

# Agenda Item 6

**Committee:** Sustainable Communities Overview and Scrutiny Panel

**Date:** 18<sup>th</sup> March 2015

**Agenda item:**

**Wards:** All

**Subject:** **Call in to the decision to introduce changes to the tariffs for the On Street Pay and Display Parking Machines**

**Lead officer:** Chris Lee (Director of Environment and Regeneration)  
John Hill (Head of Public Protection)  
Paul Walshe (Parking Services Manager)

**Lead member:** Councillor Judy Saunders Cabinet Member for Environmental Cleanliness and Parking

**Contact officer:** Paul.Walshe@Merton.gov.uk 020 8545 4189

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Recommendation:

1. That Members note the response to the call in and decide whether to refer back to Cabinet for reconsideration.
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## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To respond to the call in by Members concerning the decision to implement changes to the tariffs for the On Street Pay and Display parking machines as a result of the Town Centres Survey carried out between July and October 2012.

## 1.2 INTRODUCTION

Parking charges including tariff structures are recognised industry methods in the management of parking demand and the creation of parking spaces for ad hoc parking. These proposed changes to tariff structures are a response to the Town Centres Survey and the implementation of 20 minute free parking at shopping parades. Another important element in the redesign of the tariffs is the removal of minimum stay times and charges that are currently disproportionately high for the time our customers want to park. This was clearly identified in the Town Centre Survey as a cause for concern.

## 2. DETAILS

The call in is on the basis that it is not clear that the Council's decision to implement changes will address the issue of complexity of the current charging regime and that the proposals involve nothing more than an increase in headline hourly process across the board and that the following principles of decision making in Article 13 of the constitution were not applied:

- i) Due Consultation and taking of professional advice from officers;
- ii) Respect for human rights and equalities
- iii) A presumption in favour of openness
- iv) Clarity of aims and desired outcomes
- v) Consideration and evaluation of alternatives

The following is a response set out under the headings referred to above:

### **i) Due Consultation and taking of professional advice from officers and iii) A presumption in favour of openness**

*This change to parking tariffs will affect a large number of residents, businesses and visitors to Merton and yet there has been no consideration in public of what is proposed and no opportunity for any pre-decision scrutiny by the Sustainable Communities panel, despite the fact that this panel has previously considered reports on the results of the various parking surveys that have taken place in recent years and would therefore be in a good position to consider and add value to these proposals.*

*The purpose of these changes is to simplify the range of charges particularly around the various minimum charges and increments: this is achieved by the introduction of a linear pricing structure together with a standard minimum stay time of 20 minutes borough-wide.*

*“Linear” pricing means that customers will receive parking time at the prevailing hourly rate equivalent to the value of every coin they insert in a machine (the minimum coin accepted being 5p). At present a “step” tariff system operates which only allows the purchase of time in specified “blocks”, e.g. 30 minutes or even 1 hour minimum. The linear tariff will allow any amount of time to be purchased after 20 minutes based on the units of 5p a customer wishes to insert, subject to the maximum stay time allowed at the location.*

*The proposed hourly rates take account of Members' decision to increase the price of pay and display parking by 10% as part of the 2013 budget setting process. Although this proposed an increase of 10% over 3 years (one third of machines each year), it would not be possible or practical to implement a completely different charging process in this way – all machines will need to operate on a linear basis from the outset and the existing step hourly rates will not provide a computable sum for linear purposes.*

*These changes will affect visiting motorists rather than residents as the changes are being made to all of the 341 on street pay and display machines and could create spaces for resident and visitor permit holders to park in shared use bays as the new pricing structure creates spaces by managing demand.. These changes are a direct result of the results of the Town Centre Survey for all of the borough's town centres (Colliers Wood, Morden, Raynes Park, Wimbledon Village, and Wimbledon). It was clear from the results that the complexity in the tariff structures such as minimum and maximum purchase of time were major issues. The proposed linear tariffs will reduce that issue and when combined with cashless (mobile phone) parking planned to be introduced from April 2015 onwards the issues regarding overpayments for blocks of time purchased will be removed thus allowing our customers to pay less for parking.*

*Listed below is a comparison between Merton and its neighbouring borough of Wandsworth. In the comparison Wandsworth's current lowest charge is over 100% greater than that proposed by Merton and the other rates are comparable to Wandsworth. The highest rate proposed by Merton of £3.60 will only apply to Worple Road and St George's Road Wimbledon, these locations being at the centre of the shopping / station area where demand management is greatest.*

Merton	£1.20	£2.40	£3.00	£3.60
Wandsworth	£2.50	£2.70	£3.00	

*The report states at 4.1 that no consultation is 'required for the purpose of this report yet that does not mean that consultation is not desirable. The council seems to be taking the Town Centre Parking Surveys as a 'carte blanche' to increase tariff prices even though that is not in fact the course of action supported by the outcome of those surveys.*

*The proposal to increase pay and display charges by 10% was subject to the full budget scrutiny process before Members' final agreement. The changes required to implement this do not legally require this type of consultation and can be introduced after a 21 day public notice has been advertised informing of the changes to the tariffs. The Town Centre Survey was carried out after agreement at full Council and the review of tariff structures was agreed at meeting of the Sustainable Community Overview and Scrutiny Committee on 13<sup>th</sup> February 2013. The rationale and driver for the tariff review was not to increase tariff charges but to make them more customer friendly and give our customers the ability to purchase less time thus making it cheaper for our customers to park..*

Furthermore, there is no reference in the report or decision sheet to other relevant parking surveys, such as the parking capacity study in Wimbledon and Morden town centres commissioned by the council in June 2012 from the Vincent Knight consultancy. This included an in depth look at Wimbledon on-street parking and yet the conclusions of that study do not appear to have informed this decision or even to have been considered. Similarly there is no reference anywhere to the results of the survey carried out between 12 April and 30 April 2013 on parking in Merton's neighbourhood shopping parades.

The study carried out by the Vincent Knight Consultancy only concerned itself with 2 town centres Wimbledon and Morden and the parking capacity (spaces) for those centres.

The Town Centre Survey in 2012 covered 5 town centre locations: Wimbledon Village, Wimbledon Town Centre, Morden Town Centre, Colliers Wood and Raynes Park and sought the views of the public and business on parking issues.

The Shopping parades and the free 20 minutes parking that are being introduced are one of the key factors in the structure of the new tariffs. This is because all linear tariffs are designed to facilitate the first 20 minutes paid or unpaid..

Finally, at 9) of the decision sheet, the Director states 'email documents /...'. This suggests there are other documents as well as emails upon which he has relied in making this decision and yet it is not clear what these are.

Attached as appendices are the following documents to which this comment refers to:

- 2015 02 20 Call in form
- Linear tariff 2015 final version
- Tariff change costs
- Linear tariff proposals
- Linear tariff draft

## **ii) Respect for human rights and equalities**

The cost implications of this decision will be more heavily felt by residents and businesses in the west of the borough since the vast majority of on street Pay and Display parking machines are located in Wimbledon, Wimbledon Village, Wimbledon Park, South Wimbledon, Raynes Park and parts of Morden and Colliers Wood. This is clearly evidenced by the Appendix to the report.

Also, no consideration seems to have been given to the impact of the proposed cost increases on elderly and disabled residents who may be more reliant on using on street parking to visit shops and other local amenities.

*The reason any change to the parking tariffs will be felt by the locations referred to is due the fact that the majority of the borough's controlled parking zones (CPZs) are within the areas identified. The changes proposed affect all of the on street parking pay and display machines in those CPZ's.*

*The tariff structure is being changed so that customers can purchase smaller amounts of parking time instead of having to purchase minimum time periods that are in excess of their needs. This will enable the users of pay and display machines to pay less for parking which addresses a further matter of concern raised by the Town Centre Survey.*

*The price changes will not affect elderly or disabled residents any more than other groups. Many disabled drivers have blue badges and resident permits at no cost to themselves which enables them to park free of charge in the zone they reside in.*

#### **iv) clarity of aims and desired outcomes; and v) consideration and evaluation of alternatives**

*With regard to clarity of aims and desired outcomes, the recommendations presented purport to be based on the outcome of the Town Centre Surveys carried out between July and October 2012. According to the report, the two general concerns that arose from that consultation were:*

- a) The high cost and lack of available parking*
- b) The number of different tariffs at Pay and Display bays which causes uncertainty for motorists.*

*The purpose of these changes is to simplify the range of charges particularly around the various minimum charges and increments: this is achieved by the introduction of a linear pricing structure together with a standard minimum stay time of 20 minutes borough-wide. This restructuring is not in itself proposed as a means of increasing prices but to simplify charges and provide greater convenience for customers in terms of the parking time they can purchase. However, the previously-agreed budget increase of 10% has also had to be incorporated into the proposal. In considering the level of charges it should also be noted that prices have not increased since 2011 and thus there has been an albeit modest reduction in real terms against inflation over the last four years. The agreed budget increase of 10% will redress this and coupled with the implementation of a linear tariff structure will enable the delivery of a more flexible, customer-friendly pay and display service.*

*Whilst some respondents to the Town Centre Survey called for lower parking charges, reducing them across the borough would increase demand, causing congestion and further concern about the availability of parking instead of resolving the issue of the "lack of available parking".*

*Listed below are the outcome and recommendations of the Town Centre Survey. The recommendations went to pre-decision scrutiny by the Sustainable Communities Scrutiny Panel on the 13<sup>th</sup> February 2013 and the Leaders Strategy Group on the 25<sup>th</sup> February 2013 and then to Cabinet on the 11<sup>th</sup> March 2013 for approval:*

1. Simplify Pay & Display tariffs
2. Introduce cashless (i.e. pay by phone) payments for Pay & Display parking
3. Set up a parking 'forum'
4. Install signs directing motorists to town centre car parks and showing available spaces
5. Offer more free parking
6. Enforce 2 permit per business limit in Zone W2 (Wimbledon)

As a response to item 1 of the recommendations, a reduction in the number of hourly rates from 13 to 4 and standardisation of minimum stay times to 20 minutes across the borough is proposed. In addition, a "linear" tariff model, rather than a revision to the current "step" tariff model is proposed because it will enable alignment with the free 20 minute parking already implemented at certain shopping parade locations and reduce the minimum purchase time required from, e.g. 30 or 60 minutes to 20 minutes.

The linear model will also fit in with the convenience offered by cashless (pay-by-phone) parking (see item 2) by allowing the user to register for a parking period of their choice (subject to the 20 minute minimum and the maximum stay time at the location).

However, the report does not indicate which, if any, of these concerns this decision is trying to address and it actually appears to compound concerns by generally increasing charges across the board. The Appendix clearly shows that, of all the many tariff changes that are proposed, only in the following 5 streets is it planned to reduce tariffs:

Home Park Road

Arthur Road

Worple Road

Leopold Road

Lake Road

In every other street, tariffs will rise. Although denied in section 7) of the report, this nevertheless suggests that, the intention – at least in part - of these changes is to target the motorist for ever higher parking charges in order to raise revenue for the council. Otherwise why not simply leave the majority of tariffs (apart from those which are out of sync) the same?

As previously stated the aim is to simplify the tariff structures addressing the variations in the minimum purchase of time and giving customers greater flexibility in the amount of time they can purchase (subject to maximum stay times).

Moreover, in terms of the financial and resource implications of this decision, whilst the report outlines the cost of implementing the tariff changes, it provides absolutely no information or projections for the revenue that will be generated in future years from increasing the majority of tariffs.

This decision unfortunately shows a complete lack of imagination on the part of the council. Given that one of the purposes of the 2012 parking review was to address "the high cost of parking", now just to increase parking charges seems a perverse



response. Indeed it shows a complete lack of regard for all those businesses and residents who responded to the 2012 survey. Significant majorities of respondents (54% in Raynes Park, 80% in Wimbledon and 77% in Wimbledon Village) said they were dissatisfied with the cost of parking and yet these are the very areas where it is proposed parking tariffs should now increase thereby simply further compounding the problem.

The aim is to simplify pay & display tariffs incorporating the 10% increase agreed as part of the budget setting process. Consideration was also given to the Shopping parades and the free 20 minute parking periods that are being introduced. This is one of the key factors in the structure of the new tariffs as they are all designed to facilitate the first 20 minutes paid or unpaid. With the ability to purchase the time needed as opposed to the current fixed minimum purchase period of 30 or 60 minutes, many of our customers will not need to purchase parking time in unnecessarily large “blocks” of time when they only require a few minutes (subject to a minimum of 20 minutes).

The Director may state on the decision sheet that the tariff increases are ‘minimal’ but that is not borne out by the figures in the Appendix. For example, in Francis Grove it is proposed that tariffs will increase by 50% in one go (from £2.00 to £3.00).

The “banding” of £1.20, £2.40, £3.00 and £3.60 was determined with reference to existing price differentials based on the geographical proximity of roads to the town centre in each area. The proposal seeks to reduce the current 13 differing hourly rates to 4 as indicated in the table below:

<b>Proposed</b>	<b>£1.20</b>	<b>£2.40</b>	<b>£3.00</b>	<b>£3.60</b>					
Existing	90p	£1.00	£1.10	£1.40	£1.90	£2.00	£2.40	£2.50	£2.60
Existing continued	£2.70	£2.80	£2.90	£4.00					

Moving to linear tariffs will mean that although the hourly rate goes up in the majority of cases, motorists will only need to pay for the time they require, so in many cases will end up paying less than they would under the existing tariffs, many of which have a minimum stay of 30 or 60 minutes . Many respondents to the survey expressed a desire for shorter minimum stays to allow them to quickly visit shops and businesses without having to waste money paying for a whole hour.

The increase in tariff for Francis Grove is because the location at present is anomalous in being centrally located but currently costing significantly less than machines on nearby roads (such as Worple Road). By increasing the hourly rate, demand for parking at this location will be more effectively managed.

In addition, the report states that there are no alternative options. However, various other options do exist which would help address the concern regarding the high cost of parking:

- i) Include charging based on 15minute periods rather than full hours (which need

not involve 5p coins)

An approach of 15 minute periods would not provide the flexibility of the proposed “linear” system. If a payment of 5p is to be eliminated, the hourly rate would either need to reduce to 80p (i.e. 20p for 15 minutes) or increase to £1.20 (i.e. 30p for 15 minutes). If a price reduction is considered, as stated previously, this would not incorporate the 10% increase already agreed as part of the budget setting process.

In addition, the 20 minutes free parking already in operation at certain locations will not easily compute with 15 minute paid periods. In the proposal, the only mandatory minimum period will be 20 minutes across the whole borough – beyond that the motorist will be able to purchase as much time as they like up to the maximum stay time at the location (subject to a minimum 5p increment).

ii) Offset hikes in headline tariffs by getting rid of incremental 1 hours

There are no 1 hour increments proposed in the linear system. After a minimum payment for 20 minutes, the customer pays in increments of as little as 5p for equivalent parking time at the prevailing hourly rate.

iii) Extend free parking time

This would be subject to wider consultation outside the remit of the Town Centre Surveys and this tariff proposal and whilst there would be budgetary impacts it is unknown how much of an effect this would have.

iv) Provide refunds where requested (online or by phone now that cashless parking has finally been introduced in the borough)

The linear tariff proposal will remove the perceived need for refunds as customers only need to pay as required for the parking time. If using the cashless parking facility customers can extend time with the service provider if they find that their initial purchase is insufficient. With regard to coin payment refunds, there is no machine available in the parking industry which provides refunds against paid for parking if the customer does not require all of the purchased time.

v) Consider contact-less payment whilst new meters are being implemented

Currently there are no new P&D machines being proposed. Provisional estimates show that any type of replacement machine would cost approximately £4000 per machine. It would therefore cost £1.5M to replace all machines across the borough including car parks.

The Director himself states on the decision sheet that there is an ‘infinite range of alternatives’. Yet there is no evidence that the alternatives above or any others were ever considered and, if they were, no explanation as to why these other options were disregarded.

The fact is that simply increasing tariffs does not address the problem of the complexity of parking tariffs currently in place in Merton. If the council was



really serious about listening to residents and addressing this complexity (which is the real issue here), they would surely have considered other alternatives too.

*Whilst there are several alternatives in restructuring the existing “step” tariff system, by changing minimum stay times or hourly rates, none of these will offer the flexibility of a “linear” tariff system. The aim of this project is to reduce the number and complexity of the existing tariffs whilst delivering a structure that takes account of the introduction of 20 minute free parking in shopping parades and also allows the customer to purchase the time they wish rather than the minimum time that the current tariffs dictate thus reducing the amount spent on parking. The proposal being put forward is the only one that can achieve the desired outcomes of simplifying the current tariff structure and delivering a better payment option for customers.*

*This decision is unfortunately an anti- business response to what was a request from residents for a pro-business solution. As such, we would ask that the decision is reconsidered and the council seeks to employ a more imaginative approach to simplifying parking tariffs and deploying investment so as to better serve residents and properly help energise Merton’s high streets and neighbourhood parades for the future.*

*Comments received during the town centre survey showed that many businesses highlighted a need for motorists to be able to stop briefly to visit local shops – some respondents gave the example of having to spend a minimum of 55p in Raynes Park just to stop and buy a newspaper. Under the new scheme the minimum will be 40p, a reduction of 37.5%.*

#### **4. ALTERNATIVE OPTIONS**

4.1 None for the purpose of this report

#### **5. CONSULTATION UNDERTAKEN OR PROPOSED**

5.1 None for the purposes of this report.

#### **6. TIMETABLE**

6.1 Not applicable

#### **7. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

7.1 The cost to implement these changes 18K.

#### **8. LEGAL AND STATUTORY IMPLICATIONS**

8.1 The Council is required to issue a Notice of Variation - Under Section 35C and 46A of the Road Traffic Regulation Act 1984, a Local authority has powers to vary off and on-street parking charges respectively. In both cases a Notice is published in a newspaper circulating in the local area giving at least 21 days notice of the variation. The Notice does not invite representation, and its effects become operational at the end of the Notice period.

As part of the Councils legal obligation it is not our intention to make these changes for the purpose of raising revenue as describe in the above report

- 9. CRIME AND DISORDER IMPLICATIONS**
  - 9.1 None for the purposes of this report.
- 10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**
  - 10. 1 none for the purposes of this report.
- 11. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**
  - 11.1 None for the purposes of this report.
- 12. APPENDICES**
  - 12.1 Details of the existing charges and the proposed changes
- 13. BACKGROUND PAPERS**
  - 13.1 None