

**Subject: Parking Fees & Charges 23/24**

**Date of meeting: 13<sup>th</sup> July 2023**

**Report of: Executive Director – Environment, Economy & Culture**

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**Ward(s) affected: All Wards**

**For general release**

*Note: The special circumstances for non-compliance with Council Procedure Rule 7, Access to Information Rule 5 and Section 100B (4) of the Local Government Act as amended (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that financial clarification was required.*

**1. Purpose of the report and policy context**

1.1 This report outlines proposals to take forward changes to the parking fees and charges which were due to be introduced in this financial year. This report responds to findings following the publication of public notices and the re-assessed impact on residents, businesses and other services of significant price increases being implemented in a single year.

**2. Recommendations**

The Committee is asked to agree either recommendation 2.1 OR 2.2 AND recommendations 2.3 and 2.4.

2.1 That Committee agrees to the following change being advertised with a new Traffic Regulation Order or notice of intention as required;

- The 4 parking zones - London Road Station Area (J), Queens Park Area (C.), Central Hove (N) and the Royal Sussex County Hospital Area (H) will go to high tariff as scheduled and indicated in the table in para 5.8.

OR

2.2 That Committee agrees to the following change being advertised with a new Traffic Regulation Order or notice of intention as required:

- The 4 parking zones - London Road Station Area (J), Queens Park Area (C.), Central Hove (N) and the Royal Sussex County Hospital Area (H) will remain as low tariff (changed to new 2023/24 charges) as indicated in the table in para 5.8.

AND

- 2.3 That (other than the change agreed at either recommendation 2.1 or 2.2) Committee agrees to continue implementation of on-street paid parking, permit, off-street paid parking and other parking 2023/24 fees & charges agreed at Budget Council.
- 2.4 That Committee notes the reduction in income from recommendation 2.2 which is outlined in para 5.9 below and will have an impact on the council's 2023/24 budget.

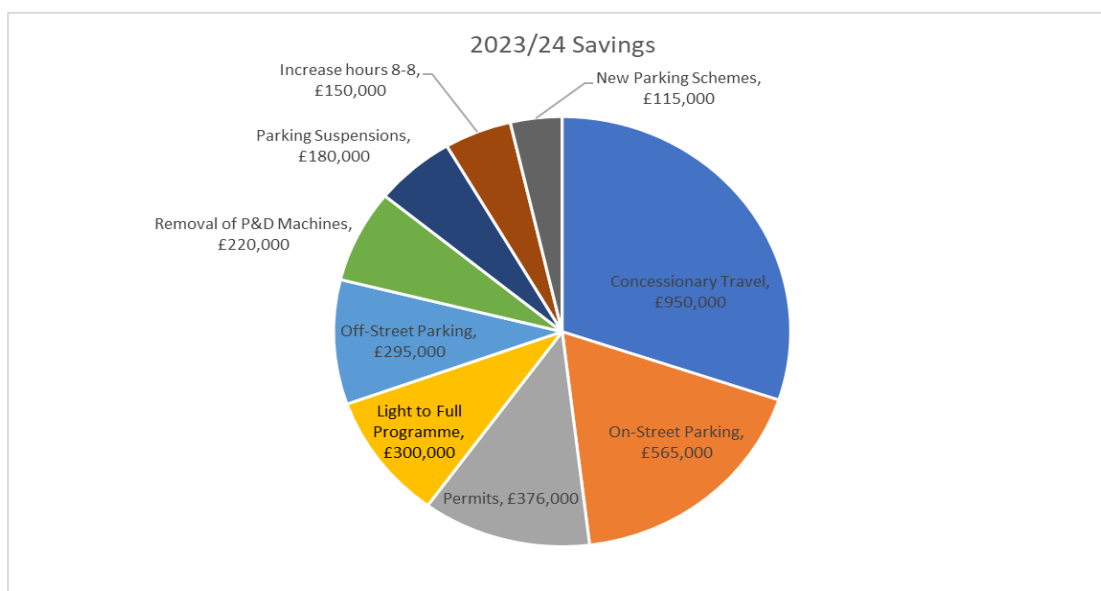
### 3. Context and background information

3.1 For 2023/24 the following was agreed by Budget Council:

- A range of changes to parking and permit tariffs in support of sustainable transport policy and further alignment of parking schemes which was estimated to generate £3.150m additional income (Outlined in detail in Appendix A) which, where related to Decriminalised Parking Enforcement schemes would be applied to transport related expenditure enabling core council funds to be released as savings or to meet corporately-assumed inflationary uplifts of 3%.

3.2 The following diagram indicates how the £3.150m estimated additional income for 2023/24 is made up.

Diagram 1: Additional Income for Parking Services 2023/24



### Parking budget forecast for 2023/24

3.3 Overall Parking Services at May 2023 were forecasting an underachievement of **£0.830m** against a **£45.400m** overall budget for the year. This is specifically from shortfalls in on-street paid parking and permit income due to demand losses.

#### **4. Analysis and consideration of alternative options**

- 4.1 There are a number of alternative options that were considered. These included going ahead with further reductions to on-street paid parking or keeping them at the proposed levels agreed by Budget Council for 2023/24.
- 4.2 For reasons outlined below, it is proposed to take forward some changes to the fees & charges in 2023/24. The recommendations in this report take into account an analysis and consideration of the other options. Any other options would either have a further impact on the income generated for 2023/24 or would impact the service users outlined within the body of this report.

#### **5. Community engagement and consultation**

- 5.1 The majority of agreed off-street price increases for 2023/24 were advertised by notice of intentions in the press and on the Council website and all came into force by early May 2023. A couple of further changes (see Appendix A) requiring a Traffic Regulation Order were advertised on 10<sup>th</sup> May 2023 and come into force on 17<sup>th</sup> July 2023.
- 5.2 The majority of the permit increases for 2023/24 were also advertised on a notice of intention in April 2023 but will not come into force until the end of July 2023 due to IT changes required on the permit system. A further change of removing the guest permit in the event day (Amex Stadium) parking schemes requiring a Traffic Regulation Order is due to be advertised.
- 5.3 The on-street paid parking price increases of 10% for 2023/24 were advertised by a notice of intention on 23<sup>rd</sup> June 2023 and were due to come into force on 17<sup>th</sup> July 2023.
- 5.4 The change in tariffs from low to high in parking zones nearer the City Centre were advertised through a Traffic Regulation Order on 28<sup>th</sup> April 2023 and were due to come into force on 17<sup>th</sup> July 2023. These affect the following zones:
- Royal Sussex County Hospital area (H),
  - London Road Station area (J),
  - Queens Park area (C),
  - Central Hove (N).
- 5.5 The increases were to align with the zone Brunswick & Adelaide (M) which is changing from medium to high. North Central Brighton (Y) and South Central Brighton (Z) are all high tariff. Changes to the seafront parking zone to make it high tariff throughout the year were advertised at the same time. These changes were to continue the council's sustainable transport policies and achieve further alignment of parking zones.
- 5.6 Due to the concerns raised by residents, businesses and services in the zones detailed in para 5.4 in response to the notices, councillors requested that the on-street tariff changes should be looked at again. Officers have reviewed these changes which were due to be introduced on 17<sup>th</sup> July 2023 and consider that the impact on demand will be much more significant than

estimated and that neither the policy or financial objectives of the original Budget Council decision can be achieved.

- 5.7 The council also understands the concerns expressed by residents about price rises during this cost-of-living crisis. In particular officers have taken into account the need to ensure patients, carers and staff have affordable access to the city’s hospitals and other important services. Responses received indicate that the impact will be greater than originally estimated.
- 5.8 One of the recommendations in this paper is that a lesser increase takes place across the four parking zones outlined in para 5.4. This would keep the prices to the new 2023/24 low tariff increase as indicated in the table below to the 4 zones - London Road Station area (J), Queens Park area (C), Central Hove (N) and The Royal Sussex County Hospital area (H).

Table 1: Tariff Comparison for Zones J, C, N and H

	22/23 (Low Tariff)	<b>2023/24 (Low Tariff)</b>	2023/24 (high tariff)
1 hour	£1.40	<b>£1.50</b>	£5.60
2 hours	£2.80	<b>£3.10</b>	£9.30
4 hours	£5.50	<b>£6.10</b>	£15.70
11 hours	£7.60	<b>£8.40</b>	£22.70

- 5.9 The potential budget implication to keep the zones to the new 2023/24 low tariff increases would be **£0.400m**.
- 5.10 These proposals therefore potentially create a budget shortfall of £0.400m and the current 2023/24 position for on-street paid parking needs to be considered.
- 5.11 Recommendation 2.2 above reflects the concerns of residents, businesses and services across the city and officers’ subsequent re-assessment of the impact of the changes but offers an alternative option for the committee’s consideration that has a lower financial impact on the council’s budget..
- 5.12 Retaining the low tariff for on-street parking may increase demand for spaces which could limit the resulting deficit. However, the Council is at an early stage in budget delivery for 2023/24 and it is currently unclear whether this gap can be reduced with the overall performance of parking fees and charges. Officers will seek to optimise parking revenues in line with sustainable transport policy over the course of 2023/24.
- 5.13 These proposals are ahead of a more detailed review of parking charges and sustainable transport policy which will report back to the relevant Committee over the Autumn period.

## 6. Conclusion

- 6.1 It is proposed that the zones being changed either go to the high tariff as already agreed or remain at 2023/24 low tariff prices to reflect the re-assessed impact of the new tariffs following responses from residents, businesses and services.

- 6.2 This ensures the need to take forward measures identified and agreed at Budget Council in February 2023 but with consideration that some of the proposals need changing to ensure the Council is reflecting the re-assessed impact of some of the changes and their impact on the achievement of policy and financial objectives.
- 6.3 The on-street paid parking, permit, off-street paid parking and other parking 2023/24 fees & charges already agreed would continue to be taken forward with any agreed changes being advertised with a new Traffic Regulation Order or notice of intention as required.

## **7. Financial implications**

- 7.1 The proposals to change parking zones J,C,N and H from low tariff areas to high tariff areas were included in the overall budget package approved at Budget Council in February 2023 reflecting both sustainable transport policy and financial objectives. Budget Council decisions are resourcing decisions and set the framework for the coming year. However decisions at Budget Council do not override the council's obligations to follow due process and consultation.
- 7.2 Agreeing to proceed with the implementation of other parking 2023/24 fees & charges agreed at Budget Council included at recommendation 2.3 would enable the estimated additional income to be generated as originally intended and in accordance with sustainable transport policy and associated financial objectives including meeting inflationary uplifts, covering the cost of schemes and funding transport-related expenditure. Any delay to implementing the agreed fees & charges would lead to additional shortfalls on income targets as only part year increases would be achieved.
- 7.3 Implementation of a new Traffic Regulation Order for the 4 parking zones as per paragraph 2.2, would potentially result in income shortfalls of £0.400m as tariffs would be set lower than the original agreed budget of High Tariffs. However, agreeing to the recommendation at 2.1 would maintain planned income levels.
- 7.4 Although the proposed option at 2.2 is a departure from the proposals agreed at Budget Council it does not constitute a departure from the agreed budget framework. Budget Council makes resourcing decisions but if these are later found not to be implementable or deliverable as originally intended, then the relevant committee needs to consider and assess the impact. Where this has a financial impact, Strategy, Finance & City Regeneration Committee is the most appropriate committee to consider and agree an alternative course of action. As the changes outlined in this report have been re-assessed to have a significantly different impact to that originally intended and are unlikely to meet the original policy and financial aims, the recommendations in this paper do not constitute a change to the Budget and Policy Framework and do not require a referral to council for final decision.
- 7.5 However, the committee does need to be aware of the cumulative impact of any changes to the approved budget should further decisions be made that, when taken as a whole, constitute a fundamental change to the overall budget.

- 7.6 Targeted Budget Management (TBM) month 2 is included on this agenda and sets out a significant projected overspend and the need to introduce spending and recruitment controls to mitigate this position. The recommendations at 2.2 will add further financial risk.
- 7.7 Paragraph 3.3 outlines the current Month 2 forecast position of parking services at £0.830m overspend. Agreeing to the recommendations would potentially increase this figure to £1.230m, though further analysis of the impact on demand will be conducted as part of the council's monthly budget monitoring process and any significant variation to budget reported.
- 7.8 In the case of on-street parking permits, tariffs and penalty charges, the use of any surplus income from civil parking enforcement, after taking into account costs, is governed by section 55 of the Road Traffic Regulation Act 1984 as amended. This requires the defined Parking Surplus to be used for transport and highways related projects and expenditure such as supported bus services, concessionary fares, Local Transport Plan projects and environmental improvements. Where the council also funds transport and highways related budgets from its General Fund budget, increases to the Parking Surplus can be lawfully applied to this expenditure, which can thereby release equivalent General Fund resources. The council may use the released resources for any purpose within its duties and powers, including releasing resources for savings.
- 7.9 There may be costs associated with advertising Traffic Regulation Orders (TROs) for changes to charges which will be met from existing revenue budgets.

Name of finance officer consulted: John Lack    Date consulted 04/07/2023

## **8. Legal implications**

- 8.1 Any surplus arising from on-street parking is spent on qualifying expenditure as governed by section 55 of the Road Traffic Regulation Act 1984 as amended by section 95 of the Traffic Management Act 2004.
- 8.2 All the surplus generated from parking charges after direct costs is invested locally into bus subsidies, concessionary bus fares, maintaining and financing parking schemes, Local Transport Plan costs, Highway Maintenance & Road Safety and local environmental improvements as permitted under the Act. More information is available in the Parking Annual Report 2021/22 on the Council website.

Name of lawyer consulted: Katie Kam    Date consulted 04/07/2023

## **9. Equalities implications**

- 9.1 Management of fees and charges is fundamental to the achievement of council priorities. The council's fees and charges policy aims to recover the cost of services or increase the proportion of costs met by the service user where this is legally viable.

## **10. Sustainability implications**

10.1 There are no direct sustainability implications arising from the recommendations in this report.

## **11. Other Implications**

11.1 There are no other significant implications arising from the recommendations in this report.

## **Supporting Documentation**

### **1. Appendices**

1. Appendix A – 2023/24 Budget Savings

### **2. Background documents**

1. Environment , Transport & Sustainability Committee – Item 66 – 17<sup>th</sup> January 2023.

2. Budget Council – Item 91- 23<sup>rd</sup> February 2023.

