

Agenda Item No: **Report No:**

Report Title: **Cashless Parking**

Report To: **Cabinet** **Date:** **7th July 2014**

Cabinet Member: **Cllr Howson**

Ward(s) Affected: **All, particularly in Lewes, Newhaven and Seaford**

Report By: **Gillian Marston - Director of Service Delivery**

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Purpose of Report:

To consider the introduction of cashless and incremental charging across Lewes district, and to take the opportunity to make minor amendments to the Traffic Regulation Order in place for Lewes.

Officers Recommendation(s):

- 1** To approve the introduction of Cashless Parking at the Council's pay and display car parks across the district subject to details agreed by the Lead Member for Parking Management and the Director of Finance.
- 2** To approve the introduction of incremental charging in pay and display car parks across the district.
- 3** To approve a) the reinstatement of long stay parking at the Pinwell Road and The Maltings car parks and b) the reduction of the tariff at Brooks St car park as per paragraph 2.22.
- 4** To approve initial funding for such schemes from the 2014/2015 Service Priorities Budget with future years funding to be found from future year savings.
- 5** To approve the proposed amendments to The East Sussex (Lewes District)(Off-Street Parking Places) Traffic Regulation Order, subject to consultation and completion of all necessary statutory procedures.

Reasons for Recommendations

- 1 The introduction of cashless parking and virtual permits using new technology gives greater choice for the customer and allows for a more flexible process of paying for parking and applying for permits. Additionally, re-programming the parking machines to allow for incremental charging represents better value for the customer as the machines currently don't give change or additional time to people who don't have the correct coins.
- 2 To recognise and respond to problems caused to residents, businesses and visitors through the loss of long stay parking at Pinwell Road and The Maltings car parks.

Information

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Cashless Parking

- 2.1 In November 2012, Cabinet approved the authorisation of a feasibility study to broaden parking payment options to include payment by telephone or mobile phone.
- 2.2 East Sussex County Council (ESCC) researched a number of options and has narrowed the field down to one provider, RingGo, who can provide a cashless parking option along with a virtual permit solution. To lever the best price from the RingGo contract, LDC would have to sign up to a five year contract on the same terms as ESCC.
- 2.3 On 18th March 2014, ESCC received approval from their Lead Member to introduce a Cashless Parking scheme across the County and their proposed implementation date is July 2014 and is expected to take three months to roll out across the County.
- 2.4 Cashless parking offers greater flexibility and choice. Motorists will have the ability to top up the payment to increase paid for time to the limit of the maximum stay of the car park, without returning to the vehicle.
- 2.5 Motorists will no longer have to ensure that they have the correct change for the parking machines, which has been a source of frustration for residents and visitors.
- 2.6 There is a cost per transaction which will be passed onto the customer. ESCC have proposed a charge of 20p plus VAT. The charge will cover the operational cost, the license fee of £600 per month and incidentals such as machine stickers and replacements.
- 2.7 There may be scope for a lower transaction fee in the future and this will be reviewed. This supports the objective of encouraging motorists to use the off-street car parks in preference to parking on-street. A lower transaction fee for car parks would be a further incentive for motorists.

- 2.8** The transaction cost recovery position will be reviewed annually.
- 2.9** Brighton & Hove City Council received many comments when it introduced cashless parking and a transaction fee. Motorists viewed the transaction fee as either a stealth tax or an alternative way of increasing parking charges. Lewes District Council can mitigate motorist's concerns by offering the choice of whether to continue to use coin operated machines or to pay electronically.
- 2.10** The initial set up costs such as signage on the parking machines and local advertising to introduce cashless parking will be picked up by the provider. Additional administration and Enforcement costs (via NSL) will be covered through the transaction fee. However, LDC may wish to review signage in the car parks to make it clearer that Cashless Parking is in operation. Following the November 2012 recommendations, all of the signage in the car parks has been replaced with the multi-panel type signs and the cost to amend all of the signs will be less than £500. This cost would need to be met by the Council.
- 2.11** It is recommended that Cabinet approves the introduction of Cashless Parking at the pay and display car parks in Lewes, Seaford and Newhaven.

Incremental Charging

- 2.12** The ESCC Lead Member report dated 18th March 2014 also dealt with the introduction of incremental charging, which is not something that Cabinet has previously considered.
- 2.13** Incremental charging represents better value for the motorist. For example, if the parking tariff for one hour is £0.80p, but the customer puts in £1.00, the machine does not currently give change. With incremental charging, the customer will receive additional time, calculated up to the value of £1.00.
- 2.14** There is no data available which determines how much time people currently pay for and how long they actually stay. As a result, it is impossible to know accurately the impact of incremental charging. The parking machines do not give change and in 2013/2014, £33,500 was collected in over-vending (i.e. where the motorist has paid a fee and has not been given change) and it would be prudent to assume that this figure is at as it will be possible in future for the motorist to pay the correct amount via a cashless parking method. For those motorists not wishing to use the cashless parking option, incremental charging offers additional minutes instead of giving change.
- 2.15** It is also likely that both incremental charging and cashless parking will reduce the number of Penalty Charge Notices (PCNs) issued, which is

something the Council aims to achieve through a fair and reasonable parking operation.

- 2.16** The last review of parking was completed in July 2012 and the aim of the recommendations from the review was to encourage and improve the turnover of parking spaces. Both incremental charging and cashless parking, where the motorist can top up to extend their stay could have a negative impact on the turnover of spaces as motorists are able to top up their stay time.
- 2.17** The introduction of incremental charging would require ticket machines to be reprogrammed at a one-off cost of £10,000. This cost could be met from the 2014/2015 Service Priorities budget.
- 2.18** It is recommended that Cabinet approves the introduction of incremental charging at the pay and display car parks in Lewes, Seaford and Newhaven.

Review of the changes to The East Sussex (Lewes District)(Off-Street Parking Places) Traffic Regulation Order 2013

- 2.19** In July 2013, a number of changes to the Traffic Regulation Order (TRO) were implemented following Cabinet approval in November 2012 and April 2013. The changes included altering the length of stay in some of the car parks. One year on, it is clear that the changes have been largely successful, but that the loss of long stay parking in two locations, Pinwell Road and The Maltings, has been problematic for residents, businesses and visitors.
- 2.20** Both car parks were limited to maximum 4 hour stay under the changes and there is sufficient evidence now to show that there is a need for longer stay parking in both of those areas, and that income has dropped significantly for those car parks since the changes were introduced.
- 2.21** It is recommended that Cabinet approves a further amendment to the TRO to reinstate Pinwell Road and The Maltings as long stay car parks.
- 2.22** Residents in the Brooks Street area have found it more difficult to park close to their homes since the introduction of the new tariff at Brook Street as commuters are parking on-street. There is a private car park at Corporation Wharf, with a lower tariff than Brooks Street but with fewer spaces. It is recommended that the tariff at Brooks Street is brought in line with the private car park so that motorists are encouraged off-street and back into Brooks Street car park.

Financial Appraisal

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- 3.1** In July 2013, parking charges were increased by an average of 10%, the first rise since 2004. The number of tickets purchased in off-street car

parks has significantly decreased (by approximately 21,000 in Lewes Town alone) in the last year. Overall, income from ticket sales has increased by just over 2%. Whilst 2% may seem modest, it is important to note that year on year revenue decline previously experienced was both halted and reversed. Whilst there has been a decline in ticket sales in the council's off-street car parks, anecdotal evidence indicates that privately owned sites have seen higher usage. Car sharing, use of public transport and more focussed journey planning could also contribute to the changing pattern of use.

- 3.2** The table below sets out the income generated from car parking which is used to fund to Council services to residents and businesses in 2012/2013 and 2013/2014 along with the budget for 2014/2015:

	2012/2013 actual £	2013/2014 budget £	2013/2014 actual £	2014/2015 budget £
Parking Charges	774,400	940,000	789,400	890,000
PCNs	111,900	125,000	84,000	100,000
Parking Permits	2,500	2,600	2,400	2,600
	888,800	1,067,600	875,800	992,600

- 3.3** There are a number of contributing factors to the shortfall against the budget in 2013/2014:
- (a) The new parking scheme was budgeted to start in April 2013 but was actually implemented from 1st July 2013.
 - (b) There has been a loss of income from The Maltings and Pinwell Road since the long stay option was removed;
 - (c) Brook Street car park has been impacted by the privately owned car park at Corporation Wharf, where the all day charge is £2.00, compared to £3.70 for the LDC car park;
 - (d) Following the implementation of the new changes, the district benefitted from the best weather ever recorded, which encouraged many people to walk or cycle to work or to the shops.
 - (e) Parking revenue is declining nationally. There is evidence to support that shoppers are changing their habits and reducing the number of journeys by car. There are a number of reasons for this including the price of fuel and the proliferation of online shopping.
- 3.4** Amending the TRO as suggested in 2.22 will mitigate some of the ongoing risk. Officers will also undertake a review of the management contract with ESCC as both parties believe there are efficiencies to be identified.
- 3.5** However, if the trend continues there may be a shortfall of £100,000 in parking revenue against the 2014/15 budget.

It is not possible to project with any certainty the overall financial impact that the introduction of incremental charging and cashless parking will have. The intention is to set a transaction fee that recovers cost only. As noted in paragraph 2.15, income from parking charges includes £33,500 annually from over-vending, and it would be prudent to assume that this amount is at risk.

- 3.6** The 2014/2015 General Fund budget currently includes £380,700 as funding for Service Priorities. It is recommended to allocate £25,000 from this budget to cover the set-up cost of incremental parking plus the Council's signage costs of introducing cashless parking.
- 3.7** We will closely monitor the overall financial position. Any recurring reduction in the base level of car parking income will increase the Council's overall savings target.

Legal Implications

Whilst changes to the tariffs/charges for off street parking can be varied following the publication of a statutory notice, other changes, including a change to the length of stay (as is now proposed at Pinwell Road and the Maltings) will require amendment to be made to the relevant Off Street Traffic Regulations Order itself. The statutory procedure which must be followed is prescriptive and is set out in the Local Authorities Traffic Orders (Procedure) (England and Wales) Regulations 1996. The Regulations require public consultation and the placing of advertisements

Sustainability Implications

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- 4.1** There is strong evidence that effective parking controls can have a positive influence on promoting more sustainable travel choices. The introduction of Civil Parking Enforcement (CPE) in 2001 contributed significantly to improving road safety and traffic flow along important corridors.
- 4.2** The majority of locally derived pollution comes from either diesel engines or older petrol vehicles. Generally vehicles are more polluting to the local environment if they are heavier, older or run on diesel. Therefore promoting travel choice has to be part of a much more comprehensive air quality action plan and a well-managed parking scheme whereby motorists have choice and can access parking spaces efficiently contributes to that aim.

Risk Management Implications

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- 5.1** ESCC already have Lead Member approval to introduce cashless and incremental charging across the county including Eastbourne and

Hastings. LDC would face reputational risk and criticism from residents if it was possible to use a cashless payment method on street, but not off-street. To mitigate this, the Director of Finance and the Lead Member for Parking Management will reach agreement with ESCC about implementation.

- 5.2** Residents and visitors may see the transaction fee for cashless parking as a stealth charge, as was the case in Brighton & Hove. In mitigation, the option to pay for parking via an electronic method will be offered in addition to paying at the machine and there is no obligation on motorists to use the service.
- 5.3** Introducing incremental charging brings with it a potential financial risk. The machines will cost up to £10,000 to re-programme and it is prudent to assume that revenue will reduce by at least the amount of over-vending received in 2013/14 (£33,500). As it is not possible to model the potential effects of incremental charging, the financial risk could be higher. In mitigation, not every motorist will take advantage of incremental charging. There will also be a proportion of motorists who do not stay for the full length of time they have purchased, allowing for a more efficient turnover of spaces.
- 5.4** The cashless parking service will only be accessible in those parts of Lewes, Seaford and Newhaven where network coverage exists. Maintaining the existing coin payment option will ensure that motorists are able to use the parking service at all locations.

Equality Screening

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The recommendations have a positive impact on equalities. All motorists who have to pay to use the car parks will have more choice and methods of payment. Incremental charging will also have a positive impact on people on lower incomes.

Background Papers

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<http://cmis.lewes.gov.uk/CmisWebPublic/Binary.ashx?Document=5760>

<http://cmis.lewes.gov.uk/CmisWebPublic/Binary.ashx?Document=6218>

Appendices

8 None