

<b>Report to:</b>	<b>EXECUTIVE CABINET</b>
<b>Date:</b>	28 June 2023
<b>Executive Member:</b>	Councillor Jan Jackson, Executive Member, Planning, Transport and Connectivity
<b>Reporting Officer:</b>	Emma Varnam, Assistant Director of Operations & Neighbourhoods
<b>Subject:</b>	<b>REVIEW OF CAR PARK TARIFFS</b>
<b>Report Summary:</b>	<p>The purpose of this report is to provide options for revised tariffs on Council owned car parks. The principle of the tariff review is to provide a shoppers charter; encouraging a turnover of spaces in town car parks to making shops and services easily accessible and incentivising workers and commuters to use long stay parking provision.</p>
<b>Recommendations:</b>	<p>It is recommended that:</p> <ol style="list-style-type: none"> <li>Executive Cabinet <b>approve</b> the implementation of new tariffs as set out in section 5 of the report.</li> <li>Executive Cabinet <b>approve</b> the addition of 3 short stay town centre car parks.</li> <li>Executive Cabinet <b>note</b> the position in respect of parking income and highways improvement costs set out in section 3 of the report.</li> <li>The tariff for cash only machines to be applied to all car parks from 1 July 2023.</li> <li>New tariff for short stay and long stay car parks to be implemented when the upgrade of machines has been completed (Expected September 2023)</li> </ol>
<b>Corporate Plan:</b>	The proposals contained in this report will support the delivery of the Corporate Plan by providing a modern infrastructure and a sustainable environment.
<b>Policy Implications:</b>	None arising from this report.
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	<p>This report is proposing increases to car parking tariffs, alongside the introduction of card payment options on a number of car parks across the borough. Funding required for the capital investment in new or upgraded parking machines to enable card payment options has been subject to a separate report which was approved by Executive Cabinet in February 2023.</p> <p>This report and the financial implications are focused on the revenue income elements of pay and display car parking, and the costs of highways improvements (both capital and revenue). Section 3 of the report provides a summary of the net income from car parking, together with the costs of highways improvements and public transport, over the last five years. Table 1 highlights that the cost of highways improvement works significantly exceed the level of surplus income generated for parking activity.</p> <p>There is a revenue budget for pay and display income of £1.436m in 2023/24, however there have been shortfalls in pay and display</p>

income against the revenue budget for a number of years. A small savings target of £0.052m was included in the 2023/24 revenue budget, anticipating an uplift in tariffs, but reflecting the fact that current income levels are already below budget.

<b>2022/23</b> Gross Pay & Display Actual Income	£1.180m
<b>2023/24</b> Gross Budget for Pay & Display Income	£1.436m
<b>Shortfall</b> 2022/23 income vs. 2023/24 budget	£0.256m

The proposed uplift in tariffs for pay and display parking should deliver an increase in income across the borough. The level of additional income generated will dependent on whether the increased tariffs result in any changes in behaviour in respect of parking. There is not expected to be an increase in cost associated with the increased tariffs as the rateable value for business rates purposes is usually calculated on a per space basis (and not with reference to the charges being levied). If the level of income does not increase to manage the current budget pressure, the service must find alternative mitigating actions to remain within existing resources. There is no capacity in the Council to overspend against the budget approved at Full Council in March 2023.

Due to the age of the existing machines, there is no valid data available in respect of the number of tickets issued and length of stay in current car parks. As a result it is difficult to provide accurate forecasts regarding expected increases in income arising from tariff uplifts. The new or upgraded machines that are being installed in short stay and long stay car parks will provide this information to enable better decision making in respect of future uplifts.

Once new machines and tariffs have been implemented, it is vital that the data on parking activity is subject to regular review and interpretation, to inform future reviews and decisions on parking tariffs. This data will also help to inform decisions in respect of other elements of the parking strategy including on-street parking, resident and contract permit parking. There will be an expectation that greater insight and evidence-led decision-making will allow the Council to maximise resources obtained through parking and its enforcement to support transport-related expenditure as allowed under law. Maximised resources must form part of the Council's Medium Term Financial Strategy (MTFS). The MTFS must balance, and income derived from parking and placed in the Special Parking Account (SPA) will support the delivery of quality transport infrastructure and a balanced budget.

**Legal Implications :**  
**(Authorised by the**  
**Borough Solicitor)**

The council's statutory powers to impose car parking charges are contained in the Road Traffic Regulation Act 1984 (RTRA 1984). Under section 45 RTRA 1984 the council has the power to designate parking places on the highway, charge for use of them and issue parking permits for a charge.

Under section 46 such charges are to be prescribed in the designation order or separate order made by the authority. Section 55 RTRA 1984 provides for the creation of a ring fenced account (the SPA) into which the monies raised under sections 45 and 46

must be placed and for dealing with any surplus funds which includes expenditure for other transport purposes.

The council is also under a statutory a general duty “secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking on and off the highway”.

What the council does have is “a discretion to set charges to reflect its parking policies ... [and are] not restricted to levying a charge only to cover the base cost of running the scheme”.

Therefore when setting charges it is acceptable for the council to recognise and plan for dealing with any surplus; budgeting for a modest surplus does not render the scheme unlawful or evidence any unlawful revenue raising motive.

Further the court has recognised that “it may be prudent to budget for a surplus to allow for unforeseen expenses, shortfalls in other years and payment of capital charges/debts”.

**Risk Management:**

If the recommendations are not implemented the lack of investment in the infrastructure and consideration of the wider parking strategy will have a negative financial impact on the Authority and will mean the council risks being unable to effectively manage this service.

**Access To Information**

Not Confidential

**Background Information:**

The background papers relating to this report can be inspected by contacting Emma Varnam, Assistant Director Operations and Neighbourhoods



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## 1. INTRODUCTION

- 1.1 This report provides a brief update on progress of the implementation plan and sets out three options for an updated tariff schedule. The review of town centre rates is intended to create a 'shoppers' charter' encouraging short stay use, providing a reasonable charge for 1-3 hours, ensuring customer turnover, increasing space availability for the most sought-after spaces and discouraging long stay use in the most convenient car parks for shops and businesses.
- 1.2 The principles are set out below:
- Shoppers' charter – turnover of spaces in town car parks to encourage use of shops and services with workers incentivised to use long stay.
  - Free on-street 1 hour parking available in all towns
  - Simplified tariff regime; an hourly basis up to 3 hours, all day, flat rate for evenings and Sundays.
  - Blue Badge parking policies remain unaltered.
  - We encourage purchase of value-for-money loyalty permits for long stay users.
  - Contract passes are only available for long stay users unless they hold a valid blue badge.
- 1.3 Car parks provide a critical infrastructure for residents and businesses in the borough. They should be safe, well-maintained, easy to use, accessible and convenient to both facilities and transport links. A programme of improvements is currently underway to improve the service and effective business management of Council owned car parks.
- 1.4 The Council operates 44 Car Parks across the borough, 42 of which are Pay and Display Car Parks. The exceptions are Dale Street multi-story car park (which currently operates on a contract only basis) and Ward Street (which currently allows permit holders only to park). The details of car park locations are shown in **Appendix 1**.

## 2. IMPROVEMENT PLAN PROGRESS

- 2.1 Following the report to Executive Cabinet in February 2023, progress on improvement plan to date is summarised in Table 1

**Table 1 – Progress on implementation plan**

Action	Timeline	Progress
<i>Phase 1</i>		
Review of staff and partner car park charges	November 2022	Review again Sept 2023
<i>Phase 2</i>		
Upgrade of Machines agreed at Executive Cabinet	February 2023	Complete
Procurement commences	March 2023	Complete
Installation of new infrastructure	September 2023	On schedule
<i>Phase 3</i>		
Car Park Strategy considered by Executive Cabinet	September 2023	On schedule
Implementation of Phase 3	From October 2023	On schedule

- 2.2 In February 2023, Executive Cabinet agreed to the replacement or upgrade of 27 town centre Pay and Display machines. These new machines will accept card and contactless payments as well as taking coins. This work will leave the council with 24 payment machines which can take cash only. (See **Appendix 2** for a detailed breakdown).
- 2.3 A compliant procurement route has been identified by STaR Procurement for the upgrading or replacement of the 27 machines. A competitive tender process has been completed and the contract has been awarded to the preferred supplier. There is a 12 week lead in time for

delivery and installation. The approximate start date for installation will be 04 September 2023. A review of the remaining 24 machines in Council car parks will be included in the Phase 3 wider strategic review.

- 2.4 The Council has successfully achieved funding from Homes England Resource Departmental Expenditure Limit (RDEL) and UK Shared Prosperity Funding (UKSPF) Communities & Place. Following a competitive procurement process via STaR Procurement, Curtins have been appointed to prepare a Car Parking Strategy with a particular focus on town centre car parking. The scope of the study includes the identification of residential opportunities and operational functions of the Borough's car parking income, occupancy, management and will include recommendations for the future of the management of car parking. A further report to Executive Cabinet in the autumn will detail the findings and recommendations of the study.

### 3. CAR PARKING INCOME AND EXPENDITURE

- 3.1 The Council is able to levy charges for car parking, both on and off street, and to levy penalty charges for parking and traffic enforcement regulation. Income from parking charges and penalty charges should be used initially for the provision of off-street parking, with any surplus income being subject to restricted use.
- 3.2 The use of surplus income from parking charges and penalty charges is governed by section 55 of the Road Traffic Regulation Act 1984 (Amended). The Road Traffic Regulation Act 1984 states that parking surpluses can be used for:
- Meeting the cost of the provision and maintenance by the local authority of off street parking
  - Meeting the costs incurred in the provision or operation of, or of facilities for, public passenger transport services
  - The purposes of a highway or road improvement project
  - The purposes of environmental improvement (reduction of environmental pollution, improving or maintaining the appearance or amenity of a road, land in the vicinity of a road or open land or water to which the general public has access and the provision of outdoor recreational facilities available to the general public without charge)
- 3.3 Over the last five years, income and expenditure in respect of parking, public transport, highways improvements and related environmental improvements was as follows:

Table 2 - Parking, Highways & Public Transport - Income and Expenditure	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000
<b>Car Parking &amp; Enforcement</b>					
Pay & Display and Permit Income	(1,524)	(1,448)	(602)	(1,185)	(1,349)
Penalty Charge Income	(698)	(641)	(351)	(606)	(694)
Other Income	(24)	(28)	(27)	(203)	(56)
Enforcement Costs	632	654	595	585	599
Business Rates	296	343	402	487	417
Maintenance, Admin & Systems	453	237	161	180	127
Other Expenditure	143	266	107	146	110
<b>Net Expenditure / (Income)</b>	<b>(722)</b>	<b>(617)</b>	<b>285</b>	<b>(596)</b>	<b>(846)</b>
<b>Highways improvements</b>					
Highways infrastructure improvements	13,602	11,660	7,864	8,448	7,207
Grant and contributions	(4,460)	(2,796)	(5,763)	(4,189)	(4,220)
<b>Net Expenditure / (Income)</b>	<b>9,142</b>	<b>8,864</b>	<b>2,100</b>	<b>4,259</b>	<b>2,987</b>
<b>Net Expenditure with parking surplus</b>	<b>8,420</b>	<b>8,247</b>	<b>2,385</b>	<b>3,663</b>	<b>2,141</b>
TfGM Transport Levy	22,499	15,129	15,411	15,373	15,347
<b>Net Expenditure including Transport Levy</b>	<b>30,919</b>	<b>23,376</b>	<b>17,796</b>	<b>19,036</b>	<b>17,488</b>

- 3.4 Whilst car parking and penalty charges in isolation have delivered a small surplus over the last five years, the cost of highways improvements and the levy payable to Transport for Greater Manchester (TfGM) in respect of public transport provision, significantly exceed the level of surplus from parking. The net cost of highways improvements and the transport levy, has been funded from a combination of core annual revenue budget and one-off reserves.
- 3.5 The Council is responsible for maintaining over 750km of highways and footways, with more than 700 million vehicle miles travelled on the Council's highways on average each year.<sup>1</sup> Over the last five years the unit costs of highways improvement works have increased significantly, due to increased cost of materials and labour, but without any corresponding increase in fees levied for car parking.
- 3.6 Following significant investment in highways improvements in 2018/19 and 2019/20 (funded from reserves), the scope of highways improvement works has been reduced in recent years due to increased costs and a reduction in available funding. In the context of these significantly increased costs, it is necessary to review car parking tariffs to ensure that income is available to contribute to the cost of highways improvements.

#### 4. TARIFF REVIEW

- 4.1 When considering car park tariff rates, the Council needs to consider covering expenditure and also establishing a range of charges which will encourage best use of the space available, ensuring the availability of short-stay spaces in the town centres and a premium rate for long stay places. Car parks have a number of running costs, which need to be mitigated through income generated from their operation. These include business rates, cleaning and utility costs, enforcement and legal costs, as well as the administration costs and repair of infrastructure, including investment and maintenance of highways as set out in section 3 above.
- 4.2 As part of the improvement plan for Car Parks, it is proposed that revised tariffs are implemented across Tameside Car Parks to bring charges in line with comparable GM neighbours, and to increase the level of surplus income available to fund highways improvements. Analysis of current fees charged at other Greater Manchester authorities is presented below. This analysis shows that car parking charges at Tameside Council are considerably falling below similar nearby authorities.

**Table 3. Comparative charges across GM**

Figures are for town centre car parks on a weekday

Hours	Stockport	Rochdale	Bury	Bolton	Oldham	Wigan	GM Average	Tameside
1hr	£0.90	£0.00	£2.00	£1.24	£1.27	£1.08	£1.08	£1.00
2hr	£1.80	£0.00	£2.00	£2.39	£1.54	£1.75	£1.58	£1.00
3hr	£2.70	£0.00	£2.30	£3.10	£2.49	£2.58	£2.19	£1.00
4hr	£3.60	£1.30	£5.00	£3.58	£2.82	£3.41	£3.29	£2.00
5hr	£4.50	£1.60	£5.00	£4.57	£4.31	£4.83	£4.13	£2.00
6hr	£5.40	£5.00	£5.00	£4.79	£5.01	£5.66	£5.14	£3.00
7hr	£6.30	£5.00	£5.00	£4.79	£5.01	£7.32	£5.57	£3.00
8hr	£7.20	£5.00	£5.00	£4.79	£5.01	£7.32	£5.72	£3.00
9hr	£8.10	£5.00	£5.00	£4.79	£5.01	£7.32	£5.87	£3.00
10hrs	£9.00	£5.00	£5.00	£4.79	£5.01	£7.32	£6.02	£3.00

<sup>1</sup> [Road traffic statistics - Local authority: Tameside \(dft.gov.uk\)](https://www.dft.gov.uk/road-traffic-statistics/)

- 4.3 Car parking in Manchester City is at a premium rate due to the city centre location. Car parking in Salford and Trafford is not considered to be comparable due to the different economic activity in these boroughs. The fees for Manchester, Salford and Trafford are therefore not included in the table above.
- 4.4 Tameside's existing tariff structure comprises three parking periods:
- Up to 30 minutes
  - Up to 3 hours
  - All day
- 4.5 It is proposed that the parking tariffs are revised and uplifted to implement:
1. A tariff of fees for the 27 upgraded Pay and Display machines with card payment options.
  2. A tariff of fees for the remaining cash-only pay and display machines.
  3. An evening tariff rate for all car parks, 6pm-midnight.
  4. The introduction of a Sunday rate for all car park within the borough.

## 5. PROPOSALS FOR REVISED PARKING TARIFFS

The tariff scheme has been divided up into four tariffs as show in table 4:

- **Short stay** – Previously inner-zone town centre car parks with upgraded contactless payment options.
- **Long Stay** – Outer-zone car parks with upgraded contactless payment options
- **Short stay coin only** – Car parks with coin-only payment.
- **Long stay coin only** – Car parks with coin-only payment.

The differential between new and coin only machines recognises that since Covid, many residents do not carry cash especially coins to the extent they used to.

A list of car parks and their tariff allocation are found in **Appendix 2**.

- 5.1 The proposal has capped the evening and Sunday rate for all car parks at £1.

**Table 4. Tariff proposals.**

Revised pay and display parking tariff proposals					
Parking period	Current	Short Stay		Long Stay	
		New & upgraded machines	Coin only machines	New & upgraded machines	Coin only machines
1 hour	£1.00	£1.50	£2.00	£1.50	£2.00
2 hours		£2.50		£2.50	
3 hours		£3.50		£3.50	
All day	£2.00	£9.00	£9.00	£4.00	£4.00
Evenings (6pm to 8am) and Sundays	£1.00	£1.00	£1.00	£1.00	£1.00
5 day Annual Contract Pass (Non-Staff)	£250	N/A	N/A	£500	£500
7 day Annual Contract Pass (Non-Staff)	£328	N/A	N/A	£600	£600

- 5.2 Short stay car parking should remain at a low cost, to encourage a quick turnaround of visitors. Council car parks are intended to encourage economic activity and availability of customer spaces convenient to town centre shops and businesses. The tariff scheme is intended to encourage a quick churn of spaces for visitors who want to shop locally. There

is a significant price step between the 3 hour parking rate to the all-day rate to achieve this change in behaviour. The price differential is intended to encourage commuters and business owners to use the outer zone car parks, which have a lower all-day tariff.

- 5.3 In order to keep the short-stay car parks available for shoppers and visitors the contract passes will be solely available for long stay car parks. If paying on a daily basis, the estimated cost of paying £5 on a daily basis for 3 days a week, 46 weeks per year would be £690, for 5 days a week 46 weeks per year the estimated cost is £1,150. The revised charge for a 5 day annual contract pass will be £500 and for a 7 day pass this is priced at £600. The cost of these passes for businesses is tax deductible.
- 5.4 The current car parking scheme (previously 'inner zone') only has Ashton car parks. When the new tariffs are agreed installed Henrietta Street, Camp Street, Ashton Baths, and Old Cross Street will have the new short stay tariff.
- 5.5 There is potential to add in other town centres to this scheme. Suggested car parks for eligibility could be:
- Castle Street 1, Stalybridge
  - Queen Street, Denton.
  - Clarendon Street, Hyde.
- 5.6 It is recommended to retain the current short-stay car park allocation or extending the tariff scheme to 3 additional car parks. It is of note that all of these town centres already benefit from free supermarket car parking within their town centre.
- 5.7 Long-stay car parks within the borough are intended to support all-day visitors, businesses, and commuters and therefore no free periods are proposed. These rates align with neighbouring boroughs, and also car parks near partner facilities like the hospital.
- 5.8 Table 5 shows the car parking rates which are currently advertised for the Hospital owned parks.

**Table 5. Current Tameside Hospital Tariff Rates**

Hospital Car Parks	Charges
Up to 1 hour	£2
1-2 hours	£3
2-4 hours	£4.30
4 hours - 24 hours	£6.00

- 5.9 For the machines that will remain 'cash only' payment, temporary coin-only tariffs will be established. It is reasonable and practical to keep the rise in fees to a minimum. In an increasingly cashless world, many vehicle owners are not carrying as much cash. The council's current machines take only coins, not notes. It is for this reason that a low rate is proposed to enable the car parks to be used and not make all day parking impractical.
- 5.10 The parking policies for Blue Badge holders remain unaltered. Blue Badge holders can park without charge or time limit in otherwise restricted on-street parking environments, allowing them to park on yellow lines for up to 3 hours, unless loading is in place. In addition a one hour grace period is given following the expiry of a pay and display ticket, providing a valid blue badge is displayed in the correct manner.
- 5.11 The installation of upgraded machines will enable the Council to gather data and intelligence on customer behaviours. The information gathered will be used to inform the Phase 3 longer term strategy. This will include a proposed timeline to upgrade remaining machines, on-street car parking charges, and insights into local need for disabled, family and electric parking bays. Following the upgrades to the cash only machines a further review on tariffs

will be required utilising the data collated from the new machines.

- 5.12 A review of staff car parking charges and contract parking will also be brought to the Executive Cabinet in September 2023 as part of the longer term Car Parking Strategy.

## **6. RECOMMENDATIONS**

- 6.1 As set out at the front of the report.