

Scrutiny & Overview Committee Supplementary Agenda



4. **CALL-IN: Emission-Based Parking Charges** (Pages 3 - 20)

To consider and respond to the Call-In in accordance with the procedure set out in the Council's Constitution.

JACQUELINE HARRIS BAKER
Council Solicitor and Monitoring Officer
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

Simon Trevaskis
0208 7266000
simon.trevaskis@croydon.gov.uk
www.croydon.gov.uk/meetings

This page is intentionally left blank

REPORT TO:	SCRUTINY & OVERVIEW COMMITTEE 07 January 2021
SUBJECT:	RESPONSE TO CALL-IN: EMISSION-BASED PARKING CHARGES
LEAD OFFICER:	Shifa Mustafa, Executive Director, Place
CABINET MEMBER:	Councillor Muhammad Ali, Cabinet Member for Sustainable Croydon
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:	
<p>Croydon's Parking Policy 2019-2022, including its objective for introducing emission-based parking charges, supports the following corporate strategies and policies:</p> <ul style="list-style-type: none"> • Our Corporate Plan for Croydon 2018-2022 • Air Quality Action Plan 2017-2022 • Croydon Local Plan • Health and Wellbeing Strategy • Local Implementation Plan (LIP3) • Croydon Cycling Strategy 2018-23 	
FINANCIAL IMPACT:	
<p>Implementing the decision subject to this Scrutiny Call-in commits the Council to £150k capital expenditure and (£200k) income in-year. The full-year income effect in 2021/22 is forecast to be (£832k).</p>	
KEY DECISION REFERENCE: 0220PL	
RECOMMENDATIONS:	
<p>The Scrutiny and Overview Committee is recommended to:</p> <p>1.1 Note this report in response to the scrutiny call-in.</p>	

2 EXECUTIVE SUMMARY

- 2.1** This report details the officer response to the grounds for call-in.
- 2.2** The report on an emission-based tariff structure to Executive Director of Place on 12 November 2020 ^{Ref1}, addresses the over-arching national, regional and local drivers with an aim of reducing emissions and non-essential car use in Croydon.
- 2.3** The call-in has not suggested the decision on emission-based parking charges should be reversed, but has instead asked for reassurances that they are appropriate and not in conflict with the council's commitment to local businesses and are considered in context with wider changes to parking policy and that the collective impact of all these has been considered by members as a whole.

2.4 The officer response describes how the emission-based parking charges are not used as a fiscal measure. It further describes how the parking charges do not compromise the council's commitment to local businesses. Lastly, the response describes the relevant aspects of the wider policy context, which has been subject to consideration by members.

3 DETAILS

3.1 POLICY BACKGROUND

3.1.1 The policy on parking charges addresses over-arching national, regional and local requirements with an aim of reducing harmful emissions. The full list of these initiatives can be found in the Cabinet report of 25 March 2019^{Ref2} for the introduction of a Parking Policy.

- The national Clean Air Strategy 2019, with aims to clean up the UK's air and reduce the damaging impact air pollution has on public health, including the harmful emissions from vehicles amongst other sources. The strategy devolves certain responsibilities to a local level.
- The national Road to Zero Strategy aims for 50-70% new car sales to be Ultra Low Emission Vehicles (ULEVs) by 2030.
- The London Mayor's Transport Strategy 2018, which prioritises public health and aims to reduce car use throughout London. The strategy outcome 3c prescribes that the number of cars and vans registered in the borough should be reduced to 141,200 by end 2021.
- Croydon's Air Quality Action Plan 2017-22, which aims to reduce exposure to air pollution and raising awareness for those who live and work in Croydon.
- The 2017 Annual Report of the Director of Public Health identifies that Croydon currently has the highest rate of hospital admissions for childhood (0-9 years) asthma and the third highest number of asthma deaths in London. An estimated 205 deaths a year in Croydon are attributable to air pollution (source: Greater London Authority , Air Quality in Croydon a guide for public health professional, London, September 2013).
- The Council has a duty under the Road Traffic Regulations Act 1984 to exercise its power to secure the expeditious, convenient and safe movement of vehicles and other traffic (including pedestrians) and having regard to the amenity, the national air quality strategy and any other relevant traffic management matters.

3.1.2 Furthermore on 8 July 2019, the Cabinet resolved to recommend that Council declare a 'Climate Emergency' and note the need for urgent action at an international, national and local level.

3.1.3 As the borough continues to grow in population and density the policy on parking charges aims to improve the environment by delivering actions that will encourage a change to lower emitting vehicles and better management of the demand on the kerbside.

3.2 ENGAGEMENTS

- 3.2.1 A survey for the Air Quality Action Plan (AQAP) in July 2017 found 76% of 356 respondents rating their views on air pollution as 'very important' and a further 14% rating their views as 'important'. 88% agreed that the AQAP healthy streets initiatives are important.
- 3.2.2 A survey on the future of transport for the then draft Third Local Implementation Plan (LIP3) in September 2018 found that 74% of 994 respondents are concerned about air quality in Croydon and 72% agreed that traffic levels should be lowered.
- 3.2.3 The draft Parking Policy 2019-2022^{ref3} was engaged on in May 2019, prior to the Policy's final approval in July 2019. This engagement survey described the objectives and timeline for introducing emission-based parking charges. The survey attracted 183 responses:
- When residents were asked open ended questions on the views and impacts from parking charges, and specifically highlighting emission-based charges:
 - 25% expressed concerns.
 - 16% expressed support.
 - 60% were neutral, neither concerned nor supporting.
 - 11% of respondents expressed a concern that the policy on emission-based charges would impact disproportionately on low income residents, who cannot afford to replace their car with a lower emission model.
 - 10% of respondents said they represented a business. Of these:
 - 30% expressed concerns.
 - 30% expressed support.
 - 40% were neutral, neither concerned nor supporting.
 - 3% were concerned that emission-based charges would have a negative impact on Croydon and the High Street economy, including pushing affluent shoppers in big cars out of town.
 - There was some elevated level of concern from the protected groups of Disability that parking charges would be introduced for Blue Badge holders. There were also some concerns from Disability and Age groups over pre-existing insufficiency in access to the over-subscribed parking bays across the borough.

4 RESPONSE TO REASONS FOR REFERRAL of the Emission-Based Parking Charges decision

- 4.1 The given reasons for referring the decision to amend the structure of parking charges to Scrutiny are that ***the decision is outside of the Policy Framework*** and ***the decision is inconsistent with another Council Policy***. The outcomes desired are:
1. To gain reassurance that charges are not being used as a fiscal measure.
 2. To gain reassurance that this policy does not compromise the council's commitment to local businesses.
 3. To secure reassurance that this policy has been considered in context with wider changes to parking policy and that the collective impact of all these has been considered by members as a whole.

The decision is outside of the Policy Framework

- 4.2** The call-in states that Croydon Council is not allowed to use car parking charges as a fiscal measure. It argues that the timing of the emission-based parking charges demonstrates that this is exactly how the measure is being used:
- It has appeared in two documents about managing emergency funds for the council.
 - Evidence suggests that car usage is falling in Croydon. So that can't be a justification for introducing the policy now
 - While the money will be ringfenced, it seems as if Croydon is now trying to fund a higher proportion of the road maintenance budget from parking charges. This effectively frees up money from elsewhere, or prevents cuts elsewhere. Either way it is using car parking charges as a fiscal measure.

The call-in asks for evidence on how it will use these funds to better maintain Croydon's roads. Especially as it is now planning to only maintain roads to "safest minimum levels."

- 4.3** The car use and emissions reduction objectives are prescribed by the London Mayor's Transport Strategy 2018, which are transposed into the Third Local Implementation Plan⁴ (LIP3) and were agreed by the Council in 2019. The national Clean Air Strategy 2019 (enacted in January 2019) has devolved further responsibility for air quality improvement to the local level. Harmful NO₂ air pollution in Croydon has exceeded the 40ug/m³ averaged legal limit for several years. Although road traffic is not the sole contributor to CO₂, NO₂ and other air pollutants (e.g. particulate matters), excessive and high-emission road traffic is a significant part of the problem.
- 4.4** The decision to introduce the emission-based parking charges originates in the Cabinet meeting held on 25 March 2019 agreeing to the Parking Policy 2019-2022, subject to consultation. Statutory guidance on the emergency Covid-19 recovery⁵ of 23 May 2020 (updated 13 November 2020) directed local authorities to pull forward any planned measures that would help control motorised traffic.
- 4.5** The emission-based tariff structure agreed by Cabinet in 2019 is cost neutral for 65% of drivers and, as such, does not sufficiently address the LIP3 car reduction "outcome 3c"^{ref4}. The delivery of "outcome 3c" relies more on the increase in parking charges that were scheduled for introduction in October 2020 but, as a consequence of Covid, have been delayed until now. These changes were agreed as a part of the proposed budget that was approved by Council on 2nd March 2020 but will now not be fully realised in year.
- 4.6** The precursory commitments and decisions that have resulted in the budget effect pre-dated the documents describing emergency funds and the Section 114 Notice. The actual effect is in fact forecast to be slightly lower than the approved 2020/21 budget. It is wrong to suggest that the emission-based review of parking charges are motivated by or related to the current situation around emergency funds.
- 4.7** With regards to the call-in stating there is evidence of an underlying reduction in cars on the road, this current evidence pre-dates Covid-19 and shows a 0.1% effect in the last full year. This small number is insufficient to address the much more substantial reduction that the Council has committed to in its LIP3. The Covid-19 lockdown did have a temporary car use reduction effect, but a post-Covid modal switch from public transport to the car is a new concern, which is reflected in central government emergency guidance⁵. The guidance directs local authorities to introduce and pull

forward measures that will help control motorised traffic – such as “*Low Traffic Neighbourhoods, School Streets and other relevant schemes*”^{ref 5}.

- 4.8 The Parking Policy 2019-2022^{ref3}, which is subsidiary to and supportive of the LIP3^{ref4}, has in its aims “*To operate the charges defined in local Traffic Management Orders for on- and off-street parking places. In accordance with the Road Traffic Regulations Act 1984, the level of charges will have regard to securing the expeditious, convenient and safe movement of vehicles and other traffic (including pedestrians) having regard to the amenity, the national air quality strategy and any other relevant traffic management matters*”.

The policy has a specific objective “*To develop, implement and operate a differential parking charges mechanism that will encourage the ownership, take-up and use of zero and low emission vehicles, while discouraging the ownership and use of noxious and high emission vehicles. The emission-based charging is proposed to be consulted on in accordance with the emergence of the enabling technologies to assess its applicability and impact on residents and road users within the borough with a view to promoting the use of low or zero emission vehicles*”.

The Parking Policy text was subject to engagement in April-May 2019 and the emission charges proposal was consulted on in October 2020^{ref 1}. The Parking Policy is consistent with the Road Traffic Regulations Act 1984 (RTRA1984) and the emission-based charges are consistent with the policy.

- 4.9 The parking charges are not set for the purpose of raising surplus revenue for other transport purposes funded by the General Fund. The surplus should be considered as an incidental result of a required and proportionate traffic management measure. The Road Traffic Regulations Act 1984, Section 55, makes provision for such a surplus and prescribes that it is ring-fenced to certain expenditures (in summary):

- Provision of public passenger transport services
- Highway improvement and maintenance
- Environmental improvements
- Facilitating the implementation of the London transport strategy.

- 4.10 With regards to the call-in asking for evidence on how it will use these funds to better maintain Croydon’s roads. Parking income in Croydon is not used to fund the highway maintenance service in the Borough and such evidence therefore does not exist.

- 4.11 The 2019/20 income from parking charges was £6.5M. The total parking services surplus, including from enforcement, was £11.3M. This surplus entered the ring-fenced Traffic Management Account (TMA). The TMA has contributed towards public transport fare concession schemes, including the over-60s Freedom Pass. The Council’s expenditure on public transport fare concessions was in the order of £20M in 2019/20. The use of the ring-fenced parking surplus is therefore consistent with the RTRA1984.

The decision is inconsistent with another Council Policy

- 4.12 The call-in states that *the charges will be bad for local businesses, especially when combined with the corresponding decision to remove free parking bays. This will especially hit areas that border Bromley (Shirley / Addiscombe / Selsdon / Crystal Palace). Charges are cheaper there. And businesses that are near Caterham (Coulston), where parking is generally free.* It infers this conflicts with corporate

priorities to support and encourage local businesses. It states that in recent years the council has made parking cheaper on the basis that this is what local businesses need to thrive and asks what evidence is there that this situation has changed?

4.13 The Parking Policy 2019-2022^{ref3}, including its aims and objectives for parking charges, is primarily designed to support the following corporate strategies and policies:

- Our Corporate Plan for Croydon 2018-2022
- Air Quality Action Plan 2017-2022
- Croydon Local Plan
- Health and Wellbeing Strategy
- Local Implementation Plan (LIP3)
- Croydon Cycling Strategy 2018-23

The Policy was subject to a prior engagement in April-May 2019, which has not identified any conflict with the corporate priorities to support local businesses.

4.14 With regards to the call-in stating that the council has previously made parking cheaper on the basis that this is what local businesses need to thrive and what evidence is there that this situation has changed. The decision report¹ on emission-based parking charges describes in response to consultation comments that the drawback of free parking in the relevant locations is now four-fold:

1. The free bays are by definition not emission-based and do not support the present-day objective for encouraging lower emission vehicles, while discouraging higher emission vehicles.
2. There has been a continual growth in the number of cars on the road and also in the habit of using the car for distances that in the past would have been considered easy walkable. TfL's London Travel Demand Survey finds that 40% of car journeys across London can be easily walked. The free parking arrangements attract driving to over-subscribed parking bays that are frequently inaccessible. Drivers end-up circulating for space, adding further to congestion and air pollution, or drivers end up in spaces that are further away from their intended destination. Shoppers who could easily walk or cycle to the local shops thereby unnecessarily impede access for car-borne shoppers who cannot easily walk. Difficulties in finding vacant parking spaces is unattractive to those who must drive and give reason not to use the local shops.
3. The free parking encourages bad parking practices, which detract from access and safety. A sizable portion of drivers perceive 'free' to mean unenforced – and unenforced means that illegal parking is inconsequential/acceptable. Drivers tend to show lower respect for the associated controls, including yellow lines and loading bays. The parking enforcement function is already issuing a disproportionately high number of penalty charges in 1-hour free bay areas, compared to those in chargeable parking places. Shoppers and traders would easily perceive a further increase of enforcement in the 1-hour free zones as being over-zealous, due to the commonly held view that 'free' should also mean unenforced. It is a not uncommon complaint from shop owners in the free parking locations that drivers – including a minority of their fellow traders – abuse the bays in ways that it restricts shopper access. Some traders, for example, rate their own all-day private parking convenience in front of their shops higher than

the need to facilitate car-borne customer access. Car-borne access level to the district centre shops and businesses depends on the turnover in the parking events. Footfall further depends on an attractive and safe public realm. Free parking detracts from this.

4. The 1-hour maximum stay does not support customers and businesses that depend on longer stays, such as hairdressers, lunchtime restaurants, physiotherapist, dentist and others that often require more than 1-hour appointments. The Council has received representation from within the business community for extending the maximum stay to 2 hours. Introducing a charge for the first 1 hour, in 30min steps, generates a higher turnover in events, which allows for the maximum stay be increased to 2 hours and better support these currently under-served businesses. This would not be practically possible, without introducing a charge for the first hour.

4.15 The Council, in 2016, introduced a policy of “fair parking pricing”, with the aim to equalise and standardise parking charges across similar locations within the borough. The present “fair parking pricing” structure distinguishes between maximum 2-hour, 4-hour and 8-/12-hour places, in the central zone and the district zones (6 fundamental tariff structures). The costs of operating and enforcing the 1-hour free bays in the district centres is cross-subsidised from charges collected in the “fair parking pricing” zones, where businesses also exist. This cross-subsidising is in conflict with the principle of fairness and the corporate priorities to support all local businesses.

4.16 With regards to the call-in stating “*this will especially hit areas that border Bromley (Shirley / Addiscombe / Selsdon / Crystal Palace)*”. Of these 4 example locations, the emission-based charges would be introduced in Lower Addiscombe Road and Selsdon only. There are currently no 1-hour free P&D controlled in parking in Shirley or Crystal Palace. Other towns, just like Croydon, have a duty to manage down congestion and car use. The London Borough of Bromley is subject to the very same regional strategy objectives that Croydon is. It is therefore wrong to assume that these other boroughs would seek to attract car-borne visitors from Croydon. Bromley already charges 70p per 1 hour in its district centre high streets (last verified in July 2020). It is further wrong to suggest the present situation as “*Charges are cheaper there*”, in the context of those district centres where Bromley has a policy of charging for parking. The emission-based charges would introduce an equivalent 76p per 1 hour charge for most drivers. Electric vehicles would pay 10p per hour and high-emission vehicles £1 per hour.

4.17 With regards to the call-in referring to “*businesses that are near Caterham (Coulsdon), where parking is generally free*”. Coulsdon Town has a higher concentration of on-street parking bays per shop than Caterham, potentially making it a more attractive destination. Both towns suffer from the 1-hour free bays being poor at maximising shopper convenience and access. For example, data from the ticket issuing machines find that during August to September 2019, each of the 80 bays in Coulsdon Town had 8 parking events per day, with an average stay of 57 min; while the comparable 14 bays in High Street Croydon (South of Flyover) each had 17 events per day, with an average stay of 23 min. Observing the car-borne footfall in Coulsdon Town on 30 January 2020, it is apparent that several local drivers meter feed – i.e. repeatedly replace the 1-hour free ticket without actually moving the

vehicle. The true turnover in parking events in Coulsdon Town is in fact therefore lower than 8 events per bay per day as indicated from P&D machine ticket data. The indication is that the on-street parking bays in Coulsdon contribute only about 600 visits to the daily footfall, which represents a sub-optimal number. The introduction of parking charges and an improvement to the turnover in Coulsdon could provide an access advantage over Caterham.

- 4.18** It may sound counterintuitive to some, but the benefits that parking charges can have on an area's attractiveness are generally under-estimated. Businesses fear that some customers will abandon their journeys as result of parking charges. This fail to realise that a significant number of potential customers have already abandoned their journeys as result of congestion and inability to easily access a parking space. Also, customers abandoning their car will not necessarily abandon their journey. They will just select alternative modes of travel, many of which contributes to a place becoming more pleasant to visit. It is also wrong to assume that car-borne shoppers are bigger spenders. A 2012 study for London Councils [<https://www.londoncouncils.gov.uk/services/parking-services/parking-and-traffic/parking-information-professionals/review-relevance>] reports that *"A well managed parking scheme, where spaces 'turn over' frequently can help to increase the number of visitors coming to a town centre and thereby help business. Car drivers spend more on a single trip. Walkers and bus users however spend more over a week or a month. In 2011, in London town centres, walkers spent £147 more per month than those travelling by car. Shopkeepers consistently overestimate the share of their customers coming by car. A good mix of shops and services and a quality environment are some of the most important factors in attracting visitors to town centres"*.
- 4.19** A relevant study on behalf of the Welsh Government, on Assessing the Impact of Car Parking Charges on Town Centre Footfall, 2015 [<https://gov.wales/assessing-impact-car-parking-charges-town-centre-footfall-0>] report that *"the general availability of spaces is felt by visitors to be more important than cost in their overall decision about visiting. Whilst a 'blanket' free parking strategy has been suggested to encourage more car park users, these were generally found not to benefit target visitors (for example, the spaces were used primarily by town centre workers who were taking up the spaces all day, rather than shoppers) and consequently had an unexpectedly negative impact on footfall. Some stress the importance of finding a parking charges rate that will not alienate shoppers and drive them out of the town or city centre"*. Shoppers rate both 'attractive shops' and 'easy parking' higher than cheap parking. Prior to the construction of the Aldi supermarket in Coulsdon, the land operated a private car park charging £1 per 1 hour. The use of this temporary parking facility indicates a level of acceptance for such a parking charge.



Source: Bing.com map, image of the now Aldi site dated August 2011. Weekday and time unknown.

- 4.20** Congestion is highly inefficient to the local economy. The cost of congestion is reported to be £1,680 per road user per year across London [<https://www.london.gov.uk/press-releases/assembly/statement-on-the-cost-of-congestion>]. By contrast, public parking charges cost the average car owner in Croydon just £40 per year. Parking charges serve a useful purpose in contributing to congestion reduction. By helping to manage traffic levels and congestion, parking charges effectively protect households and businesses from incurring even bigger costs. Maintaining free or low cost parking at destinations that contribute to congestion would make households and businesses financially worse off.
- 4.21** Motoring research calculates the average annual cost of owning a car to be £4,660. Some consumer websites in fact estimates this to be up to 50% higher in London [<https://www.motoringresearch.com/car-news/average-car-costs-a-month/>]. Car repayments, insurance and fuel makes up the main elements of this cost.
- 4.22** Across the 158,199 cars and vans registered in Croydon the total cost of ownership and congestion is in the region of £1BN each year. The economic activity directly associated with car ownership (repayments, insurance and fuel) benefits largely national and international businesses. It is wrong to assume that this economic activity overall benefits the local business community. The discouragement of non-essential car ownership and use could convert some of the total costs into disposable income. The local business sectors would overall benefit from reduced cars on the road, and so will their customers who are residents of the Borough.
- 4.23** The possible loss of economic activity from addressing the Mayor's car reduction strategy is difficult to estimate, in particularly when considering that it simultaneously helps freeing up more disposable income. The Mayor's objective that is transposed into LIP3, which is supported in the public engagements and is committed to by the Council, sets out to reduce the number of cars registered in Croydon to 141,200 by end 2021. Realising this objective would save Croydon £80M in direct car ownership costs and possible an equal amount from congestion reduction. This would translate into a 25%+ increase in households' disposable income, which is currently valued at £325M [<https://www.finder.com/uk/disposable-income-around-the-uk>]. A portion of this would be spend within the local economy.
- 4.24** It is wrong to assume that the district centre economy is primarily generated by car-borne trade. It is further wrong to assume that those customers who avoid parking charges by walking, cycling or taking the bus instead would no longer shop locally.

The fact that they do not add to road and parking pressure makes a positive contribution in reducing the costs of congestion and it increases disposable incomes – which can benefit the local businesses and communities.

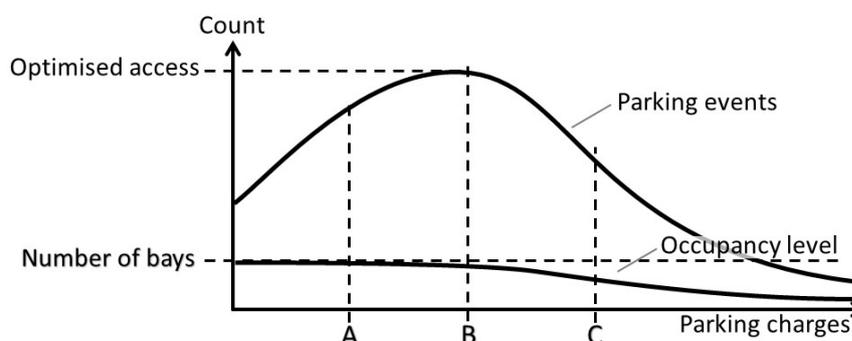
4.25 Incidentally, surplus from parking charges is ring-fenced and contributes significantly to sustaining public transport fare concessions such as the Freedom Pass scheme for the elderly. The parking charges therefore indirectly support the economic participation of a portion of the elder population that do not have a car or who choose to use public transport. This participation indirectly supports local businesses. Free parking means that fare concessions would have to be locally funded from other sources. As one study reports *“there is no such thing as free parking”* – it must be funded one-way or another.

4.26 The background report on Emissions-based destination parking charges from 1 January 2021¹, section 3.1.8, illustrates an evidenced based approach to optimising parking charges for maximum access. In a scenario of an unlimited number of parking bays, free parking is effective in maximising parking place use – and car use, with air pollution effect. In the real cases of the district shopping centres where a more limited number of parking bays exist, however, free parking reduces turnover in bays use and, therefore, restricts car-borne access to the local businesses. In the graph below:

Point ‘A’ illustrates how a low parking charge results in saturated bays occupancy and a low turnaround in use. It fails to optimally manage demand and access to the limited number of bays.

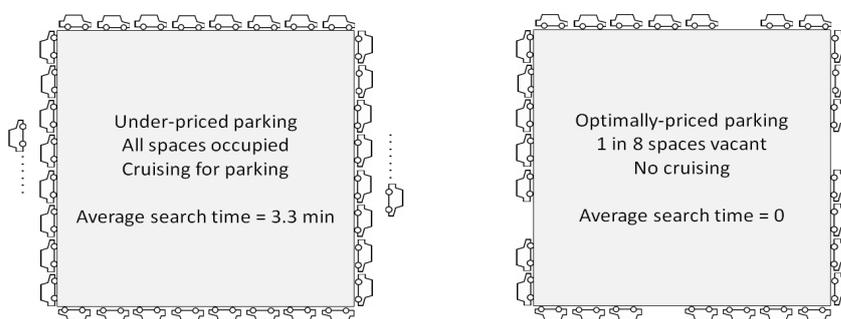
Point ‘B’ illustrates a parking charge optimised for maximum access. Established convention within the parking industry tells us that this occurs when parking charges are increased until occupancy reduces from static saturation to about 85%. At this point, drivers on average park for no longer than essentially necessary – i.e. it increases turnover. Traffic circulation in search for a vacant parking space also no longer occurs. The ease of finding a space is attractive to visitors – more so than cheaper inaccessible parking.

Point ‘C’ illustrates a parking charge optimised for maximum income. Commercial practices within the private sector industry indicate this to occur when parking charges are increased until occupancy reduces to about 60%.



The 85% occupancy (15% vacancy) rule further helps reduce illegal and unsafe parking. Combined with a reduction in car drivers, frustrated or aggressively,

searching for space, the 85% rule can help reduce hostility towards cyclists and pedestrians, helping to improve the conditions for uptake in active modes of travel to the district centre destinations and thereby further increase the footfall.



Parking place vacancy rate effect on searching* and idling.

* Source: D.Shoup "Cruising for parking", 2007, a review of 16 studies of cruising behaviour in 11 large city centres on 4 continents. The recorded share of total traffic cruising for parking ranged from 0 to 74%. The range of search time ranged from 0 to 13.9 minutes. The average search time for 3 London studies was 4.4 minutes.

4.27 The emission-based charge in the district centres would present an encouragement for drivers able to switch to a low emission vehicle at the next replacement. This will benefit these drivers when they use other parking places across the Borough – i.e. the 5p per 30min they spend in the district centre high street will be saved when they park in other, higher priced places within the Borough.

Emission band	Band 1, zero emission	Band 2, up to 185g/km CO ₂	Band 3, more than 185g/km CO ₂ , older cars and diesels and payments at the machine
Parking charge per 30min (in DC)	5p	38p	50p
Proportion of parking events*	5% and growing	65% and reducing	30% and reducing faster

* based on 2019 sample of 10,544 parking permits in Croydon

4.28 Many respondents to the statutory consultation on emission-based parking charges say they would like to buy an electric vehicle, but cannot afford to. The current higher prices of electric vehicles reflect the low numbers being produced. Stimulating an uptake in electric vehicles will support their price reduction and help making them more accessible for everyone. The early adopters of electric vehicles should be commended for helping to drive down prices and for the personal financial outlay they accept in pursuit of supporting local public health through reduced air pollution. This adds to the reasons for emission-based charges.

4.29 For every non-essential car that is given up, the household will on average free-up £4,660 per annum for disposable income. The cars that are most likely to be given up are the 2nd, 3rd and 4th cars, which a household can sometimes do without. These cars currently represent 29% of cars registered in Croydon. This means that there is potential for a reduction in this group of vehicles, without unnecessarily encouraging households to give up the most essential 1st car. Infrequently used cars could also

become candidates for conversion to shared pool car uses or other alternatives to car ownership. The Council has a policy to support the expansion of car share schemes. The emission-based charges will help encourage this.

- 4.30** The statutory consultation on the emission-based parking charges in October 2020 received 626 responses. The outcome is reported on the Council's website¹. The respondents generally support the notion that too many cars and air pollution is a problem that needs addressing. However, 11% respondents have suggested that the introduction of charges will harm the local economy; but little is provided in the way of evidence beyond anecdote and a general bias against any form of charges. Importantly, none of the respondents to the consultation (or to the prior policy engagement) have suggested viable alternative solutions to the recognised problem of too many cars and air pollution.
- 4.31** On balance, there is nothing to evidence that the parking charges would harm the local economy or businesses. It could on the other hand free up disposable income and make the Borough a more accessible and pleasant place to visit. Instead of free parking, the real footfall potential in the shopping/business centres lays in encouraging more walking, cycling and bus-borne shoppers, which would simultaneously reduce congestion and improve access for those who must drive. Paid for parking can therefore have a positive impact. The contrary view – that free parking contributes more to businesses – is not evidenced. Whereas the Council has a duty to support local businesses, it also has a duty to address the excessive car use and air pollution. It would be difficult for the Council to justify free parking in select locations, where the benefits are non-evidenced and this results in unfairness to businesses that are located within the "fair parking pricing" zones and where it further conflicts with the requirement to influence an evidenced air quality concern.
- 4.32** The Council has active relationships with the business community and with the introduction of emission-based charges it can better measure the impact on the number of parking events. Importantly, each emissions-based parking event will become associated with a vehicle registration number. The ability to better measure the lengths of parking stays, identify patterns of individual vehicle use and to trend emissions will improve information for future decisions. The Council will, so to speak, 'get to know its customers better'. This enables detection if the car use reduction overshoots its purpose and unnecessarily impacts on businesses. It is possible to adjust or reverse the parking charges, if it proves essential to rebalance the diverse needs.

Questions from Scrutiny Committee on 21 December 2020

- 4.33** The following sections are not directly asked for in the call-in, but respond to 2 comments that were made by Scrutiny Committee members in a similar context on 21 December 2020 and which may be raised again.
- 4.34** Relationship between the emission-based parking charges and the 30p increase. The Cabinet on 25 March 2019 delegated the authority for implementing the emission charges to the Executive Director of Place. The Cabinet did not agree to a 30p increase in charges, which therefore must be a separate decision taken through TMAC. The statutory procedure for amending a charges structure in a traffic order – e.g. a new way of regulating a parking place by emission-based parking charges and cessation of 1-hour free parking – prescribes a 21-day public consultation for inviting

representations that would help identify the remade order as being valid, or invalid. The statutory procedure for varying parking charges, without amending the traffic order's description of the charges structure itself, prescribes a 21-day 'notice of variation' – without inviting representations to the previously made and already validated traffic order. The respective procedures are described in Road Traffic Regulation Act 1984, section 46 on 'Charges at, and regulation of, designated parking places', and section 46A on 'Variation of charges at designated parking places'. This difference in the prescribed legal process has given further reason to treat the 2 decisions separately.

- 4.35** It was originally anticipated to introduce the 30p increase in October 2020 and the emission-based charges in April 2021. The Covid-19 situation however delayed the process for the former and central government emergency guidance of 23 May 2020⁵ called for the latter to be pulled forward. Considering the disruption and costs of implementing parking tariff changes, it made practical sense to implement the 2 separate decisions at the same time. The report presented to TMAC on 14 October 2020⁶, section 3.1.12; 3.1.13 and 3.3.6 describe the relationship and effects of combining the 2 decisions.
- 4.36** The report presented to TMAC on 14 October 2020⁶, section 3.3.1 describes: *Subject to the emission-bases tariff structure being agreed, a 30p per 30min increase would apply to the default emissions Band 3. Drivers of emission Band 2 vehicles, which represents the majority 65% of cars registered in the Borough, will incur a 25% discount and effectively experience a 23p increase; while drivers of electric vehicles will experience a 3p increase.* The emission-based parking charges has the effect of moderating the 30p increase for most drivers. This moderation is enabled by the fact the emission-based charges would have an additive effect – although for high-emission vehicles only.
- 4.37** Clear public information. It was rightly suggested that the comprehensive decision reports placed on the Council's website represent long and difficult reading. A new webpage providing a simplified description has been designed [<https://new.croydon.gov.uk/parking-streets-and-transport/parking/emission-based-parking-charges>] and is waiting to be promoted (it is deliberately held low in the menu hierarchy and difficult to locate at the present stage). Information to be presented in the streets, at the points of paying for parking, is also designed and ready for implementation. The Council's Communications and Engagement Team has prepared a communication plan. Some limited information was released on 3 December 2020, but this had to include a caveat that the proposed traffic order and decision process is still to complete. The fuller communication and explanations cannot be released until the decision is fully confirmed.
- 4.38** The Local Authorities Traffic Orders (Procedure) (England and Wales) Regulations 1996 prescribes that respondents to the statutory consultation must be informed of the outcome within 14 days of a decision being reached. This procedure does not allow extra time for Scrutiny of the decision. Failure to adhere to the procedure could make the process subject to a legal challenge and require a re-run of the consultation. Officers were therefore required to notify the individual respondents and publish the Executive Director's decision report in advance of the Scrutiny reaching its conclusion. This notification has described the interim outcome, with a caveat that the proposed traffic order and decision registration process is still to complete.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

Implementing the decision subject to this Scrutiny Call-in commit the Council to £150k capital expenditure and (£200k) income in-year. The full-year income effect in 2021/22 is forecast to be (£832k).

The details of revenue and capital consequences are described in the report to Executive Director of Place on 12 November 2020¹ and are approved on behalf of the Director of Finance, Investment and Risk and S151 Officer.

6 LEGAL CONSIDERATIONS

- 6.1** The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that Sections 6, 35C, 45, 46, 47, 49, 124 and Part IV of Schedule 9 of the Road Traffic Regulation Act 1984 (RTRA) provides the Council with the power to implement the changes proposed in this report. This legislation gives a local authority the power to make Traffic Management Orders (TMO) to control parking by designating on-street and off-street parking places, charging for their use and imposing waiting and loading restrictions on vehicles of all or certain classes at all times or otherwise.
- 6.2** In making such Orders, the Council must follow the procedures set out at Schedule 9, Part III of the Road Traffic Regulation Act 1984 and detailed in the Local Authorities Traffic Orders (Procedure)(England and Wales) Regulations 1996 (the 1996 Regulations). The said Regulations, prescribe inter alia, specific publication, consultation and notification requirements that must be strictly observed. It is incumbent on the Council to take account of any representations made during the consultation stage and any material objections received to the making of the Order, must be reported back to the decision maker before the Order is made.
- 6.3** By virtue of section 122 of the RTRA, the Council must exercise its powers under that Act so as to secure the expeditious, convenient and safe movement of vehicular and other traffic including pedestrians, and the provision of suitable and adequate parking facilities on and off the highway. These powers must be exercised so far as practicable having regard to the following matters:-
- the desirability of securing and maintaining reasonable access to premises.
 - the effect on the amenities of any locality affected including the regulation and restriction of heavy commercial traffic so as to preserve or improve amenity.
 - the national air quality strategy.
 - the importance of facilitating the passage of public service vehicles and of securing the safety and convenience of persons using or desiring to use such vehicles.
 - any other matters appearing to the Council to be relevant.
- 6.4** The High Court has confirmed that the Council must have proper regard to the matters set out at s 122(1) and (2) and specifically document its analysis of all relevant section 122 considerations when reaching any decision.
- 6.5** Finally it should be noted that the Courts have been clear that the Road Traffic Regulation Act 1984 is not a fiscal measure and does not authorise a local authority to use its powers to charge local residents for parking in order to raise surplus revenue for other transport purposes.
- 6.6** When designating and charging for parking places the authority should be governed solely by the section 122 purpose. There is in section 45 no statutory purpose

specifically identified for charging. Charging may be justified provided it is aimed at the fulfilment of the statutory purposes which are identified in section 122 (broadly referred to as “traffic management purposes”). Such purposes may include but are not limited to, the cost of provision of on-street and off-street parking, the cost of enforcement, the need to “restrain” competition for on-street parking, encouraging vehicles off-street, securing an appropriate balance between different classes of vehicles and users, and selecting charges which reflect periods of high demand. What the authority may not do is introduce charging and charging levels for the purpose, primary or secondary, of raising section 55(4) revenue.

Approved by, Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance & Deputy Monitoring Officer.

7 HUMAN RESOURCES IMPACT

- 7.1** The recommendations in this report do not have any human resources implications. The implementation project calls for a temporary 6-week internal secondment, which will be met from existing budgets and can present a personal development opportunity for a member of staff. Any additional HR issues which arise other than in the planned budget and establishment will be managed under the Council’s policies and procedures.

Approved by: Jennifer Sankar, Head of HR Place & GSE on behalf of Sue Moorman, Director of HR

8 EQUALITIES IMPACT

- 8.1** The Equality Act 2010 introduced the Public Sector Equality Duty. This requires all public bodies, including local authorities, to have due regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - c) Foster good relations between people who share a protected characteristic and those who do not.
- 8.2** The Equalities Impact Assessment (EqIA) is attached in Appendix 4. The assessment has not identified unacceptable adverse effects on one or more protected groups that are not justified or could reasonably be further mitigated. The advantages of the proposal outweigh the disadvantages and do not lead to unlawful discrimination. This conclusion will be subject to ongoing monitoring of feedback received once the proposal is implemented.
- 8.3** The prior engagement and consultation results have found that no individual protected sub-group stands out as having responded negatively to the principles behind emission-based parking charges – in terms of impact on their protected characteristics. There has been some elevated concern about insufficiency in accessible parking bays for individuals with a disability, with an essential car use need, and that they may have to start paying for parking. These concerns are recognised and mitigated in the Parking Policy actions plan and are supported by the currently proposed revision of parking charges. The recommendation does not introduce parking charges for disabled Blue Badge or Companion Badge holders.

- 8.4** Influencing the overall number of cars parked on the roads in the borough, and in parking congested P&D zones in particular, can help improve access for all protected groups with essential car needs, hence improve their ability to travel and participate where participation is currently disproportionately low.
- 8.5** Active encouragement of lower emission vehicles and the underlying reduction in car use, benefits all individuals, families and neighbourhoods. Air pollution disproportionately impacts on the most vulnerable in the population, in particular the sick, young and elderly. Those at higher risk include those with existing respiratory problems and chronic illnesses such as asthma and chronic obstructive pulmonary disease.
- 8.6** There is currently no evident information to suggest that the emission-based parking charges will have a disproportionate impact on people with protected characteristics (as covered by the Equality Act).
- 8.7** It is considered that the reasons for introducing emission-based parking charges outweighs any reasons for not implementing them.

Approved by: Yvonne Okiyo, Equalities Manager

9 ENVIRONMENTAL IMPACT

- 9.1** The emission-based parking charges are designed to contribute to the Air Quality Actions Plan.

10 CRIME AND DISORDER REDUCTION IMPACT

- 10.1** There are no foreseeable impacts on this.

11 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1** Existing P&D bay parking charges are ineffective in influencing car emissions and car use. As a consequence, the Council sub-optimally meets its traffic management duties.
- 11.2** The consultation has not identified any material reasons, or alternatives, for not introducing the emission-based parking charges as proposed. Chiefly, the duties to the National Air Quality Strategy and the Mayor's Transport Strategy are considered to outweigh the concerns associated with encouraging a switch to lower emission vehicles and reduced car use.

12 OPTIONS CONSIDERED AND REJECTED

- 12.1** The alternative option to do nothing would be a lost opportunity for making a contribution to the Air Quality Actions Plan. This would fall short of the obligations under nationally and regionally devolved responsibilities for improving the Borough's air quality and public health, including the Mayor's Transport Strategy objective to reduce car dependency. It would also be a lost opportunity to increase turnover in parking events in the district high streets and address access for mobility impaired groups.

12.2 The consultation has received representations for the introduction of a London ULEZ-type road charging scheme, instead of introducing the proposed emission-based parking charges. The Central London type congestion charging is very complex and expensive to operate. Such a solution would need to be joined up to a London-wide scheme. The London Mayor does not currently have any plan for extending the ULEZ to Croydon. The Mayor instead requires the outer boroughs to define and implement their own schemes, whether they call it ULEZ or something else and to use measures that are appropriate for local conditions. Considering that every car journey starts and ends with a parking space, the parking charges structure is considered to be an important means to influencing car ownership and use in Croydon.

CONTACT OFFICER:

- Steve Iles, Director of Public Realm

BACKGROUND PAPERS

1. <https://getinvolved.croydon.gov.uk/uploadedfiles/ED%20Place%20report%20on%20consultation%20Sep%202020.pdf>
2. <https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=183&MId=1553&Ver=4>
(item 28/19)
3. <https://www.croydon.gov.uk/transportandstreets/policies/parking-policy-2019-to-2022>
4. <https://www.croydon.gov.uk/transportandstreets/policies/third-local-implementation-plan>
5. <https://www.gov.uk/government/publications/reallocating-road-space-in-response-to-covid-19-statutory-guidance-for-local-authorities/traffic-management-act-2004-network-management-in-response-to-covid-19>
6. <https://democracy.croydon.gov.uk/ieListDocuments.aspx?CId=173&MId=2266&Ver=4>
7. <https://getinvolved.croydon.gov.uk/uploadedfiles/Outcome%20of%20consultation%20report%20December%202020.pdf>

This page is intentionally left blank