

Executive

19 January 2010

Report of the Director of City Strategy

Review of Low Carbon Emission Residents Parking Schemes

Summary

1. This report reviews the results of an investigation into how other local authorities have encouraged the use of lower carbon emission vehicles in their residents parking (Respark) schemes. The findings have been compared with City of York's existing scheme and a number of options are recommended for possible improvement.

Background

2. This report is in response to the Council's request for a review of Respark, to identify possible options to refine the current scheme to encourage low carbon emissions. This review was identified during the consideration of the Council Budget on Thursday, 26th February 2009. To support this, a budgetary allocation of £5,000 was provided to undertake this work.
3. The report describes the schemes in the London Borough of Richmond upon Thames's and the City of Edinburgh Council's Park Green concept which are both based upon vehicle specific schemes compared to the current York scheme which is predominantly non vehicle specific.

Respark; The residents parking scheme of the City of York Council

4. The City of York Council operate 51 on-street residents parking zones across the city with approximately 5000 spaces which can be used by any resident holding the appropriate permit. In addition to this there are a number of other facilities such as "House in Multiple Occupancy" bays, "Guesthouse" bays and "Community" bays. The current schemes have been designed and implemented in consultation with the local community so as to meet their needs without placing an excessive administrative and enforcement burden on City of York Council's resources.
5. Probably the most important aspect of the current scheme is that the permit is not vehicle specific and can be used by the permit holder for any vehicle. The exception to this are those permits issued specifically for low emission vehicles. The benefit of non specific permits is that it significantly reduces the

administration and enforcement of the scheme and allows permit holders to change vehicles without reference to the Council.

6. The disadvantage of the non specific vehicle permit is that the Council does not have any data about the vehicles in terms of their age or their emissions. It is because of this that we are unable to predict what impact any changes would be if the scheme was made vehicle specific.
7. The numbers of permits issued in the recent past is shown in the table below.

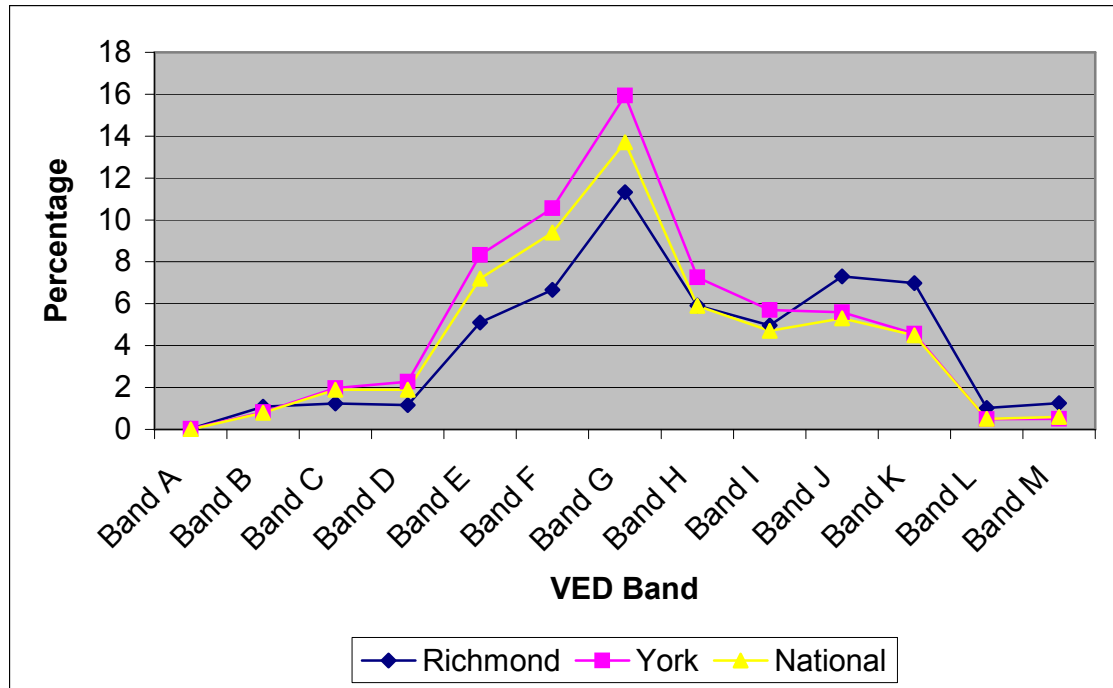
Permits Issued by Year				
	2006	2007	2008	2009
Household Permit	4,879	4,899	4,718	4,730
2nd Permit	601	698	704	658
3rd Permit	19	16	9	17
TOTAL	5,499	5,613	5,431	5,405

8. The key objectives of York's Respark scheme is:
 - To provide a greater opportunity for local residents to park near their property and following on from this objective and with regard to the Local Transport Plan 2006-2011 Mid-term Report it was resolved that;
 - "the use of cleaner, alternatively fuelled and smaller, more fuel efficient vehicles" would be encouraged
9. A discounted rate was introduced for low emission vehicles in February 2006. The inclusion of an environmental element into residents parking extended the offer of the 'small car' discount which started in March 2004. The City of York were one of the first authorities to introduce such discount which have now been in operation for nearly three years. These initiatives have incentivised both the initial choice of, and continued use of, greener vehicles since 2006.
10. The numbers of permits issued for low emission vehicles is shown in the table below.

Low Emission Resident Permit Sales				
	2006	2007	2008	2009
Respark Permits				
Household Low Emission Vehicle Permit	18	45	57	81
Special Control Low Emission Vehicle Permit	1	1	7	5

Commercial Low Emission Vehicle Permit	0	0	0	1
House of Multiple Occupancy Low Emission Vehicle Permit	0	0	2	0
Community Doctors Low Emission Vehicle Permit	0	1	2	0
Community Staff Low Emission Vehicle Permit	7	0	0	1
Totals	26	47	68	88

11. The current low emission discount offers a discount of nearly 53% on the current full first permit price to those who can provide documentary proof that their vehicle is suitably environmentally friendly. The low emission vehicle permit has been set at £44. The low emission discount offered by City of York Council is based on vehicles that fall into the two lowest CO2 emission bands (please see Annex A for further information on vehicle banding and Annex B for more details on applicable discounts).
12. As a result of the Government's introduction of a car tax rate determined by emissions, York can now be seen to support the Government strategy to encourage the public to consider the environmentally friendly vehicle alternative. In order to be considered for a low emission discount, the vehicle must fall within tax band A or B. This compares with the lower amount of tax that is also paid by vehicles in these lower bands. (see Annex B for current tax prices for 2009-10).
13. Whilst rewarding the most 'fuel-efficient' and 'lower emitting' vehicles, the Respark scheme also increases the price of additional permits.
14. A vehicle which qualifies for a low emission discount will pay £44 compared to a standard permit price of £93. The prices for additional permits are currently set at £142, £296 and £592 respectively. Additional vehicles do not qualify for the low emission based discounted rate, as this can be seen to be contrary to the principle which discourages additional vehicles by increasing the cost of the permit.
15. It should also be noted that whilst a fourth permit is available, there have been no applications from residents for them since 2004. The number of second and third permits issued have varied year on year, ranging between 600 and 700.
16. Whilst there are no detailed figures available for the proportion of vehicles in each band within the Respark scheme, based on data for York as a whole, indications are that York has a higher percentage of lower emission vehicles than the National average. The graph below shows the percentage of vehicles in each of the tax bands. The graph does not allow for all those vehicles that were registered before 2001. The significance of the graph is that York has more vehicles registered since 2001 than the national average and follows the national trend unlike Richmond who have a higher percentage of vehicles in the high emission bands.



17. In summary, York's current Respark scheme contains a number of incentives and discouragements which promote greener, lower emitting vehicles. This is demonstrated by the following principles:

- a 53% discount on Respark prices for the lowest banded vehicles (A and B)
- a similar discount for small vehicles, i.e. those which measure less than 2.7m
- active discouragement of additional vehicles by increased charges for additional vehicle permits

Residents parking scheme of the London Borough of Richmond upon Thames Council

18. The London Borough of Richmond upon Thames Council (Richmond) began consultation for changing its residents parking scheme to consider emissions in November 2006. The resulting scheme with 37 zones and approximately 9600 spaces, which included a CO2 emissions tariff based pricing structure was launched in April 2007. The key objectives of their scheme were to:

- enable residents and others to make informed choices when purchasing new or replacement vehicles
- encourage the use of vehicles with lower emissions
- improve the local air quality
- deter multiple vehicle ownership and increase space availability

19. This scheme was in response to the fact that Richmond produce more CO2 than most other boroughs in London, a significant amount of which is attributed to transport and travel activities. This explains the extensive nature of Richmond's scheme when directly compared with our own.
20. When the emission based residents parking scheme was introduced, Richmond were able to adapt their existing residents parking scheme to include the new CO2 element. Richmond utilises a tariff system which issues separate charges to vehicles within distinct bands. The vehicles within the 'greener', less polluting bands receive a discount, and in some cases complimentary residents parking permits, whereas vehicles in other bands are charged a surcharge to reflect their higher emissions.
21. The scheme run by Richmond, as well as similar systems in other London Boroughs, (eight of the thirty-three Boroughs base residents parking charges on emissions), formed the "template" for Edinburgh's Park Green concept. There are, therefore, a number of similarities connecting the two schemes.
22. Richmond's scheme was the first residents parking scheme in the country to make a charge entirely by vehicle emissions data. Richmond have incorporated the DVLA Vehicle Excise Duty (VED) bands into a charging tariff. As well as the vehicle emissions, the number of household vehicles and the zone the household is in determines the charge made. Each zone has been linked to a baseline figure from which the permit price is calculated. The baseline figures are arrived at by considering the hours the residents parking zone is in operation and the duration for which the permit is requested.
23. Richmond have incorporated the thirteen VED bands into just seven emission based bands with varying prices in each. The vehicle permit price is dependant upon the baseline figure fixed to each Respark zone; this is based upon the location and popularity of the zone and this, coupled with the vehicle emission band, determines the overall permit price. The following table shows the respective prices and where the DVLA bands lie in comparison with the bands as established by Richmond.

Richmond Band	Vehicle	Price (in relation to Baseline figure)	DVLA VED band(s) included
Band A		-100%	A
Band B		-50%	B and C
Band C		-10%	D, E and F
Band D		+10%	G
Band E		+30%	H and I
Band F		+50%	J and K
Band G		+200%	L and M

24. For ease of comparison, all permit charges refer to a 12 month permit. Under Richmond's scheme, the price range of permits is between £0 and £300. All

Band A vehicles irrespective of parking zone receive complimentary permits whilst Band G vehicles, when registered at locations where the baseline is highest, pay £300. Like the City of York Council's scheme the current Richmond scheme also includes a surcharge on second and other additional vehicles. Richmond apply a 50% price increase on the equivalent first vehicle price. This means that a second vehicle registered at the highest baseline location which falls into Band B will cost £75 whilst a highest banded vehicle will result in a £450 charge. A distinction has been made for those vehicles registered before 2001, as emission data for these vehicles was not a statutory requirement and is therefore not readily available (see Annex A for a full analysis of VED bands).

25. In summary, Richmond's residents parking scheme uses a wide range of discounts and surcharged prices to encourage a positive vehicle choice. This can be illustrated by the following initiatives:
- a tariff system which offers permits at prices ranging from a 100% discount to a 200% increase in price
 - deter additional vehicles by raising the prices by 50%, whilst still reflecting the emissions based reductions and enlargements of initial permits

Park Green; The residents parking scheme of the City of Edinburgh Council

26. The City of Edinburgh Council is about to embark on a low emission scheme for residents parking. Their scheme has been developed over the past two years and takes in to consideration the experiences from around the country. Edinburgh have recently completed the public consultation of their concept scheme, known as Park Green. Implementation is currently intended for April 2010. Park Green, with its 13,500 spaces, proposes to shape parking in Edinburgh and aims to make changes which recognise the current environmental issues and network management challenges it faces. The scheme will amend previous working practices and introduce new policies. One such proposal, which falls in line with the clean air policy, is to encourage the use of smaller, greener cars and to limit the number of permits issued.
27. The following is background information on the Park Green scheme, which, as yet, remains a concept.

Edinburgh's Park Green scheme aims to:

- provide a greener environment and improve air quality for its residents
 - introduce a discount for low emission vehicles within specific bands
 - resolve current oversubscription of spaces issue
28. In order to achieve the objectives above, a number of changes will be made to the existing scheme. This includes placing limitations on the number of vehicle permits available to residents. This will be set at two vehicles per household and

one per person which is not presently the case. Furthermore, a surcharge of approximately 25% will be added to the cost of any second permit issued. The surcharge will be applied to the equivalent cost of a permit for that particular vehicle band.

29. The Park Green scheme proposes a tiered system of tariffs where the least polluting vehicles pay a minimal fee for their permit whilst the most environmentally damaging vehicles will be paying an increased rate. To avoid creating an additional administrative strain, which Edinburgh expect to arise from changing and updating VED bands, five bands which coincide with but will be independent of the standardised bands, as established by the DVLA, will be used. As with Richmond, a distinction is made between those vehicles registered before 2001 (please see Annex A for a full analysis of VED bands) and those registered within the standard VED bands.
30. With each higher, more polluting band, the price of a permit rises. For example, a vehicle registered in the lowest band, in an outer area location, costs £15 per annum whereas one listed in the highest band will, in the same area will incur a £160 charge. If the same two registered vehicles were to be issued with Central permits, the charges would double to £30 and £320.
31. In relation to the current charging system in operation, according to their own figures, Edinburgh expect:
 - 66% of residents to see a fall in price of residents parking
 - 14% of residents to see an increase
 - 20% of resident to see prices remain static

This will have an overall result of creating an anticipated loss of income of £50,000 in addition to any administrative or enforcement cost incurred.

Consultation

32. Discussions were held out with a number of officers in various departments at both the City of Edinburgh and London Borough of Richmond upon Thames Councils.
33. If the decision is to change to a specific vehicle based scheme, then there will need to be extensive consultation with the residents and businesses in the city. Before we can do this we need to have developed a new scheme that is vehicle specific and also understand what the implications of that scheme will be.

Options and Analysis

34. Further research would be necessary to fully assess the potential financial and resource implications of any significant changes to the current scheme. There is no accurate profile of the emissions range of vehicles included within the Respark scheme. Without this, it is difficult to assess the impact of a change from a non specific vehicle permit to a specific vehicle permit scheme.

35. A change of approach to a vehicle specific scheme could be resisted by residents who currently enjoy the option of changing vehicle during the permit period or allowing other vehicles in the household to use the permit.
36. A number of options have been considered for improving the low emission scheme within Respark. Following the above research it has become clear that York's Respark scheme does provide incentives for residents to consider their choice of and need for a vehicle. Whilst the current scheme ensures that York offers incentives greater than or equal to those offered elsewhere, there are a number of options available which can emphasise the position York holds or even push this boundary further. There three basic options:

A – No change to existing scheme.
B – Make changes to existing scheme.
C – Develop a new vehicle specific scheme.

Option A

No Change to Existing Scheme

37. There is evidence that the current scheme with its non specific vehicle permit does reward low emission vehicles with a reduced permit charge that this is being taken up by those who are eligible. However there is no evidence that this is changing the choice that permit holders have when changing vehicles.
38. To encourage this change then either the discount for low emission vehicles needs to increase or the penalties for high emission vehicles also needs to increase.
39. It is thought unlikely that maintaining the existing scheme will influence permit holders when changing vehicles.
40. The present scheme is easy to administer and enforce and does not place a burden upon the Council's resources.
41. This option is not recommended.

Option B

Make changes to existing scheme.

42. There are a number of possible amendments to the existing scheme that would encourage more change.
43. Although the take up of low emission permits is relatively high for the numbers of vehicles in Bands A and B, there could be more promotion of the discount to all permit holders. It is suggested that all the households in the scheme are leafleted to inform them of the benefits of changing to low emission vehicles. This is recommended.

44. Increasing the discount to include Bands C would result in a reduction in income of £5400 although it is possible that there would be increase in take up of between 5 and 10% over several years. There would be an increased administration and enforcement burden but it is thought that this would be within manageable limits. This is recommended.
45. All first household vehicles that are electric or LPG driven to qualify for the discount. The numbers are relatively small and could be managed within the resources available. This would send out the right message for users and is recommended.
46. Allowing a discount for 2nd and 3rd vehicles with low emissions would have minimal financial impact and would reduce the incentive to minimise car usage. This would send out the wrong message and is not recommended.
47. Introduce a surcharge on the higher Bands to discourage the use of high emission vehicles would be possible but would again increase the administrative and enforcement burden on the Council but is within manageable limits. It is thought unlikely that this will change behaviour for relatively small number of vehicles in the scheme but once again it sends out the right message. Depending which Bands were subject to a surcharge a increase of say 50% on the permit would increase income by:

Bands	No of vehicles (approx)	Income increase (approx)
L & M	55	£2560
K, L & M	310	£9765
J, K, L & M	620	£28830

It is recommended that the aforementioned surcharge is applied to those vehicles in Bands K, L & M and that this is subject to an annual review.

48. Although the proposed changes to permit charges are relatively modest it is thought that it would be necessary for consultation to take place prior to any changes to the scheme being agreed. If the changes are adopted this would result in a hybrid scheme of non specific vehicle and specific vehicle scheme which could be confusing for the user.

Option C

Develop a new vehicle specific scheme similar to Richmond

49. Richmond's residents parking scheme differs substantially from York's Respark scheme. Richmond's scheme is based upon specific vehicles whereas York's is based upon households and is non vehicle specific. York's current CO2 emission discount policy offers a simpler, more user-friendly approach to encouraging residents to lower their vehicle emissions as opposed to a far more extensive scheme which presents a greater burden on resources and budgets.

50. Richmond's scheme has been in existence since 2007 and when current vehicle banding statistics are considered the proportion of vehicles featured in each of the VED bands appears to limit the success that can occur. This is demonstrated by the higher percentage of vehicles in the upper bands and overall lower percentage of vehicles in the lower bands when compared with the equivalent statistics for York.
51. It should also be noted that Richmond are, by their own admission, a high carbon emitting authority and it was this that sparked the inclusion of CO2 consideration within residents parking. This is further supported when Richmond's vehicle banding statistics are measured against the same figures for the UK as a whole. Furthermore, the scheme currently being operated is not one that can be easily adopted in York. To develop a comparable scheme there would need to be a new set of objectives and policy developed. There would need to be a gathering of information from existing permit holders of the age and excise band the vehicles fall into. There would need to be extensive consultation with all the residents parking zones in the city.
52. In order to implement the Richmond scheme or to amend the present York Respark scheme to reflect it, there will need to be wholesale changes to both the administrative and enforcement working practices. The likely result of this will be a the need to increase staffing budgets in administration and enforcement teams.
53. The extent of changes that would need to be made, and in particular the financial implications are difficult to assess as Richmond make use of an outside contractor for a vast proportion of the work associated with running their residents parking scheme. This was the case before the CO2 based initiative was rolled out and all adaptations to working practices were extensively discussed with their parking contractor. Under the terms of their contract with Richmond, NSL Services Group, (formerly NCP Services) provide and maintain a contact point for the public as well as managing the administration and enforcement of the scheme. In contrast with Richmond, York have retained complete authority and day-to-day control over the Respark scheme.
54. The overall impact that the Richmond scheme, or indeed the scheme in operation in York, have made on vehicle choice, ownership and the lowering of emissions should be considered from a long term perspective. As a result of this, it is not clear if implementing the Richmond scheme would have a positive impact or be detrimental to the successes York has already achieved.
55. As far as we are aware there is no evidence as yet that suggests the Richmond schemes objectives are being met and that change is taking place as a result of the scheme.
56. It is estimated that to develop a scheme similar to Richmond's would take about a year to gather the data on the vehicles in the scheme and to carry out the consultation.

Corporate Strategy

57. The proposals above contribute to the Sustainable City and Healthy City aims of the Corporate Strategy 2009/ 2012.

Implications

- **Financial** – Based on the Recommendations of this report the financial implications are minimal
- **Human Resources (HR)** – There are no HR implications
- **Equalities** – There are no Equalities implications
- **Legal** – There are minor legal implications as current traffic orders etc will need to be amended
- **Crime and Disorder** – There are no Crime & Disorder implications
- **Information Technology (IT)** – There are no IT implications
- **Property** – There are no Property implications
- **Other** – There are no other implications

Risk Management

58. The main risk associated with this report is the possible criticism of the Council for changing the current arrangements for Resident's Parking Scheme which may seem to disadvantage some of the current permit holders. To mitigate this we will carry out consultation on the scheme before it is introduced.
59. There is a financial risk of the proposed changes which may have a greater impact than is currently expected and therefore reduce the amount of income the Council receives from the scheme. To mitigate this we will make best estimate we can of the impact and continue to monitor the changes throughout the year.
60. There is a risk that proposed changes do not influence the change of vehicles to lower emission vehicles and any impact on air quality is not achieved.

Recommendations

61. The Executive is recommended to:
- Note the review of the Council's Resident's Parking Scheme and the new schemes in Edinburgh and Richmond.

- Approve the changes to the Resident's Parking Scheme as outlined in Option B from the beginning of the new financial year and to monitor the impact of the changes.
- Approve the collection of vehicle specific data for the scheme over the next twelve months and carry out consultation on a potential Resident's Parking low emissions scheme for York.
- Prepare a further report to the Executive that considers the implications of a low emission scheme.

Reason

62. By adopting the above recommendations, York will be seen to enhance and increase the influence of an already comparatively favourable emission discount system. The above proposals represent the best use of available resources whilst taking considerable steps towards achieving the Council's own targets on improving air quality and tackling congestion. By taking such action, the Council will also maintain its position at the forefront of CO2 emission reduction schemes. The recommendations made by this report would bring the current discount policy further in line with Government aspirations of reduced vehicle emissions.

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Report Approved

Date 31
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2009

Wards Affected: List wards or tick box to indicate all

All **Yes**

For further information please contact the author of the report

Annexes

Annex A: Further information on Vehicle Excise Duty bands

Annex B: Information demonstrating eligibility for discount

Annex C: Information showing positive impact of low emission discount