

MUNICIPAL YEAR 2016/2017 REPORT NO.

**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY**

PORTFOLIO DECISION OF:
Cabinet Member for Environment

REPORT OF:
Director – Regeneration &
Environment

Agenda – Part: 1	KD Num: KD4347
Subject: Results of the proposals to changes resident permits tariffs	
Wards: All	

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1. EXECUTIVE SUMMARY

- 1.1 The report sets out the results of the consultation in relation to the proposals to change the permit tariff and to remove the current over 65s 50% permit discount.

2. RECOMMENDATIONS

- 2.1 To approve the introduction of permit tariffs by engine size and to remove the current over 65's 50% permit discount
- 2.2 To publish the Public Notice to advertise the commencement date of the new tariff
- 2.3 To note that permit tariffs will be reviewed on an annual basis to ensure that the cost of permits continues to reflect the enforcement and administration of the scheme.

3. BACKGROUND

- 3.1 The London Borough of Enfield's current emissions based parking permit charges were implemented in March 2011.
- 3.2 Since this last permit review in 2011 the gap between revenue and expenditure has increased. From 2011/12 to 2014/15 there has been a 5% increase in permits and an 8% increase in the number of scratchcards sold in the borough.
- 3.3 With the introduction of new CPZs at North Middlesex, Chase Farm, Queens Avenue, Wilson Street and more recently with the introduction of the new CPZs in Edmonton, it has meant an increase in the enforcement and administration costs of 42% in the same timeframe, while the income has only increased by 20% in those years. This increase in costs can be attributed to the increase in stationery and administration of the zones plus the additional enforcement needed for the new CPZs and ongoing costs.
- 3.4 The cost of permits should cover the administration and enforcement of any schemes to make the service cost neutral. We do not take into account Penalty Charge Notice (PCN) revenue when reviewing our permit charges.
- 3.5 We have therefore reviewed the way we operate our permit schemes taking into account the following objectives:
- making the service more efficient
 - making permits fair and proportionate to motorists
 - ensuring that there is a consistency in the permits across the borough
 - simplifying the number of types of permits available to motorists
 - ensuring that the cost of permits covers the enforcement and administration of the scheme
- 3.6 The proposed option for which views were sought and was subject to consultation was the introduction of a permit scheme that is based on engine size (cc). The charges will be the same for diesel and petrol vehicles and have been set at a level to take into account the current vehicles using the permit scheme.
- 3.7 It will mean that those who drive smaller less polluting vehicles will be able to purchase a cheaper permit than those who drive vehicles with larger engines. Existing permits will continue to run to their full term. A new permit will only be issued if the current permit has expired and/or there is a change to either the address or vehicle details.
- 3.8 The consultation also sought to withdraw the current reduction in permit prices for over 65s introduced in 2011 (a 50% discount). This permit reduction is currently subsidised by other permit holders and subject to

consultation the Council wants to introduce a standard fee based on vehicle engine size and not on the owners of the vehicles.

- 3.9 Finally the consultation sought the views of the public on limiting the number of permits to three per person.
- 3.10 The consultation offered the public opportunities to put forward their own proposals
- 3.11 It should be noted even if we continued with the current tariff, there would need to be an increase in the permit charges to reduce the current deficit.

4.0 Key findings from the consultation

Methodology

- 4.1 A questionnaire, introductory document and covering letter were developed to enable local people to engage with the Council on a set of proposals. The introductory document made clear the context, including the need to increase revenue due to increasing costs of enforcement, thus providing residents with information to enable them to make an informed decision. Further contextual information was provided within the questionnaire. The covering letter provided instructions on how to participate in the consultation and how to contact the Council if they had any queries or required assistance to participate.
- 4.2 The questionnaire and other materials were sent to every household that lies within a CPZ. The materials were also sent to those who do not live in a CPZ but live on a street which may lie partially outside a CPZ. The questionnaire and other documentation were made available on the Council website.
- 4.3 Residents were also made aware of the consultation via notices in the Enfield Advertiser and Enfield Independent in both March and April.
- 4.4 The consultation was open from 8 March until 22 April. As some responses arrived after this date, the Council accepted responses until 29 April.

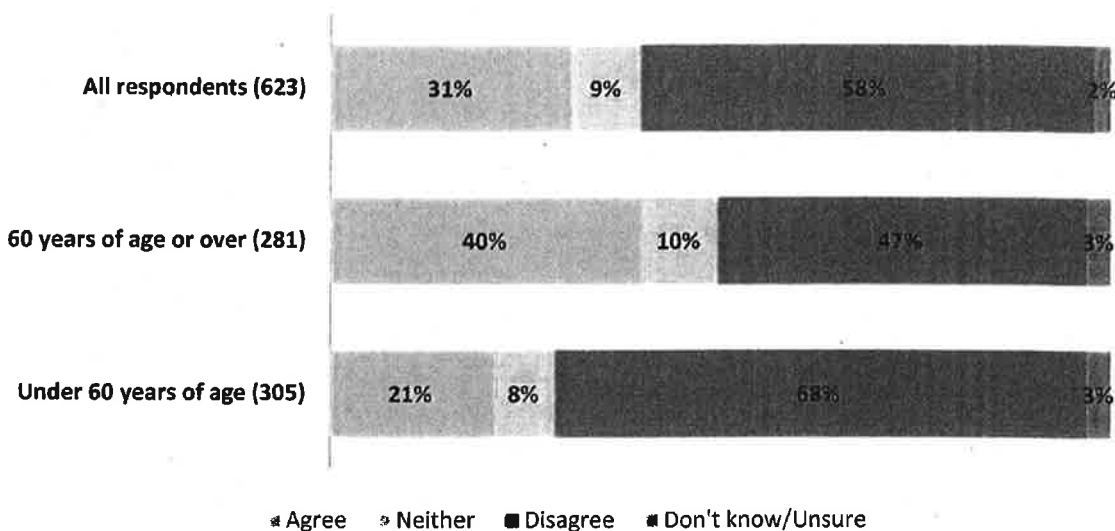
Key findings

- 4.5 In total, 624 responses were submitted by residents. Around six out of 10 (62%) respondents were permit holders and there was a fairly equal split between residents under the age of 60 and those aged 60 or over – 49% and 45% respectively. Around a fifth (17%) of respondents stated that they had a disability. This broadly reflects the proportion of residents in the borough with a disability, thus indicating the consultation was accessible.

4.6 Residents were asked to what extent they agree or disagree with the proposal to change from a scheme in which charges are based on CO2 emissions to one based on engine size. The proportion who disagree with this proposal exceeds the number of those who agree (see Chart 1).

Chart 1

Q8. To what extent do you agree or disagree with our proposals to change from a CO2 emissions based scheme to one in which permits are based on engine size (cc)? All respondents



Base sizes in brackets

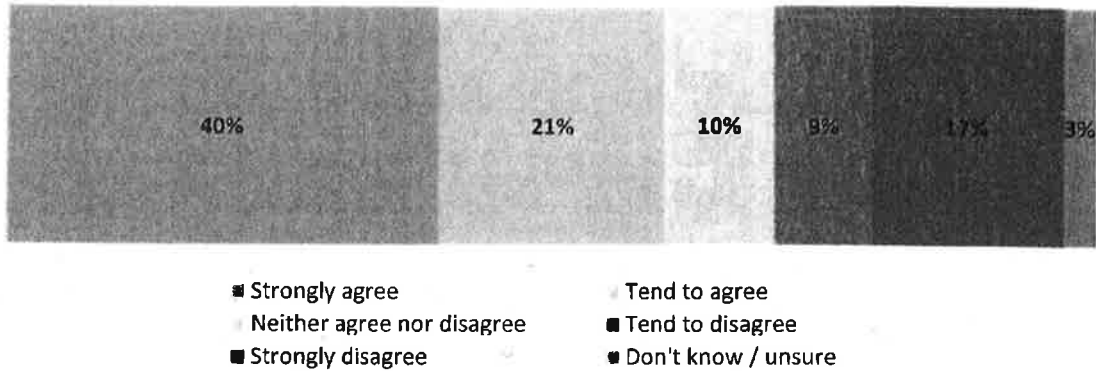
N.B. The 58% who disagree is rounded following the addition of 8.7% 'tend to disagree' and 49.6% 'strongly disagree'.

- 4.7 Overall, three out of 10 (31%) residents agree while six out of 10 (59%) disagree.
- 4.8 When we look at the views of the age groups, the findings indicate that younger people are more positive about the proposal. Almost twice as many residents under 60 agree than those who are 60 years of age or older (40% compared to 21%).
- 4.9 The proportion who disagree may well have been swelled by the fact that the example of increased permit charges provided within the questionnaire were based solely on a scheme where permit charges are based on engine size.
- 4.10 An additional table, containing details of increased permit charges with a CO2 emissions based scheme could have been added but it would also have been necessary to produce examples of charges depending on whether or not the 50% reduction was retained.

- 4.11 It was felt this may only serve to confuse and that the issue of the 50% reduction would be dealt with later in the questionnaire. At this point in the questionnaire, it was felt the focus should be on the basis of the scheme.
- 4.12 Residents were asked, using an open-ended question, the **reason(s) why they disagree**. The most popular responses (328 submitted a response to this question) were:
- Tariffs should favour efficient cars / engine size is irrelevant / pollution is not related to engine size / no impact on environment / does not encourage 'green' behaviour - 32% (117 comments)
 - Price increase is too high - 15% (54 comments)
 - Cars are not polluting when parked / does not relate to how much the car is used - 12% (42 comments)
 - Revenue raising - 10% (38 comments)
 - Length of vehicle is more relevant - 6% (20 comments)
- 4.13 Although a substantial proportion stated that 'tariffs should favour efficient cars....' recent evidence suggests that emissions data supplied by car manufacturers, such as Volkswagen, Renault and Mitsubishi, have not been entirely accurate.
- 4.14 It should be noted that the current permit charges do not cover the enforcement and administration of the permit scheme. Even if all cars were efficient, the cost of enforcement would still be the same and the deficit covered by resident permit holders.
- 4.15 Residents were asked to **what extent they agree or disagree with the proposal for additional vehicles to be charged based on engine size**. Around two out of five (37%) agree, while a half (49%) disagree. This is marginally more positive and less negative than the response to the initial question that asked about changing to an engine size based scheme.
- 4.16 Respondents were particularly positive about the **proposal to limit the amount of permits to three per person** (see Chart 2).

Chart 2

Q10. To what extent do you agree or disagree with the proposal to limit the amount of permits at a rate of three per person? All respondents



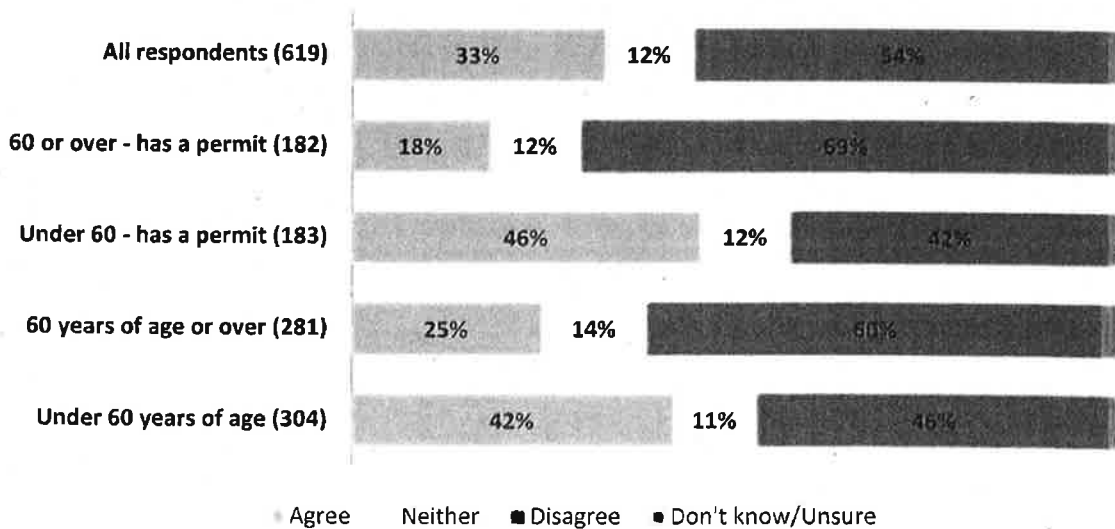
Base: 619
 N.B. 62% agree - 'strongly agree' (40.4%), 'tend to agree' (21.3%)

4.17 Around six out of 10 (62%) agree, while around a quarter (26%) disagree. It is particularly positive that 'strongly agree' (41%) was the most popular response.

4.18 When asked if they agree or disagree with the proposal to change the fee structure so that over 65s pay the same as other permit holders, most said they disagree (see Chart 3).

Chart 3

Q11. To what extent do you agree or disagree with the proposal to change the fee structure so that over 65s pay the same as other permit holders? Comparisons



Base sizes in brackets

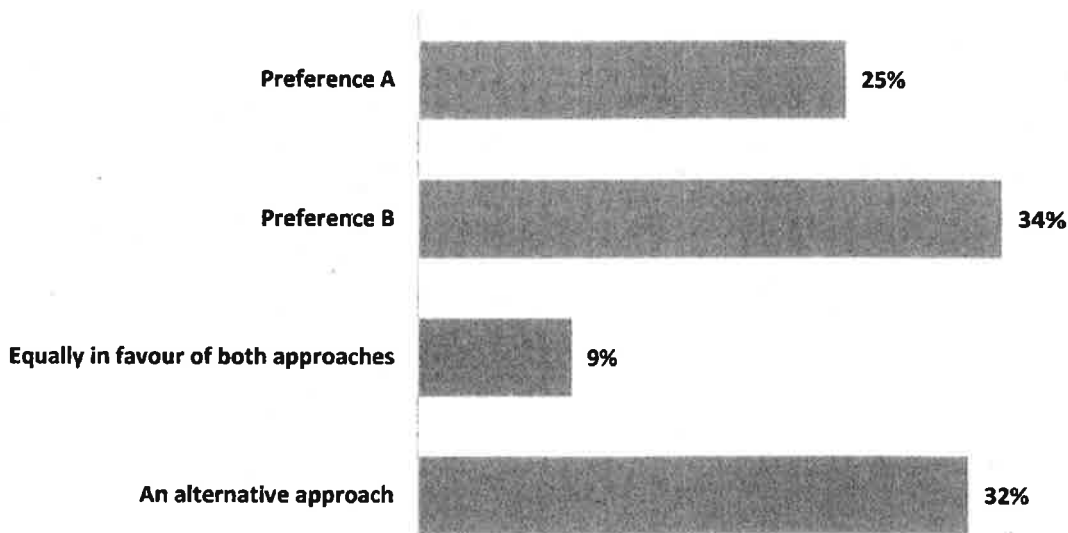
4.19 A third of all respondents (33%) agree, while over a half (54%) disagree. The findings indicate there are clear differences among the

age groups, with the younger respondents, especially those who have a residents' permit, being the most positive (46%). More of this group of respondents agree than disagree (46% compared to 42%).

- 4.20 The proposal is least popular among those who have a permit and are aged 60 or over. This can be attributed to the fact that those aged 60 or over will benefit, or will soon benefit, from the 50% reduction.
- 4.21 Those who said they disagree were asked for **suggestions for an alternative charging scheme**. In total, 30 respondents provided suggestions. The most popular responses were as follows:
- Phase-out the 50% reduction – e.g. over a two year period (5 respondents)
 - Means test permit holders aged 65 or over (3 respondents)
 - Reduce costs / improve efficiencies of scheme and maintain current charges (3 respondents)
 - Retain 50% reduction for those who are 70 or over (3 respondents)
 - Higher permit charges for mini cabs and vans (2 respondents)
- 4.22 In addition to the suggestions, a number of those aged 60 or over expressed the view that it is unfair for all age groups to pay the same.
- 4.23 Residents were provided with two sets of indicative permit charges based on an engine based scheme.
- 4.24 The first example, A, displayed indicative charges for a scheme in which the 50% reduction was retained. The second example, B, displayed potential charges for a scheme in which the 50% reduction was not retained. Due to the 50% reduction not being funded by the scheme, the permit charges were marginally lower.
- 4.25 When they were asked if they **preferred A, B, both equally or an alternative scheme**, respondents, as a whole, expressed a preference for either B or an alternative scheme (see Chart 4).

Chart 4

Q12. What is your preference? Preference A (retain the 50%) or Preference B (everyone pays the same). All respondents



Base: 606

- 4.26 Around a third (34%) prefer B, while a similar proportion (32%) of residents have a preference for an alternative scheme. However, it should be noted that 9% of respondents equally prefer either A or B. Thus, the findings indicate B is clearly the preferred option for respondents as a whole.
- 4.27 Once more, there are clear differences among the age groups, with permit holders having the more definitive opinions. The chart below (see Chart 5) displays the preferences of the age groups.

Chart 5

Q12. What is your preference? Example A (retain the 50%) or B (everyone pays the same). Comparisons

	A	B	Percentage point difference
Under 60 (297)	15%	42%	27
Under 60, with a permit (180)	15%	48%	33
60 or over (275)	38%	26%	8
60 or over, with a permit (178)	43%	19%	24

Base sizes in brackets

- 4.28 As with respondents as a whole, those under 60 years of age clearly prefer B to A (42% compared to 15%). This view is more definitive

when we look at the preferences of permit holders under 60 years of age (48% compared to 15%).

- 4.29 Those aged 60 or over clearly prefer A, especially those who have permits. However, it would appear that the difference between the preferences for A and B are more definitive among those who are under 60 years of age. For example, the percentage point difference between A and B among permit holders under 60 years of age is 33 points. While the difference among permit holders 60 or over is 24 points.
- 4.30 Following this question, those respondents who stated a preference for an alternative, were asked how they would fund the over 65s reduction. In total, 26 respondents provided suggestions. The most popular alternative suggestions were as follows:
- Through reducing costs and improving efficiency (*7 respondents*)
 - Scheme to remain the same (*4 respondents*)
 - Paid by other Council Tax payers (*4 respondents*)
 - Fund through PCNs (*4 respondents*)
 - Higher PCNs (*2 respondents*)
- 4.31 We believe that none of the alternative preferences are viable. All suggestions under 4.29 are dealt with in Section 5 of this report.

Recommendation

- 4.32 To change the resident permit tariff from CO2 based to engine size (Appendix 1)
- 4.33 To remove the over 65s discount (currently 50%) so all motorists pay the same tariff charges and therefore make it fair for all
- 4.34 To limit the number of permits to three per person in the Controlled Parking Zones

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 A number of alternative options were suggested during the consultation.
- 5.2 Continue with current CO2 tariff permit scheme. However:
- This currently operates with a significant financial deficit.
 - There has not been a significant increase in permits issued to low emitting vehicles. In 2012/13 1.7% of permits issued were to those with emissions under 100 CO2; in 2014/15 it was 3.6%. Clearly the

previous permit scheme did not encourage residents to change to a low emission vehicle.

- It is unfair on those, even with smaller engines, who can't afford a new car to take advantage of cheaper permits
- The permit charge would still need to go up to meet the current deficit

- 5.2.1 Engine sizes vehicle emissions are affected by weight as well as engine size. How much a car weighs is linked to how much fuel it uses. A heavy car needs a lot of fuel to get it going from a stop but a big engine in a small car can be economical. The vehicle excise duty rates are linked to CO2 emissions and generally the larger the car's engine, the higher the emissions. This is due to the need to draw in more oxygen and burn more fuel in order to develop more power, especially when dealing with heavier vehicles.
- 5.2.2 The proposed tariff will mean that those who drive smaller less polluting vehicles will be able to purchase a cheaper permit than those who drive vehicles with larger engines.
- 5.3 Continue with the current permit tariff but increase the charges. This has been discounted for the same reasons as listed in 5.2.
- 5.4 Continue with current permit scheme with removal of the over 65 discount – during the current financial constraints that the Council has, it is not cost effective to continue to offer this discount. This has been discounted for the same reasons as listed in 5.2.
- 5.5 A two tier scheme (i) continued reduction for low CO2 emitting vehicles (ii) all other vehicles – this option has been discounted because we want to introduce as simple scheme for motorists as possible. Currently 244 permits (111 first and 11 second permits are sold or 3.6%)
- 5.6 Introduction of a diesel surcharge - Again this was discounted as we want to make the scheme as simple as possible for motorists.
- 5.7 Length of a vehicle – This was discounted due to the complexity of such a scheme. Vehicle lengths are not on vehicle registration documents and some vehicles whist the same make, have different models and are different lengths.
- 5.8 Phase out the 50% reduction over a two year period – The deficit would still have to be met which would mean a larger increase to that proposed followed by a reduction in price to that proposed.
- 5.9 Means test permit holders over 65 – This would cause administrative pressures for the Council when deciding who might be entitled to a discount on the less than 600 affected permits. It would also increase the permit charges for other motorists as the deficit would still need to be met.

- 5.10 Reduce costs and improve efficiencies – A review was carried out before the consultation took place. There will always be a cost to carry out enforcement but we will be carrying out annual reviews of scheme in future to ensure they are being charged correctly.
- 5.11 Having all Council Tax payers pay for the resident's scheme – This would not be fair on those who cannot use the controlled zones
- 5.12 Funded through the issuing of Penalty Charge Notice or higher PCN charges – We cannot guarantee at the beginning of each financial year how many PCNs will be issued in CPZs. As Revenue from PCNs is ring-fenced, any surplus (as per Section 55 of the Road Traffic Regulation Act) is currently used for concessionary travel and traffic and parking schemes.
- 5.13 Introduce an Over 70s discount. Again, this would not clear the current deficit and would mean that the proposed permit tariff would have to increase

6 REASONS FOR RECOMMENDATIONS

- 6.1 To make the permit scheme fair for all motorists.
- 6.2 To make the administration and enforcement of the permit scheme cost neutral and the charge chosen has been calculated by reference to the cost of operating the schemes.
- 6.3 If after covering the cost of administration and enforcement any such surplus made as a result of parking fees can be applied in accordance with the s.55(4) of the RTRA.

7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

7.1 Financial Implications

- 7.1.1 In 2014/15 the cost of enforcement and administration of the boroughs CPZs was £464k, while the income generated from residents permit and scratch cards was only £326k; resulting in a budget deficit of £138k (42%).

Note: At the time of the consultation we were not able to use the 2015/16 figures; due to lack of sufficient data.

Financial Year	Number of permits	Number of Scratch cards	Enforcement Administration and Stationery (Expenditure) 000's	Resident permits and scratch cards (Income) 000's	Variance Exp. v Income 000's	Variance in %age
2014/2015	3381	3319	£464	£326	-£138	-42%

7.1.2 The enforcement and administration cost has increased by £138k (from 2011/12 to 2014/15) – an increase of 42%, while the income has only increased by 20%. The increase in costs are mainly due to:

- a) The introduction of 4 new CPZs (North Middlesex, Chase Farm, Queens Avenue and Wilson Street), which requires additional Civil Enforcement Officers in areas where there were previously no restrictions.
- b) Changes to an existing CPZ (Enfield College).
- c) Annual RPI increase to the Civil Enforcement Officers salaries with the rate changing from £15.56 in 2011 to the current rate of £17.87 in 2014/15 and additional stationery requirements.

7.1.3 The proposed permit tariffs have been based on making the scheme cost neutral, which is estimated to generate a total income of £464k to cover the cost of the scheme – i.e. an additional income of £138k.

7.1.4 The 2014/15 over 65 permit scheme (50% discount) total value was £20.4k and if the cabinet member's final position is to continue with this discount; the financial implication is estimated to be £29k per year (based on the proposed tariffs).

7.1.5 One-off costs of implementing proposed changes including the publication of Traffic Management Orders will be met from the existing Parking budget.

7.2 Legal Implications

7.2.1 By virtue of the Road Traffic Regulation Act 1984 Section 122 the Council has a duty to secure the provision of suitable and adequate parking facilities on and off the highway. By Section 45(1) and (2) (b) a local authority may by order make and prescribe charges for vehicles left in designated parking places and in connection with the issue of a permit. Section 46 prescribes that charges shall be made by an order of the Council and that such charges may be varied by notice.

7.2.2 The making of charging tariffs must be concerned with the expeditious, convenient and safe movement of traffic and the provision of suitable and adequate parking facilities on and off the highway. The permit

charges will generate revenue, but the charging level must be set by reference to the cost of operating the permit scheme and not with a view to making a surplus. The Council has a wide discretion to differentiate between users of parking facilities, vehicles and periods of charging when setting a permit policy.

- 7.2.3 Regard must be had to the Equality Duty in respect of the proposals. The consultation has assisted the Council to better understand any impact the proposals may have on those people with protected characteristics.

8. Property Implications

None

9. KEY RISKS

- 9.1 Due diligence would therefore need to be exercised should the Cabinet Member agree the various recommendations
- 9.2 Care still needs to be taken to ensure that the enforcement costs and administration do not exceed the income taken. This may mean a significant rise for some permit holders, especially those over 65 and owning low emitting vehicles some of whom currently pay £10. To mitigate problems, the permits will be reviewed on an annual basis.
- 9.3 The 50% discount was a manifesto pledge in 2010. However, this is no longer affordable in the current economic climate.
- 9.4 There may be a significant increase to permits held by owners of low CO2 emitting vehicles. However, this makes up a small number of the total permit holders at 3.6% of those issued. The gap in the current income and enforcement costs would still mean that the permit charges would need to be raised.

10. IMPACT ON COUNCIL PRIORITIES

10.1 Fairness for All

- 10.1.1 Blue badge holders will continue to receive a free resident's permit so that the theft of the blue badge from vehicles is reduced.
- 10.1.2 Vehicle permits will be based on a fair, weighted system based on engine size.
- 10.1.3 CO2 emission permits favour those who can afford new vehicles. Permits based on the size of a vehicles engine will mean that those

who drive a smaller less polluting vehicle will be able to purchase a cheaper permit than those who drive vehicles with larger engines.

11.1 Growth and Sustainability

11.1.1 The new permit scheme will be fairer for all motorists whilst making the service cost neutral

12.2 Strong Communities

12.2.1 A robust permit system allows efficient enforcement whilst responding to the needs of the motorist

12.2.2 The report continues to address the concerns of blue badge holders.

13. EQUALITY IMPACT IMPLICATIONS

13.1 A predictive EQIA has been undertaken and it has highlighted that whilst some particular groups in the community may be impacted upon more than others, due to being in receipt of previous discounts. The proposed changes are deemed not to negatively impact on residents from the protected characteristic groups.

14. PERFORMANCE MANAGEMENT IMPLICATIONS

14.1 Extending the permit scheme encourages legal use of the designated permit parking bays

14.2 The administrative and enforcement costs will be covered by the changes in the permit scheme thus making the scheme self-financing.

15. HEALTH AND SAFETY IMPLICATIONS

None

16. PUBLIC HEALTH IMPLICATIONS

16.1 Even if parking charges are increased to cover the costs of administering parking schemes as alluded, cost neutral will not mean that all the external costs of motorised transport in the borough are being met. These include the healthcare costs of pollution (air pollution is linked to 17% of deaths in Enfield), the costs of congestion (estimated by the Cabinet Office nationally at some £9 billion / year, the costs of segregation (in Enfield particularly East – West across the A10) and the costs of missed opportunities for building physical activity into everyday life e.g. many parents will send their children to school by bus rather than cycling as traffic makes cycling 'too dangerous'.

16.2 From a Public Health perspective cost neutral in terms of administration does not mean that all costs of motorised transport are met and it may be useful to consider how further charges may be used to improve health for all across the borough.

Background Papers

APPENDIX 1: Proposed Parking Charges 2016

	Proposed Tariffs	
	All day (£)	1 to 4 hours (£)
1000cc or less	55.00	27.50
1001cc to 1600cc	110.00	55.00
1601cc to 1999cc	165.00	82.50
2000cc to 2499cc	220.00	110.00
2500cc to 2999cc	275.00	137.50
3000cc	330.00	165.00

Permits are limited to three per person

Blue badge holders who are entitled to apply for a resident's permit are provided a resident's permit free of charge.