

**Meeting date:** 17 March 2021  
**Report to:** Cabinet Member for Environment & Highways  
**Subject/report title:** **PARKING SERVICES UPDATE**  
**Report from:** Head of Highway Management  
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**Wards affected:**

- All Wards |  Bickenhill |  Blythe |  Castle Bromwich |  Chelmsley Wood |  
 Dorridge/Hockley Heath |  Elmdon |  Kingshurst/Fordbridge |  Knowle |  
 Lyndon |  Meriden |  Olton |  Shirley East |  Shirley South |  
 Shirley West |  Silhill |  Smith's Wood |  St Alphege

**Public/private report:** Public

**Exempt by virtue of paragraph:** N/A

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**1. Purpose of Report**

- 1.1 To provide an overview of the Parking Services provided by the Council and an update on potential service improvements and efficiencies driven by the current economic climate and growth agenda.

**2. Decision(s) recommended**

2.1 The Cabinet Member is asked to:

- (a) Note the contents of the report and the performance data set out in Appendices A and B
- (b) Support the proposed move towards accepting cashless payments only in Council car parks and receive annual updates on progress.
- (c) Agree to consult on the proposed introduction of a Pay and Display management system at the M&S multi-storey car park, and bring a further report back to cabinet in July 2021, to agree the way forward.

- (d) Agree to receive a further report in July 2021, monitoring progress and feedback associated with the move towards cashless payment methods only. This report will also include details of the service's annual performance for approval to submit it to the Department for Transport in accordance with the requirements of the Traffic Management Act.

### **3. Matters for Consideration**

- 3.1 All areas of the Parking Service, which include enforcement of on-street parking restrictions and car park regulations, bus lane enforcement and removal of abandoned vehicles, have been significantly impacted by the Covid pandemic.
- 3.2 The challenges the service now face are far reaching. Firstly, the service needs to understand what the new "normal" demand for parking in our town and local centres will be and any permanent changes to how people travel to work. The service also needs to explore how best it can support economic recovery and, in doing so, deliver its services efficiently and effectively.
- 3.3 There are already a number of known changes the service will have to manage and there will no doubt be other matters arising as the country emerges from the lock-down restrictions that will become clearer over time and therefore the approach needs to be flexible and resilient to such changes.
- 3.4 The service is currently delivered in partnership with NSL Limited who, for the past 7 years, have provided a team of enforcement officers and car park staff that have continued to work throughout the Covid pandemic, ensuring the parking facilities are safe and available for use.
- 3.5 A summary of performance to the end of January across the four service areas is contained in Appendices A and B. This shows the clear impact of the Covid restrictions on car park income, number of parking penalty charge notices (PCNs) issued, bus lane contraventions and how many abandoned vehicles are being managed by the service.
- 3.6 In financial terms, whilst operating costs have been managed within budget, the pressure on income has been severely tested throughout the pandemic. Within the forecast annual adverse income impact, the vast majority of the £2.4 million is attributable to Covid-19 and emergency funding and grants from the Government will fully mitigate this. The non-Covid pressures will be managed as part of the overall Environment and Highways portfolio position.
- 3.7 Looking forward, this report discusses proposed changes to the service and seeks support for service improvements to help meet the challenges that lie ahead.

### **4. What options have been considered and what is the evidence telling us about them?**

- 4.1 **Customer demand** – The team had made excellent progress in recent years and successfully negotiated agreements with several town centre employers who rent over 500 parking spaces during the working week (Monday to Friday). However, as a direct result of the number of employees now working from home, two of our largest

customers have given notice that they will not be renewing their agreements this year.

- 4.2 These changes have been fed in to the customer demand modelling tool, developed during Covid, and together with a range of recovery strategies have produced various scenarios for income forecasts for next year. As a result, through the Council's budget setting process, the associated car park income target for 2021/22 has been realigned from £3.97m this year to £2.799m in the 2021/22 financial year to reflect the likely further on-going impacts of Covid-19 restrictions and the phased gradual but not complete recovery in income projected during the next financial year and beyond.
- 4.3 Whilst an overall reduction of £1.192m is welcomed, this may still prove to be a significant target and very much dependent on how quickly the country and local economy recover. Whilst this position will be closely monitored throughout the year, it does also highlight the need to consider other efficiencies from within the service.
- 4.4 **Move towards a cashless service** – In recent years, 85% of the income generated from customers was paid by cash. In 2020, this reduced to 52%; evidence that customers are prepared to change when they need to, as there is the facility to use to use card, telephone and app payment methods in all of our Pay and Display (P&D) managed car parks.
- 4.5 Looking at best practice, and learning from the impact of the pandemic, there is a move away from accepting cash payments and implementing cashless methods of payment only. The service plans however, at least in the medium term, to retain the ability to receive cash payments in all car parks. As part of a longer term strategy (over 3 to 5 years) and as part of the equipment replacement programme, it is proposed that the service should move towards accepting e-payments only.
- 4.6 With 94 P&D machines operating across the borough, the proposal, if supported, would see between 15 to 20 machines replaced per year, maintaining at least one machine that accepts cash payments in each car park. The extent of the savings will become clearer over time and will depend on customer reaction and take-up. However, there are opportunities for savings to be delivered as every cashless payment machine is c£1,000 cheaper than one that offers cash payments. It also costs on average £1,000 per year per machine to collect cash which will also not be required in future. In addition, there will be other smaller back office efficiencies as a result of fewer weekly cash reconciliation tasks to perform.
- 4.7 The added benefit of cashless payment machines is that customers do not have to touch the equipment and therefore, there is less risk of transmitting infection. Cleaning such machines between every customer cash transaction is not practical. Cashless machines also use less energy, meaning more of them can be converted to solar power, reducing carbon and energy costs.
- 4.8 **M&S Multi-storey car park** – The M&S multi-storey car park is the only council managed facility that is managed by a Pay on Foot (PoF) system, which has higher operating and equipment maintenance and renewal costs than P&D facilities. All other council car parks are successfully managed with a P&D plus system, which include e-payments and remote extension of time via the MiPermit App.
- 4.9 Approximately 5 years ago, as part of the Council's Medium Term Financial Strategy,

it was proposed to convert all the Council multi-storey car parks to P&D. However, following representations received in respect of the change, it was decided that the M&S facility would remain PoF. The conversion of both the Mell Square and Lode Lane multi-storey facilities to P&D has proven the change can successfully manage our larger car parks, whilst reducing operating costs and providing customers with a more enhanced and flexible level of customer service.

- 4.10** The conversion of the M&S facility would also include the ability for customers to use a variety of e-payment/contactless payment methods and also help the service reduce the risk of virus transmission in the future, which has been raised by several of our customers since the Covid pandemic started. Such a change would also remove the safety risks associated with the barrier control equipment which has contributed to at least two serious incidents in the last 3 years.
- 4.11** One of the key reasons the facility did not change previously was the close links and subsidised parking fee for shoppers. This facility can now be provided to any store in the town centre should they wish to pursue such an option through the P&D e-payment methods. However, due to the objections received previously, it is suggested that a consultation exercise is carried out, and if the change is generally supported, then it should proceed, subject to the costs (estimated to be £50,000 to £60,000) being funded through re-prioritising the services' annual operating revenue budget.

The outcome from the consultation will be brought back to this Cabinet session as soon as the process is complete, potentially July, in order that this proposal can be given further consultation.

## **5. Reasons for recommending preferred option**

- 5.1** Following the Government's announcement in respect of the road map for recovery from the Covid pandemic, the 2021/22 financial year is going to be another very unpredictable year for the service.
- 5.2** As the country starts to recover, the service needs to be ready to welcome its customers back with systems that help to build confidence and a level of safety that our customers have been asking for.
- 5.3** Rather than ceasing accepting cash payments, as some car park providers have already done, it is recommended that a phased move towards the introduction of cashless methods of payment only, over the next 3 years, is pursued.
- 5.4** As a second priority for the service, it is suggested that introducing P&D plus at the M&S multi-storey car park will deliver savings and a consistent service to customers using the council's car parks in Solihull Town Centre. However, the service is very conscious of the level of opposition this proposal received previously from Ward Members, key stakeholders and our customers. Therefore, it is recommended that the proposal should be consulted on first and the views received brought back to Cabinet so Members can give the proposal further consideration and agree the way forward.

## 6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p><b>Economy:</b></p> <ol style="list-style-type: none"> <li>1. Revitalising our towns and local centres.</li> <li>2. UK Central (UKC) and maximising the opportunities of HS2.</li> <li>3. Increase the supply of housing, especially affordable and social housing.</li> </ol>	<p>The Council's priorities have been taken into consideration when making the recommendations contained within this report. The car parks provide support to the local economy in Solihull Town Centre and it is important that these remain safe and available for visitors to access the available commercial, retail and leisure facilities.</p>
<p><b>Environment:</b></p> <ol style="list-style-type: none"> <li>4. Enhance Solihull's natural environment.</li> <li>5. Improve Solihull's air quality.</li> <li>6. Reduce Solihull's net carbon emissions.</li> </ol>	<p>The Council's priorities have been taken into consideration when making the recommendations contained within this report and there are no significant environmental implications. The move toward cashless payment only will help to reduce the Council's carbon footprint.</p>
<p><b>People and Communities:</b></p> <ol style="list-style-type: none"> <li>7. Take action to improve life chances in our most disadvantaged communities.</li> <li>8. Enable communities to thrive.</li> <li>9. Sustainable, quality, affordable provision for adults &amp; children with complex needs.</li> </ol>	<p>Safety and accessibility is at the heart of everything the Council does when considering making changes to how its car parks are managed.</p> <p>The recommendations in this report are aimed to improve the customer experience and reduce the risk of transmitting virus by coming into contact with the pay stations. They will though still have the ability to pay by cash if they prefer.</p>

### 6.2 Consultation and Scrutiny:

6.2.1 This subject is not in the recent Scrutiny Board work programme.

6.2.2 Subject to the decisions taken, appropriate consultation will then be carried out with key stakeholders, Ward members and customers using the car parks.

### 6.3 Financial implications:

6.3.1 The latest financial position for parking services is set out in Appendix A and B with the headlines regarding the forecast 2020/21 position and 2021/22 budget covered earlier in paragraphs 3.6 and 4.2.

- 6.3.2 The costs of moving towards a cashless service will be funded from a prioritisation of the services annual equipment maintenance budgets. The changes will be phased over at least 3 years, depending on reaction from our customers and any savings realised will then be fed into the council's MTFS process.
- 6.3.3 The introduction of a P&D system at the M&S facility will also reduce equipment renewal and on-going maintenance costs in the future. The actual amount will be subject to the council procurement processes and again any savings delivered will be fed into the MTFS process.
- 6.3.4 The costs to rename the M&S car park are not at this stage expected to be funded from within the services operating budgets.

#### **6.4 Legal implications:**

- 6.4.1 If approved, the conversion of the M&S car park will require an off-street parking order to be implemented thereby allowing for the introduction of the Council's Town Centre parking tariff along with its terms and conditions. There will be no change though to the cost to park in this facility as a result.

#### **6.5 Risk implications:**

- 6.5.1 The Corporate Risk Management Approach has been complied with to identify and assess the significant risk associated with this decision/project. This includes (but is not limited to), financial, political, legislation and reputation risks.
- 6.5.2 The Approach is not intended to eliminate all risks and not all the risks identified can be managed all of the time. Also, risks will still exist that have not been identified.
- 6.5.3 However, based on the information provided, no significant risks have been identified.

#### **6.6 Equality implications:**

- 6.6.1 The proposed change to the operating system at the M&S car park will bring significant benefit to people who qualify under the Blue Badge parking scheme. If implemented, the change will permit free access to blue Badge holders who currently have to pay if they wish to park in this facility.
- 6.6.2 This change, when implemented at the Mell Square and Lode Lane facilities, was well received by this group of road users.
- 6.6.3 There is not expected to be any other significant equality implications as a result of the recommendations in this report.

### **7. List of appendices referred to**

- 7.1 Appendix A – Car Park performance April 2020 to January 2021.
- 7.2 Appendix B – Enforcement performance April 2020 to January 2021.

**8. Background papers used to compile this report**

8.1 None.

**9. List of other relevant documents**

9.1 None.