



# London Borough of Redbridge Parking Strategy Review

## Stage 2: Income Options Report

**December 2009**

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# Executive Summary

The London Borough (LB) of Redbridge undertook a strategic public consultation with its residents, called the 'Redbridge Conversation'. The aim of the consultation was to obtain resident views on what they thought should be the Boroughs' long term improvements as well as how these should be financed, 'making the Borough a better place to live'. One of the outcomes of the consultation was that 43% of respondents identified parking income as a possible revenue stream. This led to the Borough commissioning Atkins to review their Parking Strategy and Parking and Enforcement Plan.

The review has been separated into two stages. Stage one was completed in May 2009 and the report discussed and assessed the existing situation of the Borough. Within this report, comparisons were made with other London Boroughs to help understand the potential range of permit charges, and a review of the actions in the Parking and Enforcement Plan was undertaken.

Conclusions from the Stage One report may be summarised as follows:

- There is evidence that additional revenue can be achieved through extending parking controls. However, there is the need for further, more in depth analysis and research to establish the level of revenue, as well as the implications both in terms of costs and public reaction;
- Other London Boroughs have reviewed their charges for 2009/2010 and therefore, the original comparison, that showed the LB Redbridge was in line with other Boroughs for 2008/2009, is no longer valid. The Stage Two report would look to review the level of charges; and
- It was also identified that there is a need for management reports and data collection to be more targeted. This could ease the management of the service and provide a platform to carry out regular service reviews for continuous improvement. The Civica CE parking software system has recently been upgraded, which will allow for improved management reporting.

The Stage Two report sought to explore two options for achieving additional income for LB Redbridge:

- Option One – is based on showing the income, costs and potential surplus that could be achieved by improving the existing zones in LB Redbridge.

The report has looked at the potential of revising eight of the existing parking zones, which currently do not have permit bays to designate new permit bays and potentially increase the income raised from these zones.

These eight zones have been surveyed to estimate the number of permit bays which could be implemented and a ratio of permits to bays has been established based within the existing permit zones.

The costs were examined including, cost of implementation and on-going operational costs.

An implementation plan was provided, with a financial mechanism to take in to account the costs of implementation, operational costs, income from penalty charge notices (PCNs), and income from the permits and the surplus.

- Option Two – This option has focused on raising an additional £4 million income per year and how that might be achieved. This Option also includes all the identified improvements outlined in Option One.

In addition to the considerations in Option One, 11 new zones have been identified. This was followed by site assessment surveys to identify the potential number of permit bays that could be implemented and the ratio of permits to bays has been based on the existing permit zones.

Both options have been explored through assessing the following:

- Level of Controlled Parking Zone (CPZ) implementation;

- Potential level of permits that could be issued; this gave an initial assessment of the potential number of permit bays on which the permit levels were based on assuming the permit levels would be on the same ratio as that in the existing zones. This was a desktop exercise with the recommendation to carry out further, more detailed surveys;
- Potential income from permits;
- Provision of different analysis for different permit types;
- Level of PCNs that can be achieved and the potential income;
- Operational costs; including the costs of processing the PCNs, costs of issuing permits, costs of enforcement, costs of implementing the potential CPZs and their maintenance costs;
- Additional Pay and Display (P&D) bays and analysis of different charges; and
- Car Park charges.

In terms of parking charges, it should be noted that the review of other Boroughs has found a wide range of approaches and that some Boroughs have reduced their charges. For example, LB Newham has reduced the first permit issued from £15 to now being free of charge.

The on-street P&D bays and car park charges have been reviewed and the possible income from the various charges was provided

As some of the other Boroughs have either reduced their charges or not changed their charges for 2009/10, for Option One we have considered that the existing charges remain unchanged. However, as the aim of Option Two is to increase the surplus income by £4 million, it was necessary to increase the charges across the board by 20%. It was considered that this was the maximum the charges could reasonably be increased by. In reality, the charges for 2009/10 in LB Redbridge have been increased by 11%. However, the income to date is not showing a corresponding increase in income of less than 11%.

This indicates that increasing charges by 20% will not necessarily result in a 20% increase in the income., It is difficult to identify reasons for reduced corresponding income levels; it could be due to the increase in charges and motorists may be going to local centres outside the Borough or it could be due to financial constraints resulting in motorists making other transport decisions, such as using public transport or car sharing. Another possible reason could be that there are less people working and as such are not having to pay to park all day.

The enforcement costs have been based on the current contract. However, this contract is due to be re-let in 2010, which could mean an increase or decrease in the costs of enforcement.

The findings of the Stage Two report are:

- Option One  
There could potentially be an additional annual income of approximately **£2.75 million**, per year with an additional annual surplus of approximately **£1.4 million**, after implementation.  
The implementation plan is programmed over a period of four years, the total implementation costs of approximately **£616 thousand**, including staffing and works costs.
- Option Two  
There could potentially be an additional annual income of approximately **£5.9 million** per year, with an additional annual surplus of approximately **£3.3 million**, after implementation.  
The implementation plan is programmed over a period of three years with the total implementation cost being approximately **£1 million**, which includes staffing and works costs.  
At the outset of this report, the aim for this option was to set out how to raise an additional £4 million surplus per year. This option does not fully achieve this with the stated surplus of approximately **£3.3 million**. However, it is felt that to attempt to move beyond this would either require a further increase in

the number of zones beyond those already identified or an unrealistic rise in the permit and parking charges.

For the purpose of this Option the on and off-street charges have been increased by 20%. However, as stated above it must be noted that the 20% increase will not necessarily result in a 20% increase in the level of income.

There are factors that could affect the income; for example the increase in the levels of unemployment could lead to reduced car ownership, less people needing to park for work as well as a reduction in 'spending', therefore a reduction in the need to park close to shops. Furthermore, the 20% increase in parking charges could be above what people are willing to pay.

The above is summarised in Table 1.1.

**Table 1.1 – Breakdown summary of potential surplus from Option 1 and Option 2**

Income/Cost Description	Option - 1	Option – 2
<b>Income</b>		
Potential Income from Permits	£490,897	£1,130,648
Estimated Income from PCNs Issues	£2,189,592	£4,202,604
Potential Income from P&D Machines	£69,100	£82,920
Car Park Income	-	£515,864
<b>Total Income</b>	<b>£2,749,589</b>	<b>£5,932,036</b>
<b>Operational Costs</b>		
Enforcement Cost	£773,528	£1,484,672
Administration Cost	£72,316	£138,801
Processing Cost	£468,993	£900,164
Maintenance Cost	£23,599	£44,040
<b>Total Operational Cost</b>	<b>£1,338,436</b>	<b>£2,567,677</b>
<b>Surplus Income</b>	<b>£1,411,153</b>	<b>£3,364,359</b>

Implementing Option One is considered the more achievable approach, albeit with a lower return. Whilst the income surplus from this option is not as attractive as in Option Two, it is anticipated that there will be fewer objections and the impact will be less politically sensitive.

Option Two is considered a much higher risk approach. It is assumed that this could be implemented over three years, which is ambitious and resourcing the team to ensure the programme is met will be challenging.

The two options identified within this report are felt to be the most appropriate to show the range of approaches that could be implemented. There are many permutations of different zones and different charging and implementation regimes that could be adopted

If either Option Two, or something similar is to be adopted, then it must be fully supported by Cabinet, with the intention of robustly defending the scheme against objections either through the democratic process or as a result of public consultation.

It is recommended that that consideration is given to taking Option One forward with the consideration for implementing a number of the new zones that have been identified beyond the initial programme period. This

study provides a tool to assess any number of permutations relatively simply, allowing the Borough to put forward a strategy for approval.

# 1. Introduction

- 1.1 The study has been undertaken in two stages and this report follows on from Stage One, which identified the following:
- That additional revenue could be achieved through possibly extending parking controls;
  - There was the need for further, more in depth analysis and research to establish the level of potential revenue, as well as the implications in terms of costs, public reaction and legislation;
  - The original comparison, showed the LB Redbridge was in line with other Boroughs for 2008/2009, is no longer valid; and
  - There is a need for management reports and data collection to be more targeted. This could ease the management of the service and provide a platform to carry out regular service reviews for continuous improvement. The Civica CE Parking System has recently been upgraded, which will allow for improved reporting.
- 1.2 The Stage Two report assesses the financial benefits of improving existing parking schemes and implementing new parking schemes around the Borough.
- 1.3 The Stage Two report investigates two different options for implementation to improve parking supply in the LB Redbridge and the economics of meeting those. These are:
- Option One - is based on the income, costs and potential surplus that could be achieved by improving the existing zones in LB Redbridge.
  - The report will look at improving eight of the existing parking zones, which currently do not have permit bays and as such there is no permit income from these zones. By redesigning these zones to designate additional permit bays could potentially increase the income.
  - Option Two - This option has considered how an additional £4 million income could be achieved. In addition to improving the existing zones, as outlined in Option 1, new zones for implementation have been identified, as well as looking at increasing the permit charges and the on and off-street parking charges.
- 1.4 The same financial model was used to assess both options to give a true comparison. This model included the following income streams:
- Level of controlled parking zones (CPZs) implementation;
  - Potential level of permit which could be issued, this will give an initial assessment of the potential number of permit bays and will be relevant to the location. Drive round surveys were carried out to establish the potential number of additional permit bays that be implemented in the Borough;
  - Potential income from permits;
  - Provide different analysis for different permit types;
  - Level of penalty charge notices (PCNs) that can be achieved and the potential income;
  - Additional P&D and give different analysis of different charges; and
  - Car Park charges based on analysis of different charges.
- 1.5 CCTV enforcement of moving traffic contraventions and parking contraventions has been in operation since July 2009. Therefore the data relating to this is minimal at this stage, but has been analysed in the report to show the potential income in the future.
- 1.6 The financial model includes the following elements:

- Estimated cost of implementing CPZs on the ground – including resources, contractors and P&D machines;
- Enforcement costs;
- Cost of processing permits;
- Cost of processing PCNs; and
- The potential surplus.

1.7 The report is separated into five sections.

## Section 2: Existing data and conditions

1.8 This section considers the current parking data and conditions for the Borough from the Stage One report to explore new and improved ways of updating the existing parking schemes, implementing new parking schemes and reviewing the on and off-street parking charges.

1.9 Further data has been provided, as a result of research, in order for Atkins to put together a series of options, which will be explored and discussed throughout the report.

## Section 3: Income

1.10 This section reports on the financial data for the following:

- CPZs, including the potential income from permits and PCNs;
- Reviews the level of charges for permits and on and off-street parking charges; and
- The potential income from on and off-street parking charges.

## Section 4: Cost Implications

1.11 This section outlines the operational and enforcement costs, including processing the permits and PCNs as well as the maintenance of the zones.

## Section 5: Implementation Plan

1.12 This section discusses and summarises the options developed as a result of the financial analysis in Sections Three and Four.

1.13 Two options have been developed, outlining the costs of implementation of each, the timescales and the potential income that can be achieved throughout the implementation.

1.14 Option One outlines a phased approach over four years for improving eight of the existing zones.

1.15 Option Two outlines a more challenging programme of implementation. This proposes the implementation of improvements to eight of the existing zones and implementing eleven new CPZs over three years.

## Section 6: Summary and Conclusions

1.16 This section summarises and concludes the outcome of the assessment of the two options, including highlighting potential risks.

## 2. Existing Data and Conditions

### Data supplied by LB Redbridge

2.1 The following information was kindly supplied by LB Redbridge:

- Car park and P&D income;
- Number of permits issued in the current zones;
- Locations of potential new zones;
- Locations and financial data for new P&D schemes; and
- Resource costs.

### Data collected from Site

2.2 Site surveys were undertaken over two weeks to identify potential opportunities for new bays. This included:

- New parking bays within the Green Zone;
- New parking bays within the Red Zone; and
- New CPZ areas where parking bays could be implemented.

2.3 The site surveys were carried out under the following conditions:

- Bays have not been proposed within 10 metres (sometimes more) of junctions;
- Bays outside shops have not been counted as permit bays as it is assumed that P&D bays would be better suited to such a location even though there may be no parking restrictions currently in place; and
- Proposed footway parking bays have been based on the width of the road and also the presence of black top surfacing. However, it has not been checked and confirmed as to whether these roads are exempt from the London wide ban on footway parking.

## 3. Income

3.1 This Section identifies the potential for each of the two options.

3.2 Option One will consider the implementation of improvements to some of the existing zones in the Borough. These include:

- Hainault;
- Woodford;
- Snaresbrook;
- Wanstead;
- Redbridge;
- Barkingside;
- Newbury Park;
- Gants Hill; and
- Ilford.

3.3 Option Two consider the implementation of the improvements to the existing zones as outlined in Option One, but will also consider the implementation of new zones identified in consultation with LB Redbridge. These include:

- Hainault (A);
- Woodford Green (B);
- South Woodford (C );
- Barkingside (D);
- Newbury Park (E);
- Wanstead (F);
- Redbridge (G);
- Chadwell (H);
- Goodmayes (J1);
- Seven Kings (J2); and
- Loxford (K).

3.4 This Section will go on to explore the potential income for both options for implementing new zones and improving existing zones throughout the Borough. This includes a review, by zone, of the following:

- New permit bays in existing and new zone areas;
- Level of permits that could be issued in each of the potential new or improved zones;
- A finance mechanism to show the income levels from permits;
- Expected level of PCNs that could be achieved and the potential income by zone; and
- New areas for P&D with potential surplus income.

3.5 The section also shows the level of additional income that could be achieved by increasing the on and off -street P&D and the permit charges.

3.6 The potential income has been shown for Option One and Option Two.

## Controlled Parking Zones

3.7 CPZs are areas that can be designated with permit bays for various users; for example residents' and businesses. They can also include sections of P&D and parking restrictions. In a CPZ all sections of the kerb side should be controlled in line with the Traffic, Signs, Regulations and General Directions 2004 and to prevent displaced parking into less appropriate areas.

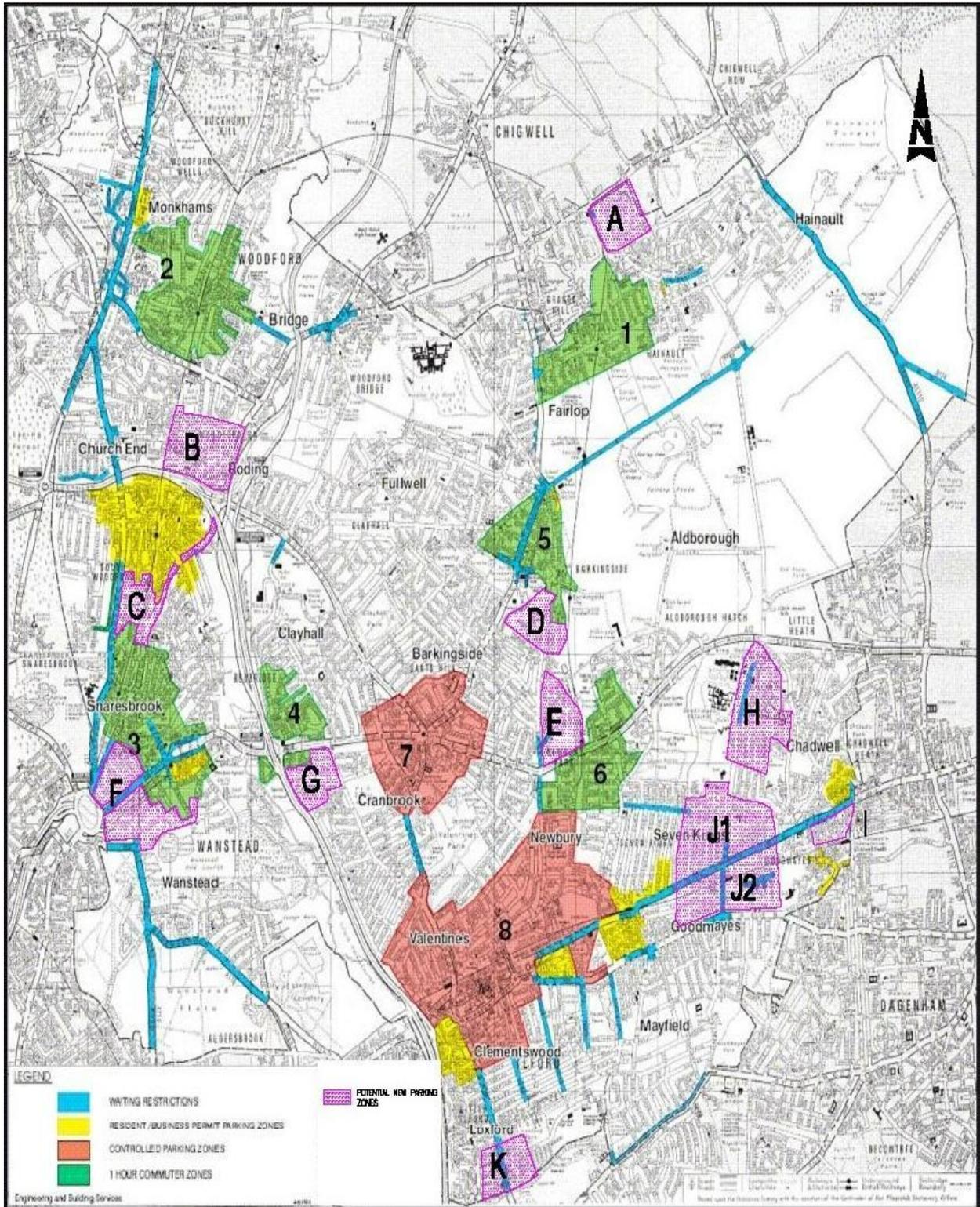
3.8 Residents living in a CPZ are able to purchase a resident parking permit. The permit allows the resident to park their vehicle in allocated bays and restricts other users, such as commuters, from using the parking spaces during the CPZs operating times. A resident parking permit holder is entitled to park in any residents' bay in the CPZ for which the permit has been issued.

3.9 Currently in LB Redbridge there are thirteen CPZs that are permit zones. These are shown in yellow in Figure 3.1.

3.10 The areas shown in red on the plan are CPZs that are in operation all day Monday to Saturday, with areas designated by yellow lines which are restricted during this period, whereas the parking bays have no restrictions. There are limited P&D bays with a maximum limit of stay of 2 hours. For the purpose of this report these areas will be referred to as 'Red Zones'.

- 3.11 The areas shown in green, strictly speaking, are not CPZs. The yellow lines in these zones operate Monday - Friday for one hour at different times for each zone. However, there are unmarked areas that are unrestricted and are therefore available for any vehicle to park. For the purpose of this report, these areas will be referred to as 'Green Zones'.
- 3.12 The hatched pink areas on the plan are areas that have been identified, in consultation with LB Redbridge, as possible new CPZs.

Figure 3.1 – Existing and Potentially New Parking Zones



## Improvements to Red and Green Zones and the level of new zone implementation

- 3.13 The Stage One report recommended further investigations into new resident and business CPZ areas to complement the existing one hour commuter zones in the Green Zones and the all day restricted Red Zones.
- 3.14 On-site surveys in each of the existing and potential new zones have been carried out in order to establish where permit zones could be implemented in respect to reasonable future demand. The outcome of which is reported below.

### New Parking Permit Areas in the Green Zones

- 3.15 There are six Green Zones and they are located at the following London Underground stations throughout the Borough:
- Hainault;
  - Woodford;
  - Snaresbrook;
  - Wanstead;
  - Redbridge;
  - Barkingside; and
  - Newbury Park.
- 3.16 The Green Zones present an ideal opportunity to introduce residents parking, particularly since the main stadium for the London Olympics 2012 will be based in Stratford, which is on the Central Line, in the LB of Newham. This could affect all Underground and National Rail stations as well as the surrounding areas as it provides a fast and direct route to Stratford.
- 3.17 Drive round site surveys were undertaken to review the opportunities for new permit bays in these areas. Table 3.1 shows that there are approximately 3,500 new bays that could be provided within the Green Zones.
- 3.18 However, initial site surveys have been vehicle based only at this stage. When full measurement surveys and detailed design is undertaken, the number of potential parking bays may be reduced.
- 3.19 Additional surveys will be required to provide a more accurate design and numbers of bays that could be designated in the zones.

**Table 3.1 – Potential number of new parking bays in the Green Zones**

Area (number on plan)	Number of new bays
Hainault (1)	427
Woodford (2)	691
Snaresbrook (3)	1,120
Redbridge (4)	310
Barkingside (5)	470
Newbury Park (6)	495
<b>Total Number of Bays</b>	<b>3,513</b>

## New Parking Permit Areas in the Red Zones

- 3.20 There are two Red Zones within the Borough; one located around Gants Hill, which is mainly a shopping area with some residential streets, and the other one is around Ilford Town Centre, with a total of 113,500 metres of kerb space.
- 3.21 Ilford Station serves as a direct link to the Stratford Transport Interchange and is within one of the Red Zones. This is a large zone with approximately 80,000 metres of kerb space. The busy shopping centre of Ilford is within this zone, giving the opportunity for free parking to all, albeit on a first-come-first-served basis, as well as some short-term P&D. This could mean that residents potentially have to compete with shoppers, commuters and local workers.
- 3.22 Site surveys were undertaken to review the opportunities for introducing new permit bays in these areas. Table 3.2 shows that there are approximately 1,500 additional new bays that could be provided within these zones.

**Table 3.2 – Potential number of new parking bays in the Red Zones**

Area (number on plan)	Number of new bays
Gants Hill (7)	393
Ilford (8)	1,116
<b>Total Number of Bays</b>	<b>1,509</b>

## New CPZ Implementations

- 3.23 The LB Redbridge has identified potential new areas to implement CPZs. These are shown in Figure 3.1 and are identified with the hatched areas and labelled A-K.
- 3.24 Site surveys were undertaken to review the opportunities for new permit bays in these new zones. Table 3.3 shows that there are approximately 4600 new bays that could be provided within the potential new zones.
- 3.25 It must be noted that these potential bay levels are based on visual inspections.
- 3.26 To be more accurate with the bay levels, more detailed site surveys will be required; measuring the lengths of available carriageway that could be dedicated to parking bays and considering where it would be suitable to place various designated bays.
- 3.27 Following full site surveys and initial designs, it is possible that the potential number of bays will differ from Table 3.3.
- 3.28 Since the commission of the report Atkins have been advised that the Chadwell (H) and Loxford (K) zones are in the process of being implemented and are currently at planning stage.

**Table 3.3 – Potential number of parking bays in the New Zones**

Area	Number of new bays
Hainault (A)	249
Woodford Green (B)	591
South Woodford (C )	232
Barkingside (D)	227
Newbury Park (E)	415
Wanstead (F)	671
Redbridge (G)	305
Chadwell (H)	320
Goodmayes (J1)	109
Seven Kings (J2)	1,080
Loxford (K)	418
<b>Total Number of Bays</b>	<b>4,617</b>

### Summary of New Parking Bays

- 3.29 There could be an opportunity for the 9,600 new parking bays in LB Redbridge. The breakdown for this is shown in Table 3.4.
- 3.30 Option One looks at the implementation of improvements to the existing Red and Green Zones. The bay numbers identified under the Red and Green Zones in the table will form the basis of Option One.
- 3.31 Option Two looks at the implementation of new zones throughout the Borough as well as the implementation of improvements to the Red and Green Zones. The total numbers of bays identified in the table form the basis of Option Two.
- 3.32 As previously stated the bay numbers given are estimates based on drive round surveys and following full site surveys and initial design drawings the number of bays may differ to those given in Table 3.4.

**Table 3.4 – Potential New Parking Bays**

Zones	Number of Parking Bays
Improved Green Zone	3,513
Improved Red Zone	1,509
New Implementation	4,617
<b>Total Number of Bays</b>	<b>9,639</b>

### Split between Resident and Business Bays

- 3.33 The site surveys were not detailed enough to determine the potential split between resident and business bays in the new and improved zones, therefore evidence was drawn from the 13 residents permit zones currently in operation in the Borough, to determine a likely split between the two types of permits.

- 3.34 Detailed analysis of the Yellow zone areas indicate that approximately 10% of the bays are designated as business. Therefore, this split has been applied to the improved zones and the potential new zones.
- 3.35 Table 3.5 shows the potential number of business and resident bays using the split identified from the yellow zones.

**Table 3.5 – Potential Number of Business and Resident Bays**

Option - 1	Zones	Business Bays	Residents Bays	Total
	Extended Green Zone	351	3,162	3,513
	Extended Red Zone	151	1,358	1,509
	<b>Total Number of Bays</b>	<b>502</b>	<b>4,520</b>	<b>5,022</b>
Option - 2	Zones	Business Bays	Residents Bays	Total
	Extended Green Zone	351	3,162	3,513
	Extended Red Zone	151	1,358	1,509
	New Zones	462	4,155	4,617
	<b>Total Number of Bays</b>	<b>964</b>	<b>8,675</b>	<b>9,639</b>

## Number of New Permits

### Potential Level of Permit ‘Take Up’

- 3.36 The ‘take up’ of permits in new and improved zones is always difficult to predict and will depend on a range of factors and detail not available for this level of study. This analysis has drawn on evidence from the 13 existing residents permit zones currently in operation in LB Redbridge, to determine how many permits could be issued for the identified 9,639 new bays.
- 3.37 There are currently **2,174 parking bays** in the Yellow Zone areas. Information was received from the LB Redbridge from their Civica PES system, for permits issued in the Yellow Zones from 1 August 2008 to 31 July 2009. These figures are shown in Table 3.6, split by permit type.
- 3.38 The ‘take up’ for the permits exceeds the number of parking bays that are available. Whilst this would appear to not offer adequate parking facilities for the resident, it is not unusual. It is expected that during operational hours there would not a 100% demand. It is unusual that all permit holders would want to park at any one time. Outside the operational hours there are additional locations to park where the single yellow lines are located and this usually provides for the additional demand.
- 3.39 There is no available data providing evidence of the level of permit issue for annual and six monthly permits. However, the income from permit sales in the existing yellow zones in LB Redbridge, suggests that only a small percentage of car owners purchase the six monthly permits.

**Table 3.6 – Number of Permits Issued in Yellow Zone (1/8/08 to 31/7/09)**

Permit Type	Numbers of Permits Issued	Level of Take Up
First Permit	2,805	125%
Second and Third Permits	307	15%
<b>Total</b>	<b>3,112</b>	

- 3.40 If the ‘take up’ in the Yellow Zones is used to determine the potential ‘take up’ in the new and improved zones, near to 13,800 permits could be issued in one year. This is illustrated in Table 3.7.

**Table 3.7 – Potential numbers of permits to be issued in the New and Extended Zones**

Permit Type	Potential Level of Take Up	Potential Permits Issued
1 <sup>st</sup> Permit	125%	12,434
2 <sup>nd</sup> & 3 <sup>rd</sup> Permits	15%	1,446
<b>Total Number of Permits</b>		<b>13,880</b>

## Review of Resident Permit Charges

- 3.41 This section analyses the potential revenue income from putting in additional permit bays in the Borough. A financial review has been undertaken to show potential income levels for each of the new and improved zones.
- 3.42 A review of resident parking permits was undertaken for ten London Boroughs, including Redbridge, based on 2009/10 prices. The London Borough of Barking & Dagenham, London Borough of Barnet, London Borough of Enfield, London Borough of Havering, London Borough of Hillingdon, London Borough of Newham, London Borough of Bexley and the Royal Borough of Kingston upon Thames has been considered to compare the permit charges. The London Borough of Richmond and London Borough of Waltham Forest are not considered in this case as the permit costs available are based on the vehicles size of engine and have been omitted in order to maintain a uniform rationale for assessment of parking permit fees.
- 3.43 Figure 3.2 and Figure 3.3 shows the comparison of the annual resident permit for the different boroughs of London in 2008/09 and 2009/10. This illustrates the changes in the resident permit charges in other boroughs.

Figure 3.2 – Comparison of Annual Resident Parking Permit Fees for Different Borough’s of London 08/09

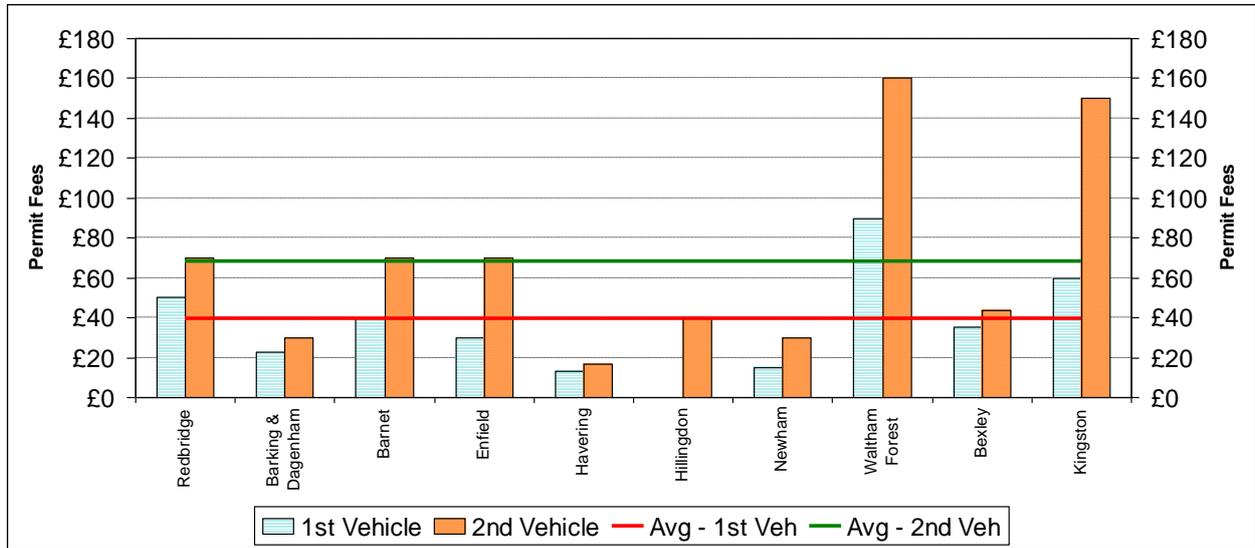
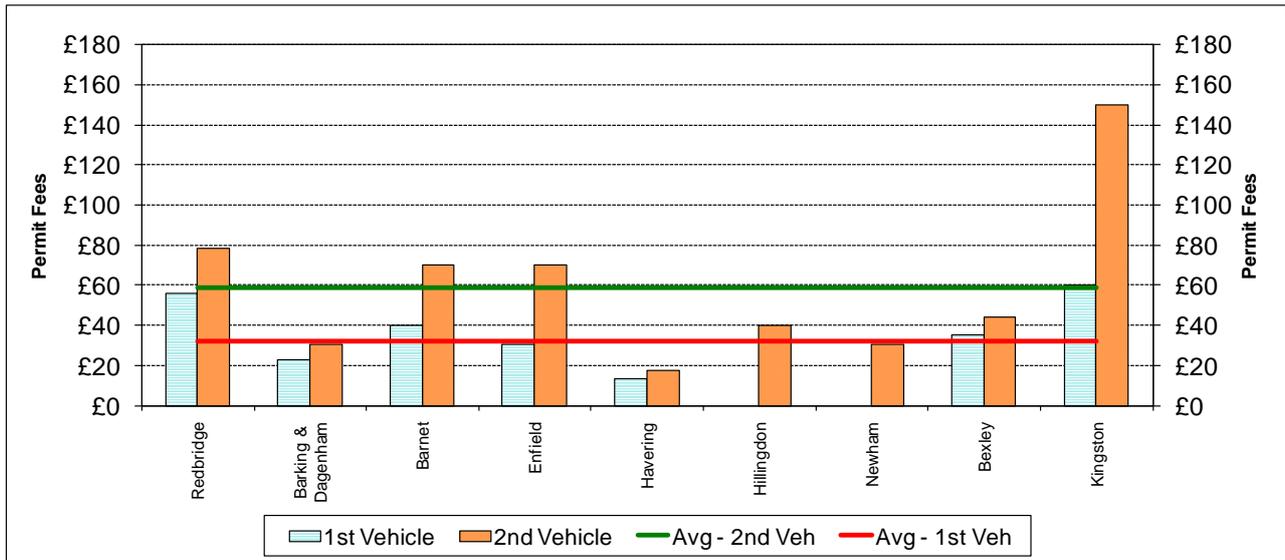


Figure 3.3 – Comparison of Annual Resident Parking Permit Fees for Different Borough’s of London 09/10



3.44

The following observations can be made from the graphs:

- In 2009/10, the permit charges for the first vehicle (£55.75) and 2nd vehicle (£78) in LB Redbridge is more than the average calculated as £32 and £59 respectively; this is an increase of 11% from last year
- London Boroughs of Barnet, Enfield, Barking & Dagenham and Hillingdon have kept their charges the same, but it should be noted that Hillingdon do not charge for the first permit.
- London Borough of Newham has reduced the charge of the first permit from £15 to free of charge.
- All other London Boroughs have lower permit charges for both first and second vehicles apart from the Royal Borough of Kingston upon Thames;

- The London Borough of Waltham Forest did have significantly higher charges in 2008/09, but is now calculated on the vehicles size of engine, so cannot be compared; and
- There is no parking charge for the first vehicle in London Borough of Hillingdon and the London Borough of Havering has significantly lower permit charges for the first vehicle (£13) followed by £17 for the second vehicle.

- 3.45 Based on these results it is recommended that there are no changes to the permit charges for Option One.
- 3.46 As other London boroughs appear to be reducing their permits or have significantly lower charges in the first place it would not be recommended that LB Redbridge consider increasing their charges any further. In some respects consideration should be given to reducing the permit charges
- 3.47 However for the permits, it is believed that reducing the charges will reduce the income as there would be little choice for residents but to purchase a permit to park near their homes, unless decisions were made to not own a vehicle at all. In this instance the sustainability factor would be benefited.
- 3.48 To be able to achieve an additional £4 million, it is recommended that the permit charges are increased by 20% to achieve an additional income of **£1,130,648**. However, this figure is estimation only and cannot be guaranteed as it would be difficult to establish at this stage what choices the public would make in either purchasing a permit or to no longer owning a vehicle. This could be based on other financial issues and not just the permit prices, but it is a real issue to consider.

## Income Levels from Permits

- 3.49 The analysis is based on the following assumptions, which has been taken from the current situation in the existing zones that are in operation in LB Redbridge:
- 125% of permit bays will be used by first permit vehicles and 15% of permit bays will be used by subsequent permit vehicles. This percentage was calculated from the current permit 'take up' in the existing zones. However, consideration could be given to reducing this but this is likely to result in a reduction of income;
  - 10% of the bays will be designated for business use;
  - The cost of vehicle permits are based on current (2009/10) prices, that is:
    - Cost of a first residential permit is £55.75;
    - Cost of a subsequent residential permit is £78; and
    - Cost of a business permit is £245
- 3.50 Based on the above assumptions, Table 3.8 shows the potential income that can be achieved for both Option One and Option Two.
- 3.51 There is a potential permit income of approximately £490,900 from the proposed improved zones, which is for Option One and a total of £1,130,648 is achievable for Option Two.
- 3.52 The income from the bays allocated to business use is about 25% (£236,150) of the total income.
- 3.53 Care should be taken in reading these potential figures as the cost of issuing and processing permits needs to be taken into account. This is reviewed further on in the Report.

**Table 3.8 – Potential Income from permits for Option One and Option Two**

Improved Zones	Option - One			Option - Two		
	Number of Permits Issued	Potential Level of Income		Number of Permits Issued	Potential Level of Income	
		Residential Bays	Business Bays		Residential Bays	Business Bays
Hainault (1)	615	£31,277	£10,462	615	£37,532	£12,554
Woodford (2)	995	£28,787	£9,629	995	£34,544	£11,555
Snaresbrook (3)	1,613	£34,427	£11,515	1,613	£41,312	£13,818
Redbridge (4)	446	£82,039	£27,440	446	£98,447	£32,928
Barkingside (5)	677	£50,615	£16,930	677	£60,738	£20,316
Newbury Park (6)	713	£36,258	£12,128	713	£43,510	£14,554
Gants Hill (7)	566	£22,707	£7,595	566	£27,248	£9,114
Ilford (8)	1,607	£81,746	£27,342	1,607	£98,095	£32,810
Hainault (A)				359	£21,887	£7,321
Woodford Green (B)				851	£51,948	£17,376
South Woodford (C)				334	£20,393	£6,821
Barkingside (D)				327	£19,952	£6,674
Newbury Park (E)				598	£36,478	£12,202
Wanstead (F)				966	£58,980	£19,728
Redbridge (G)				439	£26,809	£8,968
Chadwell (H)				461	£28,128	£9,408
Goodmayes (J1)				157	£9,581	£3,205
Seven Kings (J2)				1,555	£94,931	£31,752
Loxford (K)				602	£36,742	£12,289
<b>Total</b>	<b>7,232</b>	<b>£367,856</b>	<b>£123,041</b>	<b>13,880</b>	<b>£847,255</b>	<b>£283,393</b>
<b>Grand Total</b>		<b>£490,897</b>			<b>£1,130,648</b>	

## Review of Parking Charges

- 3.54 The car park charges were increased in 2009/10 by 11%. Based on the actual income of **£967,309** for 2008/09, the income forecast for 2009/10 will be **£1,073,713**, an increase of **£106,404**.
- 3.55 Table 3.9 shows the potential additional income that can be achieved by increasing the car park permit P&D charges by 5%, 10%, 15% and 20%.

Table 3.9 – Potential level of income by changing car park charges

Types	Total Actual Income 08/09	Estimated Income 09/10	Charges Increased By			
			5%	10%	15%	20%
Off Street Parking	£967,309	£1,073,713	£1,127,399	£1,181,084	£1,234,770	£1,288,456
	Additional Income		£53,686	£107,371	£161,057	£214,743
On Street Parking	£1,356,400	£1,505,604	£1,580,884	£1,656,165	£1,731,445	£1,806,725
	Additional Income		£75,280	£150,561	£225,841	£301,121
Parking Permit	All Zones	9,639 bays	£1,071,682	£1,122,715	£1,173,747	£1,224,780
	Additional Income		£51,032	£102,065	£153,097	£204,130

- 3.56 The on-street P&D charges were increased in 2009/10 by 11%. Based on the actual income of **£1,356,400** for 2008/09, the income forecast for 2009/10 will be **£1,505,604**, an increase of **£149,204**.
- 3.57 There is pressure on councils to reconsider how the parking charges (permit charges and on and off –street) are reviewed annually and to look at more efficient operations that reduce costs, with the view to charges staying the same or even being reduced.
- 3.58 There is an expectation that the charges are increased each year. Should the income of £4m be achieved it is recommended that the all charges are increased by 20% to raise an additional income of **£214,743** for the car parks, of **£301,121** for the P&D and £204,130 for the permits. In practice this is too coarse an approach.
- 3.59 Consideration will need to be given to varying the charges across the car parks and P&D, but this will require data collection either by site survey or from management reporting systems identifying the turnover of each location over a period of months.
- 3.60 This may mean that some charges may be reduced and some may increase and will depend on the location and usage levels. For example, locations that are currently well utilised could be increased and locations that are under utilised could have the charges restructured to take in to consideration the user type (short or long term users).
- 3.61 For the P&D, some locations may be better suited to higher tariffs over a shorter stay, to encourage use for short-term parking. This is particularly welcomed at locations where there are small businesses where customers do not stay long-term.

- 3.62 This could mean that facilities for commuters and employees are reduced, but consideration can be given to relocating facilities in areas where demand is lower or encouraging more use of nearby car parks.
- 3.63 Consideration should also be given to the value of each of the car parks, weighing, up the operational costs against the income and asset value, to determine whether to sell any of the car parks.

## New P&D Areas

- 3.64 A report was drafted to go to Cabinet on 24th March 2009 for increased P&D bays in the Borough, but this report was not presented. The report indicated a possible annual net income shown in Table 3.10. This income is after meeting ongoing maintenance, enforcement costs and contributions to the Council's Repairs and Renewals Fund. The schemes were not approved for this financial year, but it is likely that it will be going forward in the budget proposals for 2010/11.
- 3.65 The information in Table 3.10 relates to the recommendations in the draft cabinet report and included in this report as potential new areas for P&D. The potential level of income could be approximately **£69,100 (net)** (the operational costs have been taken in to account).
- 3.66 Table 3.10 also shows the potential additional income that could be achieved for Option One and Option Two. Option Two shows the income that can be achieved by increasing the charges for P&D by 20%.

**Table 3.10 – Potential level of income from P&D machines for Option One and Option Two**

Area	Option – 1	Option - 2
Aldbrough Road South	£4,700	£5,640
Beehive Lane	£1,000	£1,200
Chadwell Heath	£2,900	£3,480
Clayhall Broadway & Avenue	£9,600	£11,520
Fencepiece Road	£2,200	£2,640
Horns Road	£3,500	£4,200
Meads Lane	£1,000	£1,200
New North Road	£6,600	£7,920
Roding Lane South	£2,200	£2,640
Snakes Lane East	£7,800	£9,360
Wanstead High Street	£27,600	£33,120
<b>Total</b>	<b>£69,100</b>	<b>£82,920</b>

## Income from Penalty Charge Notices (PCNs) issued by Civil Enforcement Officers (CEOs)

- 3.67 In addition to the permit income, there is an expected increase in the level of income from the issue of PCNs. The calculation has been based on the level of income from PCNs issued **per bay** in the existing residents permit zones (Yellow Zones).

- 3.68 In the last financial year (2008/09) 33,837 PCNs were issued in residents permit zones. On average, 20% of these were cancelled or written off, leaving 27,070 issued that are potentially collectable. At an average of **£35** (based on 2008/09 figures) for each collectable PCN issued being paid, these zones have returned some **£947,450** revenue to the Council. With approximately 2,174 bays, each bay has a calculated income of **£436**.
- 3.69 Table 3.11 indicates that there is a potential income of approximately £2,189,600 from the issue of PCNs in the proposed improved zones identified in tables 3.1 and 3.2 and £2,013,000 from the issue of PCNs in the additional new zones identified in table 3.3. Therefore, as Option Two includes as well as new zone areas there is a total potential income of £4,202,600, could be achieved for Option Two.
- 3.70 Again, care should be taken in reading these potential figures as a percentage of the PCNs will pay for enforcement and any surplus from this would be an additional benefit. The cost of enforcement and associated administration of the PCNs is shown in the Cost Implications further on in this Report.

**Table 3.11 – Estimated Income from PCNs for Option One and Option Two**

Zones	Option – 1		Option - 2	
	Number of PCNs issued	Potential Income	Number of PCNs issued	Potential Income
Hainault (1)	5,317	£186,172	5,317	£186,172
Woodford (2)	8,604	£301,276	8,604	£301,276
Snaresbrook (3)	13,946	£488,320	13,946	£488,320
Redbridge (4)	3,860	£135,160	3,860	£135,160
Barkingside (5)	5,852	£204,920	5,852	£204,920
Newbury Park (6)	6,164	£215,820	6,164	£215,820
Gants Hill (7)	4,894	£171,348	4,894	£171,348
Ilford (8)	13,896	£486,576	13,896	£486,576
Hainault (A)			3,100	£108,564
Woodford Green (B)			7,359	£257,676
South Woodford (C)			2,889	£101,152
Barkingside (D)			2,827	£98,972
Newbury Park (E)			5,167	£180,940
Wanstead (F)			8,355	£292,556
Redbridge (G)			3,798	£132,980
Chadwell (H)			3,985	£139,520
Goodmayes (J1)			1,357	£47,524
Seven Kings (J2)			13,448	£470,880
Loxford (K)			5,205	£182,248
<b>Total</b>	<b>62,532</b>	<b>£2,189,592</b>	<b>120,022</b>	<b>£4,202,604</b>

## Income from the issue of PCNs by CCTV

- 3.71 LB Redbridge started enforcing moving traffic and parking contraventions by CCTV on 1 July 2009.
- 3.72 The enforcement is carried out by both static CCTV and mobile CCTV units. The mobile CCTV units allow for targeted enforcement across the Borough, whereas the static enforcement is for specific locations and usually for where there are bus lanes, no right turns and no entry locations.
- 3.73 For July, August and September 2009 a total of 5,620 PCNs have been issued. Assuming that the income per PCN (£35) will be the same as for the PCNs issued by the Civil Enforcement Officers, there could be a potential income of £196,700 over the three month period.
- 3.74 However, compliance is high with PCNs issued by CCTV. In some London Boroughs it has been as high as 95%.
- 3.75 As the CCTV information has only recently been available, benchmarking with other London Boroughs' performance has not been carried out.
- 3.76 If it is assumed that the compliance in the LB Redbridge would be 80%, there would potentially be 4,496 PCNs issued by CCTV with an estimated income £157,360.
- 3.77 There are of course costs related to this and these have not been included in the calculations as part of this report.
- 3.78 Issues to consider:
- The income has been calculated on the same average recovery rate for PCNs issued by CEOs of £35 per PCN. However, in general the recovery rate in other London Boroughs is higher than it is for the PCNs issued by CEOs;
  - The compliance has been estimated in the above analysis and in reality it could be higher or lower; and
  - The costs of the CCTV operation are not currently available
- 3.79 Further benchmarking and analysis needs to be carried out on the potential income surplus generated from CCTV enforcement. For this reason the figures in this section have not been included in the financial summary.

## Summary of Income

- 3.80 A summary of the potential income the table is headed summary of income not operation costs following the implementation of both Option One and Two is shown in Table 3.12.
- 3.81 It has been identified that that the footway exemptions in the Borough and subsequent records are not up to date and as such it is not possible to enforce the footway parking ban in these locations. Initial enquiries with the Parking Management Team show that there is a high level of these locations. Therefore, by improving the markings on-street and the records would allow for the issue of further PCNs, leading to increased income.

Table 3.12 – Summary of Income

	Option - 1	Option - 2
Potential Income from Permits	£490,897	£1,130,648
Estimated Income from PCNs Issues	£2,189,592	£4,202,604
Potential Income from Pay & Display Machines	£69,100	£82,920
Car Park Income	-	£515,864
<b>Total Income</b>	<b>£2,749,589</b>	<b>£5,932,036</b>

## 4. Operational Costs

4.1 This section reports on the financial analysis of the likely costs associated with the implementation of the parking bays and includes:

- Enforcement costs;
- Cost of issuing new permits and the ongoing administration costs;
- Cost of processing PCNs; and
- Maintenance costs.

### Enforcement Costs

4.2 The cost of enforcement would be an additional cost. It is difficult to estimate the level of enforcement required for the additional parking bays, therefore the costs have been based on the level of income from PCNs issued in the existing residents permit zones (Yellow Zones) in relation to each bay. However, the PCNs that would be issued could be for any contravention within the zone.

4.3 In the last financial year (2008/09) 27,070 PCNs were issued that are potentially collectable. With approximately 2,174 bays, each bay has an average 2.45 PCNs issued.

4.4 Based on information provided by LB Redbridge, the cost of enforcing each bay has been calculated at £12.37.

4.5 Table 4.1 indicates that the cost to enforce the proposed 9,639 parking bays would be in the region of **£1.48 million**. As expected the zones with larger numbers of bays, like Ilford and Snaresbrook, will cost the most to enforce.

4.6 These calculations are based on the existing enforcement contract which is due for renewal in April 2010. The enforcement costs could increase following the letting of the new contract.

4.7 The enforcement costs have been based on the current contract charges. However, the contract is due to be re-let in 2010; this could mean an increase in the costs of enforcement and as such needs to be considered when reviewing the financial summaries.

Table 4.1 – Estimated Enforcement Costs for Option -1 and Option - 2

Zones	Option One		Option Two	
	Number of Bays	Enforcement Cost	Number of Bays	Enforcement Costs
Hainault (1)	427	£65,770	427	£65,770
Woodford (2)	393	£60,533	393	£60,533
Snaresbrook (3)	470	£72,393	470	£72,393
Redbridge (4)	1,120	£172,511	1,120	£172,511
Barkingside (5)	691	£106,433	691	£106,433
Newbury Park (6)	495	£76,244	495	£76,244
Gants Hill (7)	310	£47,749	310	£47,749
Ilford (8)	1,116	£171,895	1,116	£171,895
Hainault (A)			249	£38,353
Woodford Green (B)			591	£91,030
South Woodford (C )			232	£35,734
Barkingside (D)			227	£34,964
Newbury Park (E)			415	£63,921
Wanstead (F)			671	£103,352
Redbridge (G)			305	£46,978
Chadwell (H)			320	£49,289
Goodmayes (J1)			109	£16,789
Seven Kings (J2)			1,080	£166,350
Loxford (K)			418	£64,384
<b>Total</b>	<b>5,022</b>	<b>£773,528</b>	<b>9,639</b>	<b>£1,484,672</b>

## New Permits and Ongoing Administration Costs

- 4.8 Additional resources will be required to issue vehicle permits for the new parking bays. The administration costs, which include resources and overheads, are calculated on numbers of permits issued and a staff administration cost.
- 4.9 The figures in Table 4.2 have been calculated on the following assumptions:
- 129% of permit bays will be used by first permit vehicles and 14% of permit bays will be used by subsequent permit vehicles. Please note that whilst this means there are more permits issued than there are bays, this is not unusual. It is expected that not all vehicles holding permits will be parked at the same time during the operational hours. Outside the operational hours there is additional parking available where the yellow lines are;
  - 10% of the bays will be designated for business use; and
  - The resource cost per permit issued is £10.
- 4.10 The likely numbers of permits issued is calculated at approximately 2.45 per bay. Based on this ratio, the figures in Table 4.2 show that the administration cost of issuing 13,380 vehicle permits in the new and existing zones would be in the region of **£138,800**. Again the zones with more bays will cost more to administer.

Table 4.2 – Estimated administration cost for Issuing Permits

Zone	Option Two		Option One	
	Number of Permits Issued	Administration Cost	Number of Permits Issued	Administration Cost
Hainault (1)	615	£6,149	615	£6,149
Woodford (2)	566	£5,659	566	£5,659
Snaresbrook (3)	677	£6,768	677	£6,768
Redbridge (4)	1,613	£16,128	1,613	£16,128
Barkingside (5)	995	£9,950	995	£9,950
Newbury Park (6)	713	£7,128	713	£7,128
Gants Hill (7)	446	£4,464	446	£4,464
Ilford (8)	1,607	£16,070	1,607	£16,070
Hainault (A)			359	£3,586
Woodford Green (B)			851	£8,510
South Woodford (C )			334	£3,341
Barkingside (D)			327	£3,269
Newbury Park (E)			598	£5,976
Wanstead (F)			966	£9,662
Redbridge (G)			439	£4,392
Chadwell (H)			461	£4,608
Goodmayes (J1)			157	£1,570
Seven Kings (J2)			1,555	£15,552
Loxford (K)			602	£6,019
<b>Total</b>	<b>7,232</b>	<b>£72,316</b>	<b>13,881</b>	<b>£138,801</b>

## Cost of Processing PCNs

- 4.11 The primary cost associated with the processing of PCNs is resources and overheads. As with enforcement, the cost estimates are based on the level of income from PCNs issued in the existing residents permit zones (Yellow Zones) and the resource cost.
- 4.12 In the last financial year (2008/09) 27,070 PCNs were issued that are potentially collectable. With approximately 2,174 bays, each bay has an average 2.45 PCNs issued.
- 4.13 The staff cost of processing a PCN is estimated at £7.50. This is based on information provided by the LB of Redbridge.
- 4.14 Table 4.3 details the expected costs of processing the PCNs for Options one and two.

**Table 4.3 – Estimated Costs to Process the PCNs**

Zone	Option One		Option Two	
	Number of PCNs Issued	Processing Cost	Number of PCNs Issued	Processing Cost
Hainault (1)	5,317	£39,877	5,317	£39,877
Woodford (2)	8,604	£36,701	8,604	£36,701
Snaresbrook (3)	13,946	£43,892	13,946	£43,892
Redbridge (4)	3,860	£104,594	3,860	£104,594
Barkingside (5)	5,852	£64,531	5,852	£64,531
Newbury Park (6)	6,164	£46,227	6,164	£46,227
Gants Hill (7)	4,894	£28,950	4,894	£28,950
Ilford (8)	13,896	£104,221	13,896	£104,221
Hainault (A)			3,100	£23,254
Woodford Green (B)			7,359	£55,192
South Woodford (C)			2,889	£21,666
Barkingside (D)			2,827	£21,199
Newbury Park (E)			5,167	£38,756
Wanstead (F)			8,355	£62,663
Redbridge (G)			3,798	£28,483
Chadwell (H)			3,985	£29,884
Goodmayes (J1)			1,357	£10,179
Seven Kings (J2)			13,448	£100,859
Loxford (K)			5,205	£39,036
<b>Total</b>	<b>62,532</b>	<b>£468,993</b>	<b>120,022</b>	<b>£900,164</b>

## Annual Maintenance costs

- 4.15 This has been calculated as an annual cost of 10% of the implementation costs of the works and will be £2,928.
- 4.16 There is more detail on the maintenance costs in section 5.

## Summary of Operational Costs

- 4.17 A summary of the operational costs following the implementation of both Option One and Two is shown in Table 4.4.

**Table 4.4 – Summary of Costs**

	<b>Option - 1</b>	<b>Option – 2</b>
Enforcement Cost	£773,528	£1,484,672
Administration Cost	£72,316	£138,801
Processing Cost	£468,993	£900,164
Maintenance Cost	£23,599	£44,040
<b>Total Operational Cost</b>	<b>£1,338,436</b>	<b>£2,567,677</b>

## 5. Implementation

5.1 This section discusses and explores the options for implementing the new and improved zones, referring to the financial data outlined in Sections 3 and 4.

5.2 There are two options for implementation identified:

- Option One outlines the implementation of improving eight of the existing zones in the Borough as described in Section 3 and 4. The implementation of this option is phased over four years.
- Option Two outlines the implementation of the improved existing zones, as in Option One as well as the implementation of 11 new zones identified in consultation with LB Redbridge.

### Stages of full CPZ implementation

5.3 In order to fully appreciate the timescales associated with implementation, the CPZ process, from inception to implementation needs to be understood. A typical CPZ process is detailed below.

#### Stage 1: Feasibility Study Phase 1, Initial Prioritisation

5.4 An initial feasibility study should be carried out where a request as been received from members of the public or may have been identified by an officer. This could be owing to issues arising from poor or inadequate parking controls, for example; there are high levels of congestion or an area is heavily parked and potentially a safety hazard.

5.5 The feasibility study is assessed against an agreed set of criteria for the Borough and varies depending on the Borough's individual priorities and hierarchy of need.

#### Stage 2: Feasibility Study Phase 2, Baseline Studies and beat surveys

5.6 The scheme will then be taken forward into Stage Two where a programme will be developed for carrying out a detailed assessment of the feasibility of the prioritised locations identified in Stage One. This will include establishing the supply and demand for parking, by conducting parking beat surveys and site assessments.

5.7 This stage should identify main issues in each area to take forward and addressed in the next stage, with photographic evidence.

#### Stage 3: Two-stage Consultation and Scheme Design

5.8 An initial public consultation should be undertaken for the areas identified in Stage Two. The intention of the initial consultation is to gauge the residents' and businesses support for a parking scheme. The outcome will assist in establishing a forward programme prioritised on the degree of support expressed in different areas. Consultation at this stage only involves asking people whether they want a CPZ scheme to address the existing parking issues in their area, or not.

5.9 Based on the findings from the initial consultation, a series of proposals for CPZ schemes are be developed for each location including outline costs for implementation.

5.10 A further consultation is carried out on the proposed schemes. Based on the findings from the consultation, the schemes might be modified and taken forward to the next stage of development.

## Stage 4: Traffic Management Order (TMO) Advert

- 5.11 This stage involves the preparation of the Statement of Reasons, the Form of Authority and the drafting of the TMO. It also involves managing contact with the public and resolving/addressing objections raised.

## Stage 5: Implementation

- 5.12 Construction drawings are prepared to enable the appointed contractor to implement the layout on site. The drawings include the sign schedules as well as lines and signs drawing, which specifies the location of bays and signs. Implementation also involves site supervision.

## Stage 6: Monitor and review scheme

- 5.13 The schemes need to be reviewed after six months. This is to establish if there are any improvements that can be made to the scheme design and that the scheme still meets current requirements.
- 5.14 During the six months following implementation the scheme should be monitored and this should include recording complaints and any suggested changes.
- 5.15 It is also advisable to set up a financial monitoring mechanism to include income from the PCNs, permits and any pay and display areas, as well as the costs of the scheme including PCN processing, permit processing, enforcement and the costs for the cash collection and maintenance of the pay & display machines.
- 5.16 Furthermore, a robust analysis of the PCNs issued over the period detailing
- The number of PCNs issued;
  - How many PCNs have been paid;
  - Cancellation rates;
  - How many representations and appeals have been received and
  - A compliance record.
- 5.17 Regular on-site surveys should be carried out to establish that the objectives of the scheme have been met as well as to identify any improvements that could be made. It is recommended that a check sheet is devised for each scheme for this purpose and that photographs of the scheme in operation are taken to compare with the photographs taken in stage two.
- 5.18 The residents, businesses and other users of the scheme should be consulted so that their views for improvement can be considered.

## Stage 7: Amending the design

- 5.19 Once the improvements to the scheme have been identified in Stage six, the amendments can be made to the scheme design.
- 5.20 The TMO would have to be re-advertised with the amendments and then the changes can be made on-street.
- 5.21 The costs of reviewing each scheme should be estimated and budgeted for before the scheme is implemented.

# Costs of implementation

## Capital costs

- 5.22 This section looks at the costs of implementing the proposed schemes for Option One and Option Two and includes estimates for:
- Signing and lining associated with the implementation of the parking bays; and
  - Staff costs.
- 5.23 Costs for the signing and lining have been estimated using contractor information provided by LB Redbridge:
- Cost of yellow kerb lining is £0.40/m;
  - Cost of white lining to demark a bay is £0.45/m;
  - Cost of signing has been estimated at 30% of signing and lining costs, based on other project findings; and
  - Cost to install a bay in a new zone is £4.56 (total), a typical bay length being six metres.
- 5.24 The cost of the works has been based on the above costs that have been supplied by LB Redbridge. These are the current costs that LB Redbridge has when implementing new zones in the Borough.
- 5.25 The costs for the new implementations outlined in the Report have been calculated by estimating the length of kerb space marked out with the number of bays outlined in Section 3, at six metres per bay, with the remaining kerbs space being designated as yellow lines. The signs for the bays have then been estimated based on a 30% ratio of the lining costs, which has been based on other project findings.
- 5.26 There is the additional cost of advertising the TMO for each zone, which is estimated at £4,000 for each zone.
- 5.27 Table 5.1 summarises the costs of implementation.

Table 5.1 – Potential Implementation Costs

Zones	Option - 1	Option – 2
Hainault (1)	£24,034	£24,034
Woodford (2)	£35,986	£35,986
Snaresbrook (3)	£44,765	£44,765
Redbridge (4)	£17,369	£17,369
Barkingside (5)	£23,269	£23,269
Newbury Park (6)	£27,259	£27,259
Gants Hill (7)	£28,356	£28,356
Ilford (8)	£66,950	£66,950
Hainault (A)		£15,683
Woodford Green (B)		£31,357
South Woodford (C )		£12,444
Barkingside (D)		£13,307
Newbury Park (E)		£23,500
Wanstead (F)		£28,422
Redbridge (G)		£17,154
Chadwell (H)		£19,036
Goodmayes (J1)		£9,122
Seven Kings (J2)		£54,746
Loxford (K)		£23,641
<b>Total</b>	<b>£267,989</b>	<b>£516,400</b>

## Borough Staff Costs for Implementation

- 5.28 Option One: Atkins anticipates that the resources required to implement Option One will be one engineer (£35,900, including on-costs), one senior engineer (£38,500, including on-costs) and one third of a team managers time (£17,000, including on-costs). This is a total of £81,000 per year.
- 5.29 Option Two: Additional resources would need to be available for this to be completed. Atkins estimates that the programme would require three engineers (£107,700, including on-costs), two senior engineers (£77,000, including on-costs) and one team manager (£51,000, including on-costs), to manage the programme and budgets. This is a total of £204,500 per year.
- 5.30 Option One is phased over four years to implement eight new zones. It is anticipated that the consultation process could take longer; therefore it will take more resources to implement each zone than in Option Two. The average resource cost per zone for Option One is £49,500.
- 5.31 As Option Two is a more challenging implementation programme, it is anticipated that the consultation process could be shortened. Therefore, it is anticipated that the resource costs for each zone might be reduced to £34,000.

## Implementation Programmes

- 5.32 Option One: It is recommended that this option is implemented over a period of four years. This will mean that the costs of implementation can be spread over the period, reducing the amount of funding that would have to be sourced each year.
- 5.33 However, it could also mean that the potential income from the schemes might also be realised over the same period.
- 5.34 It is anticipated that the resources required for this option will not mean an increase in the staffing levels.
- 5.35 Option Two: This option is the maximum that can be achieved and could be implemented over three years. This is an ambitious programme, but one that is achievable with the right level of resources being in place.
- 5.36 However, this programme does mean that more funding will have to be found to fund the first year. The surplus from each subsequent year could be used to fund the following years programme.
- 5.37 The surplus income that can be achieved from this option and programme period is substantial. However, this is an ambitious programme and carries a high risk of slipping on timescale, which will subsequently lead to the potential income from the schemes not being achieved in the three years identified in the programme tables.
- 5.38 There is an implementation programme for each option available, detailing the time period on the estimated costs and income.

## Maintenance Costs

- 5.39 Atkins has assumed that all road markings have a service life of 5 years and all signs and posts have a service life of 15 years.
- 5.40 In the next 15 years, road markings should be replaced twice, in 2014 and 2019 but signs and posts do not require any replacement in the next 15 years.
- 5.41 There are two sets of maintenance costs in the next 15 years, each representing a cost to replace all road markings in different years.

- 5.42 In order to calculate the value of the whole scheme in 2009, the maintenance costs have been calculated to be approximately 10% of the works implementation costs. Table 5.2 shows the costs per annum for each zone when in operation.
- 5.43 The maintenance of the schemes is paramount to ensure that the controls can be enforced to maximise the revenue and surplus.
- 5.44 The implementation plan in Table 5.2 shows the maintenance costs of the life of the implementation programme for each option.

Table 5.2 – Potential maintenance Costs

Zones	Option – One		Option – Two	
	Implementation Cost	Maintenance Cost	Implementation Cost	Maintenance Cost
Hainault (1)	£20,034	£2,003	£20,034	£2,003
Woodford (2)	£31,986	£3,199	£31,986	£3,199
Snaresbrook (3)	£40,765	£4,076	£40,765	£4,076
Redbridge (4)	£13,369	£1,337	£13,369	£1,337
Barkingside (5)	£19,269	£1,927	£19,269	£1,927
Newbury Park (6)	£23,259	£2,326	£23,259	£2,326
Gants Hill (7)	£24,356	£2,436	£24,356	£2,436
Ilford (8)	£62,950	£6,295	£62,950	£6,295
Hainault (A)			£11,683	£1,168
Woodford Green (B)			£27,357	£2,736
South Woodford (C )			£8,444	£844
Barkingside (D)			£9,307	£931
Newbury Park (E)			£19,500	£1,950
Wanstead (F)			£24,422	£2,442
Redbridge (G)			£13,154	£1,315
Chadwell (H)			£15,036	£1,504
Goodmayes (J1)			£5,122	£512
Seven Kings (J2)			£50,746	£5,075
Loxford (K)			£19,641	£1,964
<b>Total</b>	<b>£235,989</b>	<b>£23,599</b>	<b>£440,400</b>	<b>£44,040</b>

## 6. Implementation Risks

6.1 Options One and Two have been selected for assessment as low risk and high risk approaches. The following paragraphs outline the key potential risks to adopting each and comments on some mitigation measures that could be adopted. This is not a formal risk approach and none of the risks are quantified or ranked.

6.2 The main risks associated with Option One are as follows:

- Projected income not achieved - the projected income is based on the income achieved from the existing zones and it is considered that this should be achievable. More detailed analysis will add further reliance on the assessment;
- Projected operational costs are exceeded – the projected costs are also based on the costs from the existing zones and are considered reasonable;
- Projected implementation costs are exceeded – the implementation costs used are drawn from data supplied by LB Redbridge. These costs appear to be low and this needs to be reviewed. Whilst an increase in costs will impact the short term budgets, the annual surplus identified is still likely to be substantially more than the implementation costs; and
- Projects fees for implementation are too low – the fees are based on a reasonable resource level rather than the capital costs because of concerns over the cost rates used. The zones are projected for implementation at the rate of two per year which should allow time to achieve the necessary negotiations and project support.

6.3 The main risks associated with Option Two are as follows:

- If the projected income not achieved – the projected income is based on the income achieved from the existing zones but with an increase of 20%. This is the maximum that was felt could be achieved, but even so, this is likely to result in significant opposition especially in a period of low economic growth;
- Implementation programme is challenging – the programme assumes that six zones are implemented each year. This is very optimistic and it is likely that at least some will be delayed. This will impact on both the implementation costs and on the short term revenue returns;
- If the projected operational costs are exceeded - the projected operational costs are based on the costs from the existing zones and are considered reasonable;
- If the projected implementation costs are exceeded - the implementation costs used are drawn from data supplied by LB Redbridge. These costs appear to be low and this needs to be reviewed. Whilst an increase in costs will impact the short term budgets, the annual surplus identified is still likely to be substantially more than the implementation costs; and
- Projects fees for implementation - the fees are based on a reasonable resource level rather than the capital costs because of concerns over the cost rates used. However, the zones are projected to be implemented at the rate of six per year. This rate of implementation is very optimistic and it is possible that a number of schemes will be delayed through the implementation process. If this is the case then the implementation fees will increase as the schemes are delayed.

6.4 There are also risks for both options:

- The recruitment of resources with the relevant skills. This has historically been difficult across London to recruit engineers with the relevant skills and experience in implementing controlled parking zones.
- The programme could go behind schedule both in time and over budget depending on the objections received during consultation. If there are any substantial objections that could be upheld this could delay any scheme significantly.
- Seeking member approval has in the past been difficult. The ideal situation would be to approve the whole programme to go ahead at the start; this would provide support of the programme and the continuous implementation.

## 7. Summary and Way Forward

7.1 The Stage Two report has explored two options of achieving additional income for LB Redbridge:

### Option One

7.2 This option is based on determining the income, costs and potential surplus that could be achieved by improving the existing zones in LB Redbridge.

7.3 The report has proposed improving eight of the existing parking zones, which currently do not have permit bays and as such, there is no permit income from these zones. Therefore, by redesigning these zones to designate additional permit bays there could potentially be increase the income.

7.4 The charges for permits and the on and off-street charges have been reviewed and compared to other boroughs in London. The outcome of this is that they are comparable with the other boroughs in the review and as such is it recommended that the charges are not increased for Option One.

7.5 The expected income and on-going operational costs and costs for implementation have been drawn together based on the existing operational residents' zones in the Borough.

### Option Two

7.6 This option has considered how an additional £4 million income could be achieved.

7.7 In addition to improving eight of the existing parking zones referred to in Option One, 11 new zones have been identified, in consultation with LB Redbridge CPZ Manager.

7.8 An implementation plan has been provided, with a financial mechanism to take in to account the costs of implementation, operational costs, income from PCNs, income from the permits and the income surplus.

7.9 In addition to the new implementations, the charges for on and off-street parking and permits have been increased by 20%. However, this does not guarantee a 20% increase in income, as users may no longer be willing to pay these fees and make other choices.

7.10 At the outset of this report, the aim for this option was to set out how to raise an additional £4 million surplus. This option does not fully achieve this, with the stated surplus of **£3,364,359**. However, to attempt to move beyond this would either require a further increase in the number of zones beyond those already identified or an unrealistic rise in the permit and parking charges.

7.11 For the purpose of this Option, these charges have been increased by 20% above inflation.

### Summary

7.12 The options that have been explored and discussed throughout the report are two of possibly hundreds of scenarios. Option One is based on a minimum implementation and Option Two is based on a maximum implementation.

7.13 The mechanisms for adjusting the options are available and allow the flexibility for LB Redbridge to take forward the ideal option of their final strategy for cabinet approval. The mechanisms are set up in a way to allow additional options to be assessed quickly and simply.

7.14 Table 7.1 summarises the income, the costs and the potential surplus that can be expected annually once the implementation of the option has been completed. The implementation costs have not been included so that the income surplus from both options is clear.

Table 7.1 – Summary comparisons of the revenues

Description	Option - 1	Option - 2
<b>Incomes</b>		
Potential Income from Permits	£490,897	£1,130,648
Estimated Income from PCNs Issues	£2,189,592	£4,202,604
Potential Income from P&D Machines	£69,100	£82,920
Car Park Income	-	£515,864
<b>Total Income</b>	<b>£2,749,589</b>	<b>£5,932,036</b>
<b>Operational Costs</b>		
Enforcement Cost	£773,528	£1,484,672
Administration Cost	£72,316	£138,801
Processing Cost	£468,993	£900,164
Maintenance Cost	£23,599	£44,040
<b>Total Operational Cost</b>	<b>£1,338,436</b>	<b>£2,567,677</b>
<b>Surplus Income</b>	<b>£1,411,153</b>	<b>£3,364,359</b>

- 7.15 The democratic process and public consultation could delay the implementation programme. It is important that the final programme is agreed and supported by cabinet, with the intention that the scheme implementation programme cannot be halted by objections either by cabinet or public consultation.
- 7.16 It is recommended that the capital funding for the programme in its entirety is agreed before programme is rolled out. This will maintain the continuity of the programme and ensure that it is completed on schedule.
- 7.17 By improving the footway exemption markings on-street and the records of the footway exemption locations would mean that additional PCNs could be issued, increasing the income from PCNs, as well as improving safety by improving compliance on this contravention and reducing costs of maintaining the footways and insurance claims from trips or falls.
- 7.18 There is a need to establish dedicated resources to the programme and to ensure the delivery of the programme on schedule and within budget. The resource establishment needs to be agreed for the whole period of the programme.
- 7.19 The Civica parking software system has now been upgraded. This will facilitate the Parking Team to improve their management reporting, allowing for regular reviews, benchmarking and making improvements to the service.
- 7.20 The enforcement contract is due to be re-let in 2010. It is anticipated that this will mean an increase in the costs of enforcement. This needs to be considered when reviewing the financial summary in Table 7.1.

## Way forward

- 7.21 Whilst Option Two appears to generate a high turn-over and ultimately a high surplus, there are some risks as detailed in Chapter 6; summarised below:
- Increasing the parking charges by 20% will not necessarily materialise in an increase of 20% income;
  - The implementation programme schedule is challenging. Meeting the timescale of implementing this programme in three years is challenging and would be reliant on the skills resource being available;
  - The on-site works charges are based on the current contract charges that LB Redbridge use. These charges in the current contract are considered to be very reasonable; and
  - The potential number of bays and permit take up have been based on surveys carried out by driving around in a vehicle. Whereas, in reality, following beat surveys and accurate measuring and consideration for safety the numbers of bays may reduce to those in the estimate as well as the permit take up not being as high a level as that in the existing zones.
- 7.22 Option One is considered to be the reasonable approach to take. However, it is also recommended that consideration is given to consider the implementation of some of the potential new zones identified in Chapter 1.
- 7.23 The financial mechanisms developed throughout this report will provide the tools to carry out variations of both options to establish the potential income and costs from various options.