



Title: **Proposed Business Case for Review of Parking Services (Revised Report to replace original published on 21 October 2011)**

Public Agenda Item: **Yes**

Wards **All Wards in Torbay**

Affected:

To: **Full Council**

On: **31st October 2011**

Key Decision: **Yes – Ref. 1003937**

Change to Budget: **Yes**

Change to Policy Framework: **No**

Contact Officer: **Sue Cheriton Executive Head Residents and Visitors Services**

☎ Telephone: **01803 207972**

✉ E.mail: **sue.cheriton@torbay.gov.uk**

1. What we are trying to achieve and the impact on our customers

- 1.1 The Council has needed to respond boldly to the Coalition Government's plans and the state of public finances that became evident through the second half of 2010.
- 1.2 In response to this the Council has undertaken a review of all its service areas to improve productivity and maximise income generation. This included reviewing the current parking arrangements, including proposing additional measures for on and off street car parking services, exploiting the commercial opportunities within the parking service, and the improved management of parking on the highway leading to the efficient turn over of limited on street parking spaces.
- 1.3 There are many projects which the Council wish to implement but need to find additional funding to support. As additional on street parking meter income may be used for providing and maintaining off-street car parks, supporting public passenger transport, highway improvements and environmental improvements, this will allow surplus income to be used for these projects.
- 1.4 As part of this process the Council's Transport Working Party have undertaken extensive consultation with those affected.

2. Recommendations for decision

- 2.1 That the Mayor approve the recommendations of the Transport Working Party in respect of the outcome of the Parking Review identified below:
 - Clamp persistent PCN evaders who do not pay their fines – clamping to be implemented when there are over 5 outstanding fines unpaid on a vehicle.
 - Rent space to car washing and valeting services in car parks.

- Increase the cost of parking permits for off street car parks by 10%.
- Review seasonal tariffs in relation to non seasonal tariff rates (being developed separately, and will be advertised in accordance with good practice for implementation from 1st January 2012).
- Use mobile enforcement vehicles to enforce illegal parking at schools/bus stops and where necessary to improve safety.
- Offer parking management solutions to private car park operators.
- Differentiate off street parking charges related to location (being developed separately, and will be advertised in accordance with good practice for implementation from 1st January 2012).
- Review options on provision of parking charges for disabled permit holders and charge a nominal administration fee of £20 for permits at renewal.
- Charge skip providers the on street parking charges as well as the skip licence where located on chargeable spaces.
- Introduce more on-street parking areas (as proposed in Appendices 6 and 7), subject to evidence of return on investment and details of payback period being to the satisfaction of the Executive Head Finance, in consultation with the Executive Lead for Finance and Audit.
- Review management options of on-street and off-street motorbike parking areas.
- Provide additional commercial advertising hoarding space in car parks.
- Pay on exit options in car parks if the business case shows a return on investment within four years. Business case to be signed off by the Executive Head of Finance in consultation with the Executive Lead for Finance and Audit.

2.2 That the Mayor be recommended to authorise the advertisement of Orders introducing paying parking places (parking meters) on highways as identified in Appendices 6 and 7 to the submitted report subject to evidence of return on investment and details of payback period being to the satisfaction of the Executive Head of Finance, in consultation with the Executive Lead for Finance and Audit.

2.3 That the Mayor be recommended to authorise the Commissioner for Place and Environment, in consultation with the Executive Lead for Safer Communities and Transport, to consider any objections received and approve or reject the making of any such Orders.

2.4 That, the Council approves the Council's Capital Plan be amended to include up to £369,000 for the investment in new equipment and services, and that this is funded from prudential borrowing, as an invest to save project. This will be financed over a 10 year period from additional revenue provision of up to £47,000 per annum.

3. Key points and reasons for recommendations

3.1 The overall review undertaken by the Council was to help the Council identify significant savings and meet the financial challenges that are set to impact us over the next 4 years.

3.2 The original project team undertaking the review worked with Residents and Visitor Services to develop a Parking business case. This original business case was completed in April 2011. Subsequently the Transport Working Party reviewed the original business case, consulting widely with local traders and community partnerships to provide a more robust and acceptable set of

proposals. This business case is now completed and is included in this report as Appendix 5.

3.3 The following table summarises the expenditure and income of the proposals identified in paragraph 3.2:

Description	Implementation 2011/12 (Expenditure)	2012/13 Net Income/(Expenditure) Based on full year	2013/14 Net Income/(Expenditure)	2014/15 Net Income/(expenditure)	Total Net Income/(Expenditure)
Clamp PCN evaders	(£4,000)	£20,100	£9,300	£9,300	£34,700
Rent space to vendors	(£2,000)	£3,060	£3,060	£3,060	£7,180
Increase the cost of parking permits by 10%	(£2,500)	£42,300	£42,300	£42,300	£124,400
Review seasonal tariffs Part of Budget Setting process	TBA	TBA	TBA	TBA	TBA
Mobile enforcement	(£52,750)	£76,000	£76,000	£76,000	£175,250
Management for private car parks	£0	£0	£0	£0	£0
Off-street parking charges - Part of Budget Setting process	TBA	TBA	TBA	TBA	TBA
Disabled Permits	(£5,000)	£153,500	£153,500	£153,500	£455,500
Skips on parking places	£0	£1,200	£1,200	£1,200	£3,600
On street parking	(£150,000)	£189,000	£195,000	£195,000	£429,000
Review management of motorbike parking areas	£0	£0	£0	£0	£0
Advertising in car parks	(£3,000)	£3,000	£5,500	£8,000	13,500
Pay on exit – Lower Union Street (initial estimate) TBA	(£150,000)	(£15,000)	(£15,000)	(£15,000)	(£195,000)
Total net income	(£369,250)	£473,160	£470,860	£473,360	£1,048,130

(for more details on expenditure and income against each element of the review see

Appendix 5 and Appendices 6 and 7 specifically for on street parking meter recommendations).

3.3 It is proposed that due to the level of additional investment required to deliver the business case prudential borrowing is required of up to £369,000. This will equate to a revenue cost of up to £47,000 per annum (Principal and Interest) per annum if borrowed over a 10 year period. This period equates to the expected life of the equipment required.

3.4 The table below shows the payback period for the initial investment. If the capital investment required was paid back in full, this would be achieved within the first full year of operation.

	Investment	Net income 2012/13	Net Income 2013/14	Net Income 2014/15
Total net income	(£369,250)	£473,160	£470,860	£473,360
Prudential Borrowing Repayments		(£47,000)	(£47,000)	(£47,000)
Total net income Less all revenue costs		£426,160	£419,860	£426,360

From 2014/15 the estimated net income remain the same till 2021/22 against the full 10 year payback period.

For more detailed information on this proposal please refer to the supporting information attached.

Sue Cheriton - Executive Head Residents and Visitors Services

Supporting information

A1. Introduction and history

- A1.1 The Council needs to respond boldly to the Coalition Government's plans and the state of public finances that became evident through the second half of 2010. As a result of this the Council established the Productivity Improvement Programme (PIP) in October 2010. PIP included the following three projects: 1. Torbay Council Design (currently on hold); 2. Procurement; and 3 Revenue Income and other associated efficiency programmes.
- A1.2 A collaborative approach was used to identify and develop income generating opportunities working closely with lead officers from across the Council. As a result of the initial proposals the Transport Working Party considered that further review and consultation on the proposals would be required before presenting its recommendations to Council.
- A1.3 An initial open Public Meeting of the Transport Working Party was held on 5th September to consider the proposals included in the parking opportunities originally included within the PIP Project. Following the meeting further consultations took place with town traders, local groups and Community Partnerships in the areas affected specifically by the introduction of more parking meters.
- A1.4 The initial on street parking meters proposals specifically considered a number of new locations which included shopping areas, commuter zones and seafront parking sites. As a result of the extensive consultation a number of proposed locations were withdrawn completely, replaced by alternatives, or deferred for further investigation.

The key changes in view of the consultation are as follows:

- Secondary shopping areas -These areas were shown to be already suffering in the current economic climate and could not sustain parking meters
 - High investment requirements – some areas required expensive infrastructure improvements which would not be justified against the level income expected and were withdrawn
 - Residential areas – some areas were adjusted or withdrawn as these were considered mostly residential zones
 - Wider parking reviews - required in some instances where there was conflict between the needs of different groups within an area or additional works to be costed
- A1.5 The recommendations in this report reflect the proposals put forward by the Transport Working Party following the consultation with the local traders and businesses, the community partnerships affected and other interested groups.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

- A2.1.1 A risk assessment is contained within the business case. Please see Appendix 5 for more details.

A3. Other Options

A3.1 Not to proceed with the business case.

A4. Summary of resource implications

A4.1 In order to deliver the business case significant resources will be required from the Business Services Business Unit and the Residents and Visitors Services Business Unit.

A5. What impact will there be on equalities, environmental sustainability and crime and disorder?

A5.1 An initial overview equality impact assessment (EIA) for the overall project has been completed.

A6. Consultation and Customer Focus

A6.1 Extensive consultation has taken place by officers and members of the Transport Working Party. This process has included an open meeting on 5th September for all interested members of the public to attend including verbal representations from community leaders and businesses. There has also been consultation with a local traders group and the following Community Partnerships:

- Shiphay and the Willows Community Partnership
- Torquay Town Centre Community Partnership
- Torre and Upton Community Partnership
- Preston Community Partnership
- St Marychurch and District Community Partnership
- Wellswood and Torwood Community Partnership
- Ellacombe Community Partnership
- Paignton Community Partnership

In addition specific location related consultation has taken place with Upton Park Friends Group and Torquay Museum.

Verbal and written declarations from the public have been received including two formal petitions both relating to the on-street parking proposals.

The Transport Working Party has considered all representations received prior to making the recommendations in this report.

A7. Are there any implications for other Business Units?

Commercial Services Business Unit and Procurement will be required to assist with the implementation of this business case.

Appendices (note: these appendices replace the original published appendices 1 and 2)

Appendix 5 – Business Case for the Parking Review

Appendices 6 and 7 – On Street Pay and Display Parking Area proposals

Appendix 8 – Equality Impact Assessment