

REDUCTION IN CAR PARKING INCOME TFG – BACKGROUND NOTES

Revenue and Capital Budget Monitoring Report to end of February 2017

Car Parking Income - Overall the forecast remains unchanged at a shortfall in parking income of £0.830m. This is offset by the use of the (£0.300m) from the parking reserve and (£0.330m) from the alternative budget provision and £0.200m being reflected in the forecast. Any further changes to the parking income forecast are likely to be small in the remaining forecast period, however should the downward trend continue into 2017/18 there will be an impact on the Parking Account surplus and potentially the General Fund Position.

Minute BS46 Refers (23/03/17)

- There had been a decrease in expected parking income as fewer people appeared to be coming into Central Milton Keynes and paying to park. This drop in parking income covered the Christmas 2016 period which had not been as busy as in previous years;

Resolution

That the Scrutiny Management Committee be requested to consider the possibility of carrying out an investigation into the reasons for the drop in parking usage, and the consequent drop in parking revenue, in Central Milton Keynes.

Reported to Budget Scrutiny Committee on 23 March 2017

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### **2016/17 Revenue and Capital Budget Monitoring Report as at 31 March 2017 – presented to Cabinet on 13/06/17**

- Car Parking Income (£1.130m overspend) – overall income from on-street and off-street parking was down by £0.920m and costs were £0.210m over budget due to additional NNDR charges and one-off car parking machine upgrades. This was partly offset by £0.300m from the parking reserve and revenue funding of £0.330m set aside to repay borrowing for the new multi storey car park in future years. Whilst parking occupancy in the business areas remains high, that around the shopping areas reflects the national trend of reduced footfall in shopping centres due to changes in shopping habits and a consequent fall in parking income.

*Reported to Cabinet on 13 June 2017*

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2017/18 Revenue Budget Monitoring Report – Period 3 (to 30 June 2017):

£0.200m less car parking income due to fewer pay and display car park users,

Car Parking Income - net parking income is forecast to be £0.200m below budget, after the planned use of £0.300m from the car parking reserve. Car parking income trends will continue to be carefully monitored to assess whether any changes to parking charges should be made based on user behaviour.

Reported to Budget Scrutiny on 18 July 2017

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## **Electric Vehicle Usage in MK Trebles** **MK Citizen - Friday 14 October 2016**

“The number of electric vehicle (EV) users in Milton Keynes has increased by over 300% in the last few months trebling the number of EV users from 220 to 661.

In January 2016 the Council was awarded Go Ultra Low City status which through funding support from central government for infrastructure is designed to increase the use of EVs in the city.

Milton Keynes has over 170 standard and 56 rapid charging points with more being installed in the near future.

July saw the launch of the new ‘Green Parking Permit’ for ultra-low EVs which allows them to park for free in purple bays, the red/black employee spaces (Mon-Fri) and in the specified EV spaces. To date the council has issued 157 permits.

The Green Permit is free if your vehicle fits the criteria of producing 75g/km or less of CO<sup>2</sup>.

Chargemaster, who run the vehicle charging points across MK, recorded an increase in their usage which was four times the previous figure.

These latest figures indicate that EVs are becoming more popular in MK and less of a niche choice by motorists.

Cllr Liz Gifford, Cabinet Member for Transport said ‘These latest stats are very encouraging and show that people are turning more and more to electric vehicles.’

‘It’s important to us to reduce our carbon footprint as much as possible and these ultra-low vehicles are the way to do just that.’

David Martell, Chief Executive of Chargemaster PLC, the operators of the Milton Keynes charging network, commented:

‘The policies of Milton Keynes Council encouraging electric vehicles are clearly working. By having a high quality network of charging points, low cost electric charging and with free parking in many areas Milton Keynes is a great place to own an EV.

‘In addition the new initiatives under the Milton Keynes Go Ultra Low plans will keep this momentum going helped by many new electric models coming along from key manufacturers like VW, BMW, Jaguar and Audi. This all bodes well for a high proportion of electric vehicles in Milton Keynes over the next decade which will keep emissions low and air quality at a high level.’”

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## **Milton Keynes Earns £13.8m from Parking Charges** **MK Citizen: 23 August 2017**

“Milton Keynes Council is raking in more from parking charges than most local authorities in the country.

A new national analysis of parking income figures from the RAC puts MK as the eighth highest earner outside London. And the city’s current £13.8 million a year remuneration has risen by 16 per cent – the second highest amount in the UK since 2015. But MK Council, which increased some of its charges by up to 31 per cent this year, insists it is not being greedy. The higher than average income is simply because the city has a much higher than average number of parking spaces, said council leader Pete Marland. He said: ‘The overall level of income Milton Keynes Council generates is determined by the very large number, over 22,000, of car parking spaces we directly control as an authority, not because of high charges. Our parking is still one of the cheapest in the

country for a major city.’ He added: “The apparent increase in 2015/2016 was due to us reducing some discounts given on permits, not an increase in charges, which the council has frozen for visitors and shoppers for two years’.

The RAC this month published figures for every local authority in the UK and these figures were analysed by personalised number plate provider Click4reg.co.uk. The highest earner from parking was Brighton and Hove, which reaps a massive £28.7m a year. Second was Nottingham, where parking charges generate £20.9m.”

### **Council Parking 'Profits' in England Reach £667 Million**

*(based on 2013/14 figures so not really up to date)*

“English councils have made another record surplus from their parking activities.

In 2013-14 councils in England generated a combined ‘profit’ of £667 million from their day to day, on and off street parking operations.

This is a 12% increase on the 2012-13 amount of £594 million. £296 million (44%) of the overall total was generated by councils in London.

Although not all councils made a large surplus, very few lose money on their parking activities. Just 55 (16%) of the 353 parking authorities in England reported negative numbers.

The figures are calculated by adding up income from parking charges and penalty notices, then deducting running costs.

While some of the increase in surplus is down to rising income, there is also evidence that many councils are cutting operating costs sharply; for England as a whole councils’ operating costs for on-street parking have dropped 10%.

Even after allowing for capital charges (interest and depreciation), the combined surplus in 2013-14 was still £549 million.

This is a 19% increase on the £460 million figure for 2012-13. (A link to the full report with tables of all councils is lower down.)

The data, analysed for the RAC Foundation by transport consultant David Leibling, comes from the statutory annual returns that councils make to the Department for Communities and Local Government.

The authority with the largest surplus in 2013-14 was, once again, Westminster with £51 million. The five biggest earners were all London authorities with only Brighton and Hove, and Nottingham breaking into a top ten dominated by councils in the capital.

Professor Stephen Glaister, director of the RAC Foundation, said:

‘Parking profits seem to be a one way street for councils having risen annually for the last five years. Yet over the same period spending on local roads has fallen about a fifth in real terms.

‘We understand the pressures councils are under with their overall income still falling and the level of services they have to provide in such areas as social care rising rapidly.

‘One sign that the escalation in parking profits might be coming to an end is that much of this year’s increase comes not from growing income from penalties and charges but cuts in the cost of parking operations. This suggests local authorities are making efficiency savings and should bring some good news to both drivers and council tax payers.

‘The bottom line is that parking policy and charges must be about managing traffic not raising revenue.’”

This is a link to the source data:

<https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>

## **Significant Drop in Parking Income in Milton Keynes MK Citizen – 25 October 2017:**

“A massive £1 million drop in the council’s income from parking charges has proved motorists are voting with their feet – or at least their steering wheels.

The reduction has been put down to fewer people visiting centre:mk, where the £2 an hour premium rate parking is the council’s biggest earner. It’s caused city Conservatives to issue a major ‘I told you so’ to the Labour administration. “We have always warned against high parking charges because we think there is a point at which people simply will not pay, and will steer clear of visiting the area,” said Tory Councillor Edith Bald.

Last year the Council earned £13.8 million a year from its 22,000 parking spaces – a rise of 16 per cent from 2015. Last year, though they decided to freeze premium and standard rate fees, they imposed hefty increases for many employees and permit holders.

Each year much of the cash is ploughed back into bus subsidies, concession fares, and highway improvements. The drop in income will have a severe impact on these services, say the Tories. Labour have now set up a special task and finish group to examine why projected profits are so low.

Council leader Pete Marland said: ‘We haven’t put up standard or premium parking charges for a few years now and did not increase the cost of standard employee permits last year. However the trend is that more people are shopping online and working from home. The main fall has been in premium bay income, and even that is still one of the cheapest rates anywhere in the country for a major city centre.’”

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Current Parking Charges in Milton Keynes

<https://www.milton-keynes.gov.uk/highways-and-transport-hub/parking/parking-updates-and-other-information>

The Council has approved a new parking charges fees structure where vehicles emitting less carbon will be charged less for parking than those with higher carbon emitting engines. These changes will support the Council’s low carbon commitments; these aims are to reduce congestion, improve air quality, decrease carbon emissions and increase usage of public transport into the city centre. Charges which will be effective from 1 April 2017.

The reasons for this pricing structure are to put each charge (tariff) into context with all others with charges being lowest for the most environmentally friendly and least congestion modes while the highest demand parking attracts relatively higher charges.

List of Charges

Permit type	Previous Charge from 18/05/15	Charge from 01/04/17	Comments
Premium Parking @ £2 ph X 8hr day X 225 working days year	£3,600 pa	£3,600 pa	It is unlikely this charge is ever incurred (other than as a non- resident commuter who is unable to find a commuter space for £10pd/£2250 pa)
MK Resident Commuter Permits	£1,125 pa	£1,688 pa	Increase from £5 to £7.50 per day (Standard charge is £10 pd)
Standard Parking @ 50pph X 8 hr day X 225 working days per year	£900 pa	£900 pa	It is unlikely this charge is incurred as if in CMK this frequently, a concessionary employee permit would be used
Single-Occupancy Vehicle Employee permit (formerly called CMK employee permit)	£540 pa	£630 pa	Popular CMK employee concession available in permit or RingGo, part time versions also available pro rata
Low Carbon Vehicle Permit (per vehicle) (formerly called Green permit)	£75 pa	£195 pa	Increase to 31% of cost of employee permit to improve focus on Low Carbon and EV technology
Multi-Occupancy Vehicle Permit (formerly called Car Share permit)	£30 pa	£80 pa	Based on the fact that car sharing holds inherent savings (fuel and parking) already. Conditions needed to permit single occupant use e.g. for holidays/other absence
Electric Vehicle permits	£0 pa	£0 pa	Terms of Central

£0 set to £0

Government £9M grant given partly on basis of offering this permit free of charge for 3 years

Sundry Changes	Previous Charge	Charge from 1 April 2017	Comments
Charges for Coach Parking	£0	£10 per coach per visit	Proposal that coaches pay to park when visiting the shopping centre.
Theatre Multi-Storey Car Park	From 01/11/14: 20p per hour	40p per hour	Increase of 20p per hour. Parking available in 4 hour slots.
Removal of Employee Scratch-cards	£2.40 per scratch-card	N/A	RingGo cashless alternative available

How this affects Milton Keynes Resident Commuter Permit Holders?

The charge of the commuter permit has changed from £5 per day to £7.50 per day. This brings the charge in line with the private commuter parking operators.

How this affects Central Milton Keynes Employee Permit Holders?

These changes are part of a long term change to employee parking patterns and mean that the value of an employee parking permit will change from £2.40 per day to £2.80 per day. Part time permits have also increased pro-rata, depending upon the number of hours worked per week.

The change applies to all forms of employee permit concession including annual, monthly and daily via RingGo.

Cardboard scratch-cards have also been taken out of service although daily payment via RingGo will remain as an alternative (existing supplies if scratch-cards will be honoured). This still allows for flexible working practices and also payment after an available parking space is found. Further details on RingGo can be found at www.milton-keynes.gov.uk/streets-transport-and-parking

How this affects Green Permit Holders?

The Green Parking Permit offers a 31% discount compared to the cost of a standard employee permit, so providing extra value for money for those who drive a vehicle emitting between 76g and 100g CO2 per km driven.

This will mean that the charge for Green parking permits is £195 in 2017/18 and £315 in 2018/19.

Ultra-Low Emission Vehicles (ULEV), including all electric vehicles that emit under 75g CO2 per km driven will remain eligible for a free parking permit.

This proposal is intended to support the uptake of ULEV's and recognises that since the introduction of the Green permit in 2011, vehicle emission technology has improved significantly. The council's wider strategy is to encourage further take up of electric vehicle technology for which recent grant funding has been made available for both private vehicle and public transport initiatives.

How this affects Car Share Permit Holders?

Car share parking permit charges have increased from £30 per person per annum to £80 per annum in 2017/18 and £130 per annum in 2018/19.

Car share permits will continue to allow parking in over 11,000 parking spaces throughout Central Milton Keynes.

How this affects employee scratch-card users?

The sale of employee scratch-cards ceased on 31 March 2017. Those already in circulation will be honoured until their expiry. Users can gain the same benefits by switching to the RingGo cashless parking system, which works as a virtual scratch-card <https://www.myringgo.co.uk/miltonkeynes>

How this affects Theatre multi-storey car park users?

From 1 April users of the Theatre multi-story car park will be required to pay 40p per hour, available in 4 hour slots (£1.60) to park in this ParkMark secure car park.

New Multi-Storey Car Park Given Cabinet Approval

In January 2017, Cabinet gave approval to build a c700 space Multi-Storey Car Park in A3 (near the station – see [map \(PDF, 3.3MB\)](#) for location). This is subject to the planning process but expected to open in October 2018.

Changes to Peak Permit Parking

Following a review of the Peak Permit bays adjacent to the Milton Keynes Council Civic Offices on Saxon Gate East the bays have been amended to purple standard bays.

Changes to Electric Vehicle Parking Permits

To support and encourage the use of ULEV (Ultra Low Emission Vehicles), Milton Keynes Council has agreed to remove the normal fee for Green Parking Permits for certain vehicles parking in Central Milton Keynes as from 7th July 2016. The permit will allow ULEVs to park for free in the standard charge (purple bays). Charges still apply to premium (red) bays. The parking restrictions for charging bays remain unchanged, and the vehicles will need to be charging in certain Electric Vehicle bays – please check the signage to confirm which bay you are parked in.

To qualify for the free permit, the vehicle must be classified as a ULEV in line with the criteria set by the [Office for Low Emission Vehicles \(PDF, 140KB\)](#). The criteria is that vehicles must be either wholly electric or plug in hybrids with a range of at least 15 miles on pure electric. A list of current vehicles which qualify is set out in the attached PDF document.

Please note vehicles with emissions above 76g/km but below 100g/km will need to purchase the Green Permit at a cost of £195 per annum. There is also the option to purchase a 3 monthly permit at a cost of £48.75, 6 monthly at £97.50 or 9 monthly at £146.25.

Family Friendly Bays

'Family friendly' bays are now available for those that arrive later in the day, usually due to childcare commitments. These spaces can be used by E1 (employee) permit holders after 9.15am. There are 102 of these spaces located on Silbury and Midsummer Boulevards.

Extra Standard Rate Parking Bays

There are now an extra 234 standard rate spaces as we have converted some low usage premium spaces into standard.