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Highways and Transport Committee

20 July 2023

Parking Review: MTFS Initiatives 2023/24

Report of: Tom Moody, Director of Highways and Infrastructure

Report Reference No: HTC/10/23-24

Ward(s) Affected: All Wards

Purpose of Report

- 1 The purpose of this report is to provide the committee with an update on progress towards delivery of the Parking Review included in the adopted Medium Term Financial Strategy (MTFS). A set of initiatives is currently being developed in response to the council's adopted MTFS whilst, at the same time, meeting the strategic aims and objectives in the Corporate Plan 2021-25, as follows:
 - (a) **Open** – communities will have opportunity to express views on all proposals ensure that there is transparency in the council's decision-making process.
 - (b) **Fair** – the approach is intended to improve the fairness and equity of the Council's parking management regime, whilst considering the unique characteristics of places in Cheshire East, and
 - (c) **Green** – aims to improve parking management (off-street and on-street) and encourage greater use of sustainable and active modes of transport, which are consistent with the council's ambition to be a net carbon zero borough by 2045.
- 2 The parking review outcomes are aligned with the priorities and policies set out in the Environment Strategy and Carbon Neutral Action Plan. The proposals also align with the framework set out within the Local Transport Plan (LTP) and High-Level Parking Strategy including creating an integrated transport network, encouraging users to consider alternative sustainable and active modes of transport and recovering

costs from services users associated with operating and maintaining off-street car parks.

- 3 The Medium-Term Financial Strategy adopted at Council in February 2023 contained the following policy proposal relating to car parking:

Policy Proposal 108 (page 103) - The Council must meet unprecedented and complex challenges with increasing customer expectations to provide a modern, responsive and equitable parking service. The proposals for parking must align operational arrangements and tariffs with corporate priority outcomes for fairness and transparency, including supporting our Town Centres to recover after the pandemic. These proposals will include options for zonal parking charges. The implementation plan will include further consultation. Options are expected to align to an increase in income, or reduction in costs, over the next two years to maintain the ongoing sustainability of the service

- 4 This report describes how proposals intended to respond to this priority are being developed and consulted to improve the performance of the Council's car parking strategy.

Executive Summary

- 5 Cheshire East Council has not increased parking charges since 2018, when tariffs were increased by 10pence. The Council's current approach to provision of car parking, both in car parks and on-street reflects a number of legacy arrangements dating from the time when the former county district councils were responsible for public car parking. Since local government reorganisation, there has been only limited harmonisation or standardisation of car parking tariffs within Cheshire East. A lack of consistency leads to circumstances that fail to reflect the nature of our towns, are difficult to understand for users and may be perceived to lack fairness across the borough.
- 6 This report sets out how development and implementation of an integrated parking strategy is aligned with the council's Corporate Plan, the MTFS as well as other adopted council policies such as the Local Transport Plan (LTP), Town Centre Vitality Plans and Carbon Neutral Action Plan.
- 7 The proposals aim to deliver on the High-Level Parking Strategy policies contained within the adopted LTP. This includes the need to recover costs from service users associated with operating each car park (including, but not limited to, maintenance, gritting, enforcement, VAT and business rates) as part of a strategy to:
 - (a) Manage demand;

- (b) Ensure direct users pay for the service; and
 - (c) Provide finance to support other strategic transport aims.
- 8 Provision of public car parking is a discretionary service for the Council, meaning that the service is expected to cover all costs from revenues raised by charges to users of the parking service. Currently, car park revenue made from some car parks cross-subsidies the maintenance and operation of other free car parks.
- 9 The report sets out how the Council intends to develop proposals to implement the initiatives defined within the MTFS, with a view to ensuring that the provision and tariffs for public car parking operated by Cheshire East Council reflect the local context in each town, whilst providing more consistency across the whole borough. The report responds to the resolution at Committee in September 2021, taking into consideration the need for a town-by-town approach to setting tariffs and consideration of the need for appropriate mitigation measures to manage the displacement of car parking onto less appropriate or sensitive residential streets.
- 10 To revise its arrangement for car parking both in car parks and on-street, the Council must have regard to national statutory requirements for public consultation on the necessary legal orders. No formal consultation or engagement has taken place to date. This report seeks approval for the Director of Highways and Infrastructure to prepare proposals and undertake consultation in order to inform an implementation plan for consideration by Committee later in January 2024.
- 11 The impact of not progressing these parking initiatives would have on the MTFS revenue savings is also identified, as well as the risks that will need to be managed in delivering the proposals if a decision is made by Committee to approve an implementation plan.

RECOMMENDATIONS

1. Note the scope of the parking initiatives and the contribution of these to delivering the Council's Medium-Term Financial Strategy, as adopted at council on 22 February 2023;
2. Agree a delegation of authority to the Director of Highways and Infrastructure, in consultation with the Chair of Highways & Transportation Committee, to finalise proposals relating to these initiatives and take all steps to complete public and statutory consultation.
3. Agree that Committee receive further briefings on these proposals in advance of public consultation, in accordance with the Consultation and Engagement Plan (Appendix 1) and that the work programme be updated accordingly.
4. Note that the outcomes of consultation will be reported to committee in January 2024, with recommendations on an implementation plan.

Background

- 12 Cheshire East Council is responsible for the operation, management and civil enforcement of on-street and off-street parking regulations across Cheshire East. On-street responsibilities include Pay & Display parking spaces, loading bays, waiting restrictions and Blue Badge (disabled driver) scheme. Off-street responsibilities cover 111 Council-operated car parks included in the Cheshire East Consolidated Car Parks Order, of these, 64 car parks are Pay & Display and 47 car parks are free to use.
- 13 There are significant differences in the location of charged and free car parks, because of the legacy arrangements inherited by the Council. There are several towns and key service centres where car parking remains free of charge, including Alsager, Bollington, Handforth, Holmes Chapel, Middlewich, Poynton, Prestbury and Sandbach
- 14 Before the pandemic, the Council's parking service had annual revenues circa £5million and operating costs of circa £4m per year. The surplus income raised from parking charges supports wider highways and transport functions, contributing £1.1 million in the 2021/22 financial year; equivalent to 54% the Council's total annual LTP grant for Integrated Transport. Following the pandemic, the Council must respond to evident structural changes in the demand for parking, especially a loss of long-stay parking activity arising from behaviour changes such as home-working. This review of parking is an opportunity to understand current and emerging trends in parking demands.
- 15 When adopting the MTFs and its budgets for 2023/24, the council included a High-Level Business Case (HLBC) for a review of parking charges. Proposals are currently being developed for measures set out in the HLBC.
- 16 To provide a modern, responsive and equitable parking service, parking provision and charges are being reviewed on a place-by-place (town-by-town) basis. This approach further develops the proposals considered at Highways & Transport Committee in September 2021, ensuring that future proposals:
 - (a) align operational arrangements and parking tariffs with corporate priority outcomes for fairness and transparency;
 - (b) support our Town Centres to continue to recover after the pandemic;

- (c) reflect parking provision in each town, any significant changes in the supply of parking places and the nature of local parking demands; and
 - (d) take account of inflationary pressures on the costs of the parking service e.g., operational and maintenance costs.
- 17 The wider impact of transport and parking is also recognised in the councils' ambitions to reduce its carbon footprint. In May 2019, the council committed to its operations becoming carbon neutral by 2025 and, in January 2022, made a further pledge to make Cheshire East a carbon neutral borough by 2045. Adopting proposals for revised parking tariffs will be an integral element of the wider strategy to reduce transport-related carbon emissions.
- 18 The council adopted bespoke Town Centre Vitality Plans in January 2023. Whilst each locality has its own priorities, a series of common themes was established, which were: enhancing public realm, improving connections; and encouraging walking and cycling. Well managed off-street and on-street parking can have a positive environmental effect through making towns attractive and supporting thriving businesses, access to services and active social lives.
- 19 Alongside measures to support walking, cycling, bus, rail, and road traffic, the LTP sets out how parking measures should be considered as part of an integrated transport strategy. It establishes how parking provision supports accessibility for residents, businesses, shoppers, workers and commuters.
- 20 To deliver a policy response to the challenge defined in the MTFs, the Council is to develop proposals for 4 initiatives related to car parking, as follows:
 - (a) To develop proposals for implementing Pay & Display parking charging on a more consistent basis across the borough, considering the specific nature of each centre, the demands for car parking, alternative options available and the need for a package of mitigation measures to control displacement of car parking.
 - (b) To review parking tariffs at council-operated car parks to develop proposals to adjust for inflation, since the previous adjustment to tariffs in 2018.
 - (c) To review the Council's use of staff and member parking permits to develop an approach that better aligns with the Corporate Travel Plan and reduces costs.

- (d) To pilot a system of Demand Responsive Parking Charges at several locations, including the new Royal Arcade car park in Crewe plus sites in Macclesfield and Wilmslow to assess whether this approach has wider applications across the parking service.
- 21 When developing its proposals for changes to parking, the Council will assess the likelihood of parked cars being displaced from our car parks or on-street parking places into residential streets or other less suitable locations. Where displacement is considered to be a significant risk, the Council will develop options for mitigation measures to avoid the negative effects of displaced parking. Mitigation measures may include waiting restrictions, residents' parking schemes or other measures, with the appropriateness these considered on a case-by-case basis and subject to public consultation.
- 22 The updates in this report focus on revisions to Pay & Display tariffs and their application across the borough. Committee will receive further briefings and updates on all aspects of the programme in accordance with the committee work programme.

Consultation and Engagement

- 23 This initiative was included in the Council's consultation on its Medium-Term Financial Strategy, as Proposal 108 (Parking). In summary, responses to that consultation identified:
- (a) 32% support and 37% opposition, though a significant proportion also felt they did not have enough information to make a decision (31%).
 - (b) the importance of car parking charges in relation to town centre vitality,
 - (c) that a consistent charging policy across Cheshire East is needed as the current one is felt to be unfair, but also stressed that each town and car park has its own unique characteristics meaning applying the same charges everywhere might not be appropriate.
 - (d) a car parking policy for the whole of Cheshire East is required, but maybe one that sets charges for each car park depending on factors such as: current occupancy rates; quality of the town's offer; car parks usage e.g., access to key services such as GPs; quality of local competition etc.
 - (e) respondents stressed that setting car parking charges too high could undermine the success of high streets, so potentially reducing council income from business rates etc., and acknowledging that although the council requires income from car

parcs, parking income can't be at the expense of town centre footfall.”

- 24 No specific consultation or engagement on detailed measures has taken place, these proposals are still in their development stages. Ward Councillors and affected Town / Parish Councils will be invited to comment on draft proposals in advance of any statutory consultations.
- 25 The proposals being developed for statutory public consultation are revisions to the councils existing consolidated car parks order. Therefore, consultation will comply with the statutory requirements of Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996. The scope of these draft orders will include changes to implement the parking review using a town-by-town approach and including an inflationary adjustment to tariffs.
- 26 In developing the plans for measures to mitigate the risk of car parking being displaced onto residential streets or other locations, including private car parks, there will be engagement with relevant town/parish councils and/or other key stakeholders/operators. This engagement is intended to inform the proposals that will be put out to public consultation.
- 27 Subject to the Committee's approval in July 2023, statutory consultation would take place on the proposals to invite representations from stakeholders and the public on the proposals. The statutory minimum consultation period is 21 days though the Council proposes to extend consultation to a period of 6 weeks, giving residents and businesses sufficient time to make representations.
- 28 Consultation on measures affecting staff and member car parking permits, will take place with Trade Union, staff representatives and elected members. Officers from human resources and democratic services are advising on the preparation of these consultations.
- 29 A Consultation and Engagement Plan for the project is appended to this report.

Reasons for Recommendations

- 30 The operation and management of off-street car parks is not a statutory function of the council. As a discretionary service, it is appropriate to fund all associated costs through direct charges to service users and not subsidise such costs through taxation.
- 31 The council, as a best value authority, should be able to demonstrate that it is achieving value for money for the discretionary services it chooses to operate. When facing funding decisions, the council has the flexibility to

exercise appropriate discretion to consider overall economic, environmental and social value.

- 32 All car parks require maintenance, management and enforcement and therefore cost money for the council to operate. The current car park charging arrangements, with a mixed and inconsistent approach to car park charging, with many being free, do not demonstrate how the council is achieving value for money from its car parking service across the whole borough.
- 33 The proposals support an approach where the users of the service pay towards the cost of providing that service. Parking is not a universal service used by every person who is a resident in Cheshire East.
- 34 The proposals are fairer than the current system, where, for historical reasons, the rationale for car parks that are charged for and those remain free is not clear.
- 35 The proposals assist in the delivery of the strategic objectives, and revenue savings, set out in the 2023-27 MTFS.

Other Options Considered

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Option	Impact	Risk
Do nothing	MTFS savings for parking changes would not be realised across the strategy time period.	Shortfall in revenue over the period of the MTFS.
Reduce expenditure across other highways and transport programmes	MTFS savings could still be met. Reduced levels of other services (e.g., roads maintenance, bus services, sustainable travel measures).	Reduced delivery against key council priorities. Risk to government funding streams for transport.
Close / dispose of all free car parks that don't recover full costs	Reduction in overall parking availability and accessibility. Reduce operation and maintenance costs associated with the whole parking estate.	Impacts Town Centre Vitality. Makes town centres less accessible for our workers, residents, commuters, shoppers and visitors.

Implications and Comments

Monitoring Officer/Legal

- 37 Proper management of parking on roads and within car parks is essential to ensure the smooth flow of traffic and it allows drivers to park near to their destinations.
- 38 A local authority has the power to provide suitable parking places for the purpose of relieving or preventing congestion of traffic either with the provision of off-street parking places or by an order to authorise the use as a parking place of any part of the road in their area.
- 39 On 22nd February 2023 a meeting of the Full Council passed the Medium-Term Financial Strategy which includes in relation to Parking (108): "The Council must meet unprecedented and complex challenges with increasing customer expectations to provide a modern, responsive

and equitable parking service. The proposals for parking must align operational arrangements and tariffs with corporate priority outcomes for fairness and transparency, including supporting our Town Centres to recover after the pandemic. These proposals will include options for zonal parking charges. The implementation plan will include further consultation. Options are expected to align to an increase in income, or reduction in costs, over the next two years to maintain the ongoing sustainability of the service”

- 40 Section 1 of the Road Traffic Regulation Act 1984 (“the Act”) gives the Council a discretionary power to make a Traffic Regulation Order. This is a discretionary power exercisable where it appears the proposed order is:
- (a) “s1(a) expedient for avoiding danger to persons or other traffic using the road ... or for preventing the likelihood of any such danger arising, or “
 - (b) s1(c) expedient for facilitating the passage on the road ... of any class of traffic, including pedestrians.”
 - (c) s1(d) expedient for preventing the use of the road by vehicular traffic of a kind which, or its use by vehicular traffic in a manner which, is unsuitable having regard to the existing character of the road or adjoining property, or”
 - (d) s1 (f) expedient for preserving or improving the amenities of the area through which the road runs.”
- 41 Expedient means advantageous, advisable on practical grounds, suitable or appropriate.
- 42 Section 2 of the Act describes the types of provision that can be included within an Order, which includes “restricting or regulating the use of a road, or of any part of the width of a road, by vehicular traffic, or by vehicular traffic of any class specified in the order “.
- 43 Section 122 places a duty on the Council to exercise its powers (so far as practicable having regard to the matters specified below) to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians and cyclists) and the provision of suitable and adequate parking facilities on and off the highway. In summary, the matters specified are: -
- (a) The desirability of securing and maintaining reasonable access to premises;
 - (b) The effect on the amenities of any locality affected;

- (c) The national air quality strategy;
 - (d) 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; and
 - (e) Any other matters appearing relevant to the Council.
- 44 Section 32 of the Act empowers a Council for the purpose of relieving or preventing congestion to provide both off street car parking and on street car parking spaces. Section 35 empowers to the Council to set the conditions of use for such spaces including the power to charge for using off-street car parking spaces. Section 45 and 46 of the Act allow the Council to designate parking places within the highway and to make charges for the use of those spaces
- 45 In proposing a Traffic Regulation Order, it is necessary under the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 to consult on the proposals, including giving public notice for a 21-day period to allow objections to be submitted. Public notice is given by publishing a notice in a local paper circulating in the area in question and may also include display of notice within the road or car park affected by the proposals. Documents relating to the proposals are required to be kept on deposit for the duration of the consultation. Before making any order, the Council must consider all valid objections received during the consultation period which have not been withdrawn. If any modifications are proposed to be made to the order at this stage, following consultation, and they make a "substantial change" to that originally advertised, to notify those likely to be affected by those modifications and to allow them an opportunity to make representations and ensure that these representations are duly considered by the Council. Such consultation is not required in respect of consolidation, minor or experimental orders. Part IV of Schedule 9 to the Act provides that any power to make an order as respects any road under the Act, shall include power for the Authority to make an order varying or revoking any previous order as respects that road made, or having effect as if made, under or by virtue of the provision in question, whether the previous order was made by that or some other authority.
- 46 The Committee may delegate the decision to commence consultation on the proposals to the Director of Highways and Infrastructure.

Section 151 Officer/Finance

- 47 During the 2021/22 financial year, the parking service generated a total revenue of just under £5.2 million. Levels of parking activity have been gradually recovering since the COVID-19 pandemic, which significantly

impacted income over recent financial years. The MTFs contained £1.456m of growth to account for the reduction in parking revenues due to changes in customer behaviour and staffing pressures since the pandemic.

- 48 The council is required to undertake statutory public consultation on the proposals. This is a legislative part of the process. The proposals would require the Parking service to fund £5,000 for the cost of the statutory public adverts, which is the only specific financial impact of this report. This can be found within the existing parking budget.
- 49 The full year effect of the savings is £2.3 million. The savings attributed to these proposals amounted to £1.575m in 23/24 and a further £0.725m in 24/25. These figures were based on the HLBC. At this stage, the savings for the current financial year are unlikely to be achieved.
- 50 The capital costs for these proposals will be reviewed and confirmed. They will need to be added to the Council’s capital programme
- 51 Since adoption of the MTFs, detailed proposals are being prepared to inform statutory public consultation and these will be accompanied with forecast revenues for each proposal.
- 52 Any shortfall in the additional income forecasts in the current MTFs will have to be addressed in February 2024 as part of the process to approve the 2024 to 2028 MTFs.

Policy

- 53 The Corporate Plan priorities that the proposals align with are presented in the table below.

An open and enabling organisation (Include which aim and priority)	A council which empowers and cares about people (Include which aim and priority)	A thriving and sustainable place (Include which aim and priority)
<ul style="list-style-type: none"> • Ensure that there is transparency in all aspects of council decision making. • Support a sustainable financial future for the council through service development, improvement and transformation. 	<ul style="list-style-type: none"> • Work together with residents and partners to support people and communities to be strong and resilient. 	<ul style="list-style-type: none"> • A transport network that is safe and promotes active travel. • Thriving urban and rural economies with opportunities for all.

<ul style="list-style-type: none"> • Look at opportunities to bring more income into the borough. 		
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54 The proposals are also consistent with, and support, the high-level parking strategy within the adopted LTP, the 2023-27 MTFS, Town Centre Vitality Plans, Council’s Environment Strategy and Carbon Neutral Action Plan.

55 If the council does not undertake statutory consultation, the proposals cannot be implemented.

Equality, Diversity and Inclusion

56 An Equality Impact Assessment Initial Screening was produced to support the HLBC that informed the 2023-24 MTFS.

57 The council would comply with its statutory obligations required under law (see Legal). In so doing, the council will ensure that the consultation documents are available to residents who request assistance in relation to disability, minority language or other relevant protected characteristics.

58 An Equality Impact Assessment will be prepared to assess the impact of the proposals as a basis for any decision to implement in due course. This will be updated further to take account of the outcomes of statutory consultation.

Human Resources

59 A corporate working group has been set up, including Human Resources, to determine the implications for both Staff and Members from the proposals.

60 Advice from this working group will inform the proposals for implementation to be presented to committee at a future meeting.

Risk Management

61 The project is governed by a robust process, which tracks and mitigates risks that are recorded within a risk register. These risks are flagged and discussed at board meetings and, where required, flagged to the appropriate board or Place DMT and CLT.

62 If the proposals are not taken forward for statutory consultation, the existing inconsistencies in the way that parking costs are recovered in different towns will not be addressed.

- 63 The lead in times for some equipment means that implementation may take between six to nine months. Delaying the start of the statutory consultation means that the savings within the MTFs will not be achieved.

Rural Communities

- 64 There are no implications that are specific to rural communities. It is acknowledged that rural residents will experience changes to parking charges when visiting any of the affected towns and villages.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 65 There are no implications that are specific to children and young people.

Public Health

- 66 The proposals, within the wider integrated transport strategy, are likely to have a positive overall impact on the health and wellbeing of Cheshire East residents as it will incentivise them to travel via more sustainable or active modes of transport.
- 67 Regarding the distribution of impacts between different groups, we believe any differentials to be modest, but at the margins, impacts are likely to be greater for:
- (a) Car-reliant lower income households; and
 - (b) Rural residents with only limited opportunities to use alternative means of travel.

Climate Change

- 68 In May 2020, the council adopted its Carbon Neutral Action Plan, which further sought to:
- (a) Reduce emissions by encouraging a modal shift away from combustion cars (5.6) by targeting a 6% reduction in car share for all trips by 2025 compared to 2015 levels; and
 - (b) Encourage active forms of travel (5.8), targeting 6% of all trips to be by active travel by 2025.
- 69 The proposals will help to influence travel choices, particularly for short trips, which will contribute towards achieving the targets for modal shift by 2025 and the councils net zero targets.

Contact Officer:	Richard Hibbert, Head of Strategic Transport and Parking Richard.hibbert@cheshireeast.gov.uk
Appendices:	1: Consultation and Engagement Plan
Background Papers:	