travel plans a review will be undertaken to establish a more structured approach to provision of motorbike parking throughout the bay.</p>		
	<p>12. Advertising hoardings in car parks</p> <p>Provide additional spaces for advertising on wall spaces and through boards in car parks. There are already a number of advertising boards provided in car parks with these being over subscribed in some cases. It is proposed to include additional spaces to generate more income from this facility.</p>		
	<p>13. Investigate pay on exit options for car parks across Torbay</p> <p>A review of pay on exit car parking opportunities has been completed. The multi storey car parks have been surveyed to establish the civil works required to implement pay on exit facilities and the likely revenue implications for ongoing management against income targets.</p> <p>Initial feedback from traders and the Town Centres Company is very favourable in relation to this type of equipment which is more customer friendly. The proposal is to implement the system in Torquay's busiest multi storey car park and if successful consider other sites.</p>		

Current financial position

Service	2009/10 income (£)	2009/10 expenditure (£)	Net position (£)	Cost recovery (%)
Off Street Car Parking	£3.9 million	£2.3 million	£1.6 million	170%
On Street Parking Meters	£0.8 million	£0.1 million	£0.7 million	800%

Projected additional income

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	2011/12 Pre- Implementation	2012/13 Year 1 Based on 12 month operation	2013/14 Year 2	2014/15 Year 3	Total
Gross projected income (£)					
1. Clamp PCN evaders		£21,600	£10,800	£10,800	£43,200
2. Rent space to car washing and valeting services		£3,060	£3,060	£3,060	£9,180
3. Increase the cost of parking permits by 10%		£42,300	£42,300	£42,300	£126,900
4. Review seasonal tariffs Part of Budget Setting process		TBA	TBA	TBA	TBA
5. Mobile enforcement		£91,000	£91,000	£91,000	£273,000
6. Management for private car parks		£0	£0	£0	£0
7. Off-street parking charges – Part of Budget Setting process		TBA	TBA	TBA	TBA
8. Disabled Permits		£153,500	£153,500	£153,500	£460,500
9. Skips on parking places		£1,200	£1,200	£1,200	£3,600
10. On street parking		£250,000	£250,000	£250,000	£750,000
11. Review management of motorbike parking areas		£0	£0	£0	£0
12. Advertising in car parks		£5,000	£7,500	£10,000	£22,500
13. Pay on exit		£0	£0	£0	£0

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	2011/12 Pre- Implementation	2012/13 Year 1 Based on 12 month operation	2013/14 Year 2	2014/15 Year 3	Total
Total gross income		£5675,660	£559,360	£561,860	£1,688,880
Investment costs (£)					
1. Clamp PCN evaders	(£4,000)	(£1,500)	(£1,500)	(£1,500)	(£8,500)
2. Rent space to car washing and valeting services	(£2,000)	£0	£0	£0	(£2,000)
3. Increase the cost of parking permits by 10%	(£2,500)	£0	£0	£0	(£2,500)
4. Review seasonal tariffs Part of Budget Setting process	TBA	TBA	TBA	TBA	TBA
5. Mobile enforcement	(£52,750)	(£15,000)	(£15,000)	(£15,000)	(£97,750)
6. Management for private car parks	£0	£0	£0	£0	£0
7. Off-street parking charges - Part of Budget Setting process	TBA	TBA	TBA	TBA	TBA
8. Disabled Permits	(£5,000)	£0	£0	£0	(£5,000)
9. Skips on parking places	£0	£0	£0	£0	£0
10. On street parking	(£150,000)	(£61,000)	(£55,000)	(£55,000)	(£321,000)
11. Review management of motorbike parking areas	£0	£0	£0	£0	£0
12. Advertising in car parks	(£3,000)	(£2,000)	(£2,000)	(£2,000)	(£9,000)

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	2011/12 Pre- Implementation	2012/13 Year 1 Based on 12 month operation	2013/14 Year 2	2014/15 Year 3	Total
13. Pay on exit	(£150,000)	(£15,000)	(£15,000)	(£15,000)	(£195,000)
Total costs	(£369,250)	(£94,500)	(£88,500)	(£88,500)	(£640,750)
Net projected income (£)					
1. Clamp PCN evaders	(£4,000)	£20,100	£9,300	£9,300	£34,700
2. Rent space to vendors	(£2,000)	£3,060	£3,060	£3,060	£7,180
3. Increase the cost of parking permits by 10%	(£2,500)	£42,300	£42,300	£42,300	£124,400
4. Review seasonal tariffs Part of Budget Setting process	TBA	TBA	TBA	TBA	TBA
5. Mobile enforcement	(£52,750)	£76,000	£76,000	£76,000	£175,250
6. Management for private car parks	£0	£0	£0	£0	£0
7. Off-street parking charges - Part of Budget Setting process	TBA	TBA	TBA	TBA	TBA
8. Disabled Permits	(£5,000)	£153,500	£153,500	£153,500	£455,500
9. Skips on parking places	£0	£1,200	£1,200	£1,200	£3,600
10. On street parking	(£150,000)	£189,000	£195,000	£195,000	£429,000
11. Review management of motorbike parking areas	£0	£0	£0	£0	£0
12. Advertising in car parks	(£3,000)	£3,000	£5,500	£8,000	13,500

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	2011/12 Pre- Implementation	2012/13 Year 1 Based on 12 month operation	2013/14 Year 2	2014/15 Year 3	Total
13.	(£150,000)	(£15,000)	(£15,000)	(£15,000)	(£195,000)
Total net income	(£369,250)	£473,160	£470,860	£473,360	£1048,130

Prudential Borrowing Repayments		(£47,000)	(£47,000)	(£47,000)	
Total net income Less all revenue costs		£426,160	£419,860	£426,360	

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<p>Notes to calculation and assumptions</p>	<p>1. Clamp persistent PCN evaders who do not pay their fines</p> <p>Implementation costs for clamping training for 2 CEOS and the immobilisation equipment = £4,000. Annual running costs for repairs to clamping equipment or additional training should staff leave = £1500</p> <p>There are 1200 persistent evaders and they each owe £90.00 and a 20% recovery rate is applied. In the following two years, as compliance increases due to this activity, it is estimated that the numbers of persistent evaders reduces by 50%. This is net income.</p> <p>Income Yr1 = £21,600</p> <p>Income Yr2 = £10,800</p> <p>Income Yr2 = £10,800</p> <p>Income in year1 will not come in until the latter half of the year due to staff training requirements.</p> <p>It is proposed to clamp cars with five or more outstanding tickets which is the legal minimum requirement.</p>
	<p>2. Rent space to car washing and valeting services in car parks</p> <p>Benchmarking of similar pitches gives a range of charges from various vendors of £684 per year in Wirral to £1,704 per year in South Gloucestershire. For the purpose of this business case we will take the mid point of £1,020 per year</p> <p>There are 3 potential sites.</p> <p>Assuming 100% take up net income per year could be £3,060.</p> <p>Assuming marginal cost for just signs and lines in car parks and no loss of parking income.</p>
	<p>3. Increase the cost of parking by 10%</p> <p>By increasing the cost of parking permits by 10% should not result in any significant drop off by users. It is also likely that some of the other measures could result in more people using this option. Assuming a 100% take up the income would generate an addition £42,300 per annum.</p> <p>The costs for this opportunity are negligible.</p>
	<p>4. Review seasonal tariffs in relation to the non seasonal tariffs rates</p> <p>Currently, during the Winter months, from 1st October to 30th April, the parking charges at certain on street pay and display areas are reduced. This is effectively two areas currently, Paignton Esplanade and Rock Walk in Torquay. A full review of the parking charge structure, including seasonality will be included in the 2012/13 budget setting process.</p>
	<p>5. Use mobile enforcement vehicles to enforce illegal parking at schools/bus stops</p> <p>Upfront investment costs would be £48,750 for equipment + £4000 annual vehicle costs (excluding fuel).</p> <p>Annual running costs would be £15,000 to cover fuel/vehicle costs and software maintenance.</p> <p>Based on issuing 10 extra PCNs per day, annual income would be £91,000</p> <p>This assumes that offending continues at the same level over 3 years and PCNs are paid at the discounted rate.</p>

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6. Offer parking management solutions to private car park operators

The car parks would be enforced by staff members driving to the sites 3 times a day. A charge of £50 per hour/visit would be charged to the car park owner. The car park owner could expect to receive enforcement income of approximately £250 per enforcement day based on an average of 10 offences being picked up.

It is assumed that on average enforcement is only carried out 5 days a week for 40 weeks in a year.

£150 charge x 200 days per year = £30,000 per annum income from each car park

Annual Cost: Depending on volume an extra enforcement officer may need to be employed at a cost of £25,000 per annum to cover the enforcement activity that could not be met within existing resources.

Investment cost: The legal team would need to spend time changing the Council's current parking enforcement restrictions. It is estimated that this would take 5 days of a solicitor at a cost of £57 per hour. $5 \times 7.5 \times £57 = £2,138$

It is difficult to predict the take up of such services in the local area and the market for this is uncertain. It is recommended that the Council undertake initial market testing before this opportunity is pursued further. To this end no income has been projected for this opportunity.

7. Differentiate off street parking charges related to location

The detail of these proposals will be part of the budget consultation process for 2012/13. It is proposed to consider restructuring the pricing structure to reflect demand and supply of spaces in areas around Torbay.

8. Review options on provision of parking charges for disabled permit holders

This is subject to review, however the initial project carried out by Price Waterhouse Coopers suggested the following if charging schemes for permit were introduced.

Investment cost of £5,000 for new signage, no additional annual costs.

Projected annual income = £73,500 based on a survey of blue badge holders over a 9 month period in 2009 and an average ticket purchase of 2 hours.

This calculation is based on snap shot information that was collated for every car park, one day a month for 9 months.

This does not include additional payments for freed up bays and assumes that there would be no reduction in disabled permit holders using off street parking.

Example - Charge for issuing Disabled Parking Permit

£20 is charged in Teignmouth, Torbay is looking to also charge £20 for issuing disabled parking permits.

Based on 4,000 applicants per annum, including an assumed 20% drop in applications.

Yr1 £20 x 4,000 = £80,000

Yr2 £20 x 4,000 = £80,000

Yr3 £20 x 4,000 = £80,000

No additional costs are assumed for this opportunity

Total net income from both opportunities is projected at = £153,500 per annum.

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	<p>9. Charge skip providers the on street parking charges as well as the skip licence</p> <p>There were 200 applications for skips last year, 30 of which would potentially be within pay and display spaces. The average duration of stay in these spaces would be about 2 days each. Skips normally take over 2 parking spaces. Daily charge in Pay & Display spaces is £10</p> <p>30 skips x 2 places x £10 x 2 days = £1200 annual parking income.</p> <p>It is assumed no extra cost will be incurred.</p>
	<p>10. Introduce more on-street parking areas</p> <p>Upfront Investment costs would be £150,000 for Pay & Display machines, installation, signs and lining.</p> <p>Running costs will be £15,000 per annum based on a maintenance contract for the machines plus replacing signs/lines and provision of additional cash collection services. It is recommended that a further enforcement officer is employed to ensure income from pay and display charging is achieved. It is estimated this would cost £25,000. It is expected this will be self funding and has not been included in the investment revenue costs. There is also a requirement in year one of operation for an additional £6,000 to provide backfilling arrangements to enable the implementation project to be managed.</p> <p>Income projection based on varying occupancy would be £250,000 per year.</p>
	<p>11. Review management options of on-street and off-street motorbike parking areas</p> <p>Currently there are some motorbike areas allocated within the Council's car parks and there is limited designated spaces on the highway in on-street parking areas. To ensure that maximum opportunity for income is achieved from the spaces available to car users, and to take into account the Council's green travel plans, a review will be undertaken to establish a more structured approach to motorbike parking throughout the bay. This may include a charging policy for motorbike parking in the future.</p>
	<p>12. Advertising in car parks</p> <p>Advertising opportunities are already provided across the bay on planting areas, traffic islands and on lamp post banners. There are some 100 spaces in or adjacent to car park areas although these are limited to theatre and cinema advertising. It is proposed to extend the hoarding space to achieve an additional £22,500 income over the next three years:</p> <p style="padding-left: 40px;">Year 1 - £5,000</p> <p style="padding-left: 40px;">Year 2 - £7,500</p> <p style="padding-left: 40px;">Year 3 – 10,000</p> <p>Investment cost would be £3,000 for new boards and would require planning permission plus ongoing maintenance costs. Rates will also need to be included in any ongoing costs. The values will be applied when the site and sizes have been established. The level of income has been calculated on rents already received in other areas of the bay. It may be appropriate to licence the space to an ad company to maximise the use of the hoardings and minimise the ongoing cost of management of the sites.</p>
	<p>13. Investigate pay on exit options for car parks across Torbay</p> <p>Consultation with local traders have identified a need to maximise the stay of visitors to the town centre to support the local economy. Pay on exit facilities enable visitors to stay longer without having to feed meters or rush back to move their cars. It was considered that this would encourage people to stay longer in the town centres. This may reduce income overall and increase costs of supporting the service.</p> <p>There will be a reduction in income received from Penalty Charge Notices however we have assumed that this will be minimal as Civil Enforcement Officers will be deployed to other locations as enforcement required in the car park will be minimal.</p> <p>Quotes have been obtained from equipment suppliers and the costs to implement such a system at Lower Union Lane Car Park in Torquay is no more than £150,000 and annual operating costs are £35,000 including borrowing costs.</p>

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Implementation Process:

It is expected that due to the implementation timing of advertising traffic orders and the requirement to undertake procurement, the project completion on year one would be June 2012.

Key evidence including relevant benchmarks

2. Rent space to vendors in car parks

Small street traders pitches

South Gloucestershire	£1672 + £32 admin per year
Leicester CC	£1,066 12 month street trading consent for static pitches for ice cream vendors
Wirral CC	£75 application and monitoring fee plus £800 annual consent fee for stalls, catering vans and containers under 8m ²
York CC	£684 Non food outside the city walls

6. Offer parking management solutions to private car park operators

Wealden

We monitor the car parks that are owned, maintained and managed by Wealden Council in accordance with the Wealden District Council Off Street Parking Order 1990 and issue excess charge notices where applicable.

Some private car parks are managed by Wealden, but not owned or maintained by us, these are also covered by the Order.

Bromley

The Sainsbury's car park in Locksbottom, Kent, has a notice saying the car park belongs to Sainsbury's but parking enforcement is managed by the London Borough of Bromley.

Summary of analysis and consultation

Volume data and prices produced by Price Waterhouse Coopers supported by Richard Brown and Rob Harnes.

Residents and Visitor Services have undertaken extensive public consultation at specific and community partnership meetings, received feedback through verbal and written submissions, and have engaged with other interest groups – in developing these proposals.

Issues and Risks

This business case seeks only to capture those risks to the implementation and the risks associated with realising the projected income in practice. The business case does not seek to set out any political risks there may be in the decisions required to take this forward, prior to implementation.

Issue/ Risk	Impact (H / M / L)	Proposed management actions
Clamp PCN evaders: Medium risk first year due to quantity, but low in subsequent years as there would also be the deterrent of the behaviour of parking illegally and not paying for the penalty charge notices	M to L	Ensure integrity of the Traffic Management Act and also ensures fairness for those motorists who follow the process and pay their PCNs. Many of these vehicles are not registered correctly with the DVLA and working with the Police we know many vehicles do not have insurance and some stolen. Therefore this system would not only bring in income ensure fairness but also the Police would be in favour to solve vehicle crime.

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Issue/ Risk	Impact (H / M / L)	Proposed management actions
Risk of public opposition to an increase in off street parking tariffs/ risk of public opposition	M to L	Public already aware of plans to increase tariffs and Torbay tariffs compare very favourably with other similar areas such as Plymouth, Poole, Brighton.
Risk of public opposition to increasing the off street parking meters particularly in areas where there is mixed business and residential accommodation.	M to H	The public are aware of the plans to extend the off street parking meters which have generated many objections to the schemes – these have been included in the determining these proposals which have been assessed along with other budget pressures.

Implementation plan: Key project activity and milestones

Key activity	Period		
	1 to 3 months	4 to 6 months	7 months onwards
Increase parking charges, implement new on street pay and display areas and permit charges including disabled parking	✓	✓	
Clamp persistent evaders, training required for staff and equipment procured		✓	
Introduce mobile enforcement camera activity, and rental of spaces in car parks require procurement process to be followed		✓	
Reviews of seasonal tariffs, parking charges for disabled permit holders and motorbike management strategy		✓	
Pay on Exit at Lower Union Lane including civil works		✓	