

Committee(s): Planning and Transportation Committee (for decision) Markets Board (for information)	Dated: 05/03/2024 13/03/2024
Subject: City Corporation Managed Car Parks – Tariff changes	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 2, 9, 11
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Bob Roberts, Interim Executive Director Environment	For Decision
Report author: Olivia Reed, Environment Department	

Summary

Planning and Transportation and Markets Committee Members were last asked in 2020 to approve changes to car parking tariffs for the four car parks within the Environment Department (Baynard House, Minories, Tower Hill and London Wall) and the one car park within Markets (Smithfield). Members approved a three-year pricing strategy for the car parks with tariffs increased on an annual basis from January 2021 to January 2023.

This report seeks to gain approval for a change in approach going forward to an emissions-based charging system for visitors as has operated on-street in Pay & Display parking bays since 2017, and also proposes new tariff levels for a three-year period.

The changes recommended in this report take into account:

- That the City Corporation continues to seek to improve air quality and conditions for people walking and cycling through a reduction in overall vehicle traffic, as outlined in the Transport Strategy;
- That tariffs should be competitive with our neighbouring authorities & commercial operators;
- That car parks need to generate sufficient income to manage and operate the car parks, for the Environment Department.

Recommendation(s)

- **Planning & Transportation Committee** (for Baynard House, London Wall, Minories and Tower Hill car parks) are asked to approve:

- a change in approach to the car park tariff to encourage a shift towards less polluting or zero-emissions capable vehicles;
 - a three-year pricing strategy for parking charges in these public car parks as set out in paragraph 12 of this report from 2024.
- **Markets Board** (for Smithfield) are asked to note the report, as the board has delegated authority to the Smithfield General Manager, in consultation with the Smithfield Market Tenants Association to make decisions about tariff pricing within Smithfield car park.

Main Report

Background

Responsibilities

1. The City Corporation operates five public car parks in the Square Mile, four of which (Baynard House, London Wall, Minories and Tower Hill) are under the responsibility of the Environment Department reporting to Planning & Transportation Committee, with Smithfield the responsibility of the Markets Board. The Barbican Centre operates a further public car park aimed at its customers and visitors.
2. Given that all car parks are public and ideally should be aligned to the same corporate policies, hourly parking tariffs and residential parking rates in all five facilities have been aligned for several years, with the exception of specific concessionary tariffs offered at Smithfield for market traders and night-time customers.
3. P&T and Markets Board approved a three-year pricing strategy for the car parks in 2020, which increased tariffs on an annual basis from January 2021 to January 2023. Markets Board have delegated authority to change parking tariffs to the Smithfield General Manager in consultation with the Smithfield Market Tenants Association. Recommendations in this report have been proposed in discussion with Markets officers.

Policy

4. The City's Transport Strategy outlines aims and objectives around reducing both the most polluting vehicles from the City, along with achieving a reduction in overall traffic, and an increase in tariffs is in line with these objectives.
5. Emissions-based tariffs were agreed and introduced in 2017 for the City's on-street parking bays with the aim of encouraging the use of more environmentally friendly vehicles and to help improve air quality in the Square Mile.
6. With similar technology now available in the City's public car parks, it is now possible and appropriate to introduce car park tariffs, that mirror the on-street approach of emissions-based rates, reflecting age and vehicle type.
7. The City's public car parks must also seek to generate sufficient income from visitors and season tickets to cover their operational costs & overheads. On occasion, the On-Street Parking Account has been needed to cover a net loss from the service, so an increase in income will ensure this is less likely in future, particularly given payments to our contractors linked to RPI are rising faster than the central uplift in local risk budgets.

Current Position

On-street parking bays

8. On-street parking charges in the City currently operate on a flat rate by duration, with different tariffs dependent on vehicle type and age (i.e. emissions-based) during the week; Saturday morning is a flat rate for all vehicles; with motorcycles parking for free at all times. The current on-street parking tariffs are shown in the table below.

Table 1: Current On-Street Parking Bay Tariffs

Monday to Friday 8am-7pm		
Vehicle Type	per 15 minutes	per hour
Electric or hydrogen or hybrid	£1.20	£5.00
Petrol vehicles registered from 2005	£1.65	£7.20
Diesel vehicles registered from 2015	£1.65	£7.20
Other vehicles	£2.25	£10.00
Blue badge holder	Relevant vehicle tariff applies with one extra hour free	Relevant vehicle tariff applies with one extra hour free
Red badge holder	Free	Free

Saturday Sunday and Bank holidays		
Day	Period	Charge
Saturday	8am-11am	£2.00 for any duration (any vehicle)
Saturday	After 11am	Free
Sunday	All day	Free
Bank holiday	All day	Free

Car Parks

9. Off-street tariffs should be set to provide slightly cheaper rates than on-street to encourage parking in car parks reducing circulating traffic and leaving space for other priorities on-street.
10. Benchmarking against the other car parks (commercially run; NCP, Citipark) in the Square Mile and several NCPs in the City of Westminster, suggests that the City's tariffs mostly remain below those offered elsewhere (see Appendix 1), making them a relatively attractive parking option. Longer term objectives for car parks in line with the City's Transport Strategy will be considered as a strategic decision in the context of longer-term land use and traffic management decisions.

11. Current car park tariffs at Baynard House, London Wall, Minories and Tower Hill are set at a flat hourly rate weekdays and flat rate per visit after 1:30pm on Saturday and all day Sunday, for all vehicles (with the exception of motorcycles and bicycles which park for free). Commercial tickets are charged per quarter, as shown in Table 2.

Table 2: Current tariffs, City of London Car Parks

Time period	Charge (£)
Baynard House, London Wall, Minories and Tower Hill	
Monday to Friday 6am-7pm and Saturday 6am-1.30pm	£4.50 per hour
At all other times and Bank and public holidays	£4.50 per visit
Commercial season tickets	£2,500 per quarter
Smithfield	
Every day between 9pm-10am up to 3 hours (concessionary tariff)	£1.50 per visit
Every day between 9pm-10am over 3 hours (concessionary tariff)	£3.00 per visit
At all other times	£4.20 per hour

Proposals

Visitor parking

12. The proposal is to introduce charging in car parks as currently on-street, i.e., with an emissions-based structure, relating to age and vehicle type. Parking for the most polluting vehicles costing the most and electric or zero emission capable vehicles costing the least.
13. This report recommends that a new tariff structure is introduced in 2024 with subsequent annual increases for the next two years. For approximately 90% of car park users, the recommended yearly uplift is between 6-11% (in line with inflation), with the more polluting vehicles paying a larger surcharge. A full breakdown of the percentage increases in tariffs is shown in Appendix 2.
14. The proposed tariffs reflect the hourly rates Monday to Friday 6am-7pm and Saturday 6am-1.30pm, and the per visit rates at all other times and Bank and public holidays for the four Environment car parks with a slightly different charging structure at Smithfield, as outlined in Table 2.
15. The 3-year pricing strategy still ensures that off-street tariffs remain lower than those on-street. The lowest rate for vehicles in the electric hydrogen or hybrid category, matches the existing tariff, so those vehicles see no change. Table 3 outlines the 3-year pricing strategy proposal for all car parks (including Smithfield), and Table 4 indicates the proposal for how to manage concessionary rates which solely apply overnight at Smithfield.

Table 3: Current and Proposed 3-year pricing strategy for City of London Car Parks – London Wall, Baynard House, Minories, Tower Hill and Smithfield

Proposed tariff increases, Baynard House, Tower Hill, London Wall, Minories (£)					
Vehicle type	Current on-street tariff	Current car park tariff	2024	2025	2026
Electric or hydrogen or hybrid	£4.50	£4.50	£4.50	£4.50	£4.50
Petrol vehicles registered from 2005	£7.20		£5.00	£5.30	£5.80
Diesel vehicles registered from 2015	£7.20		£5.00	£5.30	£5.80
Any other vehicle	£10.00		£7.00	£7.30	£8.10

Table 4: Proposed 3-year pricing strategy for Smithfield Car Park

Proposed overnight concessionary tariff increases, Smithfield (£)								
	Up to 3 hours	Over 3 hours	Up to 3 hours	Over 3 hours	Up to 3 hours	Over 3 hours	Up to 3 hours	Over 3 hours
Vehicle type	Current		2024		2025		2026	
Electric or hydrogen or hybrid	£1.50	£3.00	£1.80	£4.00	£1.80	£4.00	£1.80	£4.00
Petrol vehicles registered from 2005			£2.00	£4.00	£2.30	£4.60	£2.80	£5.60
Diesel vehicles registered from 2015			£2.00	£4.00	£2.30	£4.60	£2.80	£5.60
Any other vehicle			£3.50	£7.00	£3.70	£7.30	£4.10	£8.10

16. Smithfield car park hourly rate is currently 30p lower than that at the other car parks, and an overnight rate at £1.50 for up to three hours and £3.00 for over 3 hours, between the hours of 9pm-10am daily is currently available for market users. This is a historic concessionary fee aimed at market traders and customers which hasn't been increased in a number of years.

17. At Smithfield, it is proposed to bring daily tariffs in line with the other car parks listed. The overnight tariffs are recommended to be adjusted in line with the approach for all other car parks, with an emissions-based tariff, but retaining a concession to market customers when compared to nearby NCPs, and on-street parking tariffs.

Commercial season tickets

18. The proposal for commercial season ticket tariff is to increase in line with hourly parking tariffs. On the same basis, the charge for electric, hydrogen and hybrid vehicles is not proposed to increase, while the more polluting vehicles pay a surcharge.

19. Commercial season tickets are based on the hourly tariff, scaled up to a full quarter basis. As such, the proposed tariff structure is proposed:

Table 5: Proposed 3-year commercial season ticket pricing strategy

Proposed commercial season ticket prices, per quarter (£)				
Vehicle type	Current	2024	2025	2026
Electric or hydrogen or hybrid		£2,500.00	£2,500.00	£2,500.00
Petrol vehicles registered from 2005	£2,500.00	£2,650.00	£2,800.00	£3,000.00
Diesel vehicles registered from 2015		£2,650.00	£2,800.00	£3,000.00
Any other vehicle		£3,650.00	£3,800.00	£4,200.00

Resident season tickets

20. It should be noted that a change in pricing for the resident season tickets for car parks is also under consideration, and work is currently underway to further understand the impacts of doing so, and to develop an incremental strategy for implementation. Whilst this is not presented within this report, it is likely that a future report setting out the future pricing of resident season tickets will be brought to committee later in 2024.

Corporate & Strategic Implications

Strategic implications

21. The delivery of this strategy supports the delivery of Corporate Plan outcomes 1, 2, 9 and 11.

Resource implications

22. The City's contract for running and managing the car parks is with Saba. The change to the way that we charge different types of vehicles based on their registration number at machines in the car parks will be managed by Saba, who have undertaken similar work elsewhere and have the capability to introduce variable tariffs based on emissions using the current equipment in the car parks.

Financial implications

23. As noted in the background section of this report, on occasion, the On-Street Parking Account has been needed to cover a net loss from the provision of off-street car parks, so an increase in income will ensure this is less likely in future.
24. The additional income is anticipated to be between £200k to £500k per annum for Environment (and £85k to £150k for Markets) with the range provided reflecting elasticities based on demand for parking and likely shifts towards less polluting vehicles. This income will close this existing gap discussed above.
25. As mentioned above, some changes are required to ensure the payment machines can charge vehicles variable tariffs according to engine type. This is fairly straightforward but will incur a small additional fee to install the technology to cross reference vehicle registrations. The costs to Saba (our management contractor) will be met from existing budgets. The lead in time for this is approximately 3 months.

Equalities implications

26. The City Corporation recognises that disabled people are likely to experience more barriers to travel than able bodied people and recognises the importance of removing those barriers where possible. It is acknowledged that increasing car park tariffs for visitors and residents may disproportionately affect those people who rely on their car for travel as a result of their disability or impairment. Availability of space is deemed more important than price for disabled drivers and passengers. Seeking to protect that space, whilst providing some additional time for disabled drivers is considered an appropriate concession.
27. In City car parks, normal rates apply for Blue Badge holders, however, the City provides over 200 on-street bays which are available for free, provided the badge and clock are displayed. These can be used for up to four hours on weekdays. Around St Bartholomew's Hospital the bays can be used for up to six hours on weekdays. There is no time limit on Saturday and Sunday. Additionally, Blue Badge holders can park for an extra hour, for free, at payment parking bays after the expiry of purchased time.

28. The Corporation runs its own Red Badge parking concession scheme, valid only in the City of London, for people with disabilities who are permanent workers in the City or City residents.

Climate implications

29. Delivery of the emissions-based car park tariffs will help support carbon reduction through discouraging the most polluting vehicles from driving into and parking in the City, as we currently do on street. By introducing uniformity with the on-street approach we introduce financial incentives to switch to lower emission vehicles which achieves reduction in Scope 3 emissions as outlined in the Climate Action Strategy.

Security implications

30. There are no security implications for the Corporation resulting from this policy.

Conclusion

31. The above proposals enable the continued provision of reliable and effectively managed off-street parking places in accordance with the City's Transport, Climate Action & Air Quality Strategies to reduce traffic, encourage motorists to opt for low emission vehicles and improve air quality in the City.
32. As the lead in time for changes to the technology to assess vehicle registration numbers from the provider is 3 months, the timeline for implementation of this policy is July 2024, with subsequent incremental tariff changes to occur on an annual basis thereafter.

Appendices

- Appendix 1 – Commercial car park tariffs in the City and Westminster
- Appendix 2 – Percentage increases proposed

Background Papers

- Planning and Transportation Committee, 12th December 2017
[Committee Report \(cityoflondon.gov.uk\)](#)
- Planning and Transportation Committee, 6th October 2020
[Item 7 - Parking Tariff Changes for Jan 2021 - Final PT.pdf \(cityoflondon.gov.uk\)](#)

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Appendix 1 - Commercial Car Park Tariffs in the City and Westminster (Short Stay) (£)

Hours	NCP London Vintry	NCP Finsbury Square	Barbican	CitiPark London Barbican	Q Park Oxford Street	NCP Brewer Street Soho	Covent Garden Multistorey
	App	App	Pay station	In app/at pay station	Pay on exit	App	App
0-1	3.95	7.95	6.00	3.00	10.00	9.95	7.50
1-2	7.90	15.90	9.00	6.00	20.00	19.90	12.50
2-3	11.85	23.95	12.00	12.00	30.00	29.85	N/A
3-4	15.80	23.95	14.50	12.00	40.00	39.80	N/A
4-5	19.75	34.95	18.00	18.00	50.00	49.75	N/A
5-6	23.70	34.95	22.00	18.00	55.00	N/A	N/A
6-9	N/A	N/A	29.00	N/A	N/A	N/A	N/A
9-12	N/A	N/A	35.00	N/A	N/A	N/A	N/A
Up to 24	N/A	N/A	40.00	N/A	N/A	49.95	22.50
6-24	34.95	34.95	N/A	24.00	60.00	N/A	N/A
Annual season ticket	3,704.75	4,474.90	2,400	N/A	N/A	12,000	N/A

Appendix 2 – Yearly percentage increase in emissions-based tariffs

Proposed tariff increases - percentage change (%)					
Tariff	For information		Proposed increases		
	Current on-street tariff	Current car park tariff	2024	2025	2026
Petrol vehicles from 2005	£7.20	£4.50	£5.00	£5.30	£5.80
% change	-	-	11%	6%	9%
Diesel vehicles from 2015	£7.20	£4.50	£5.00	£5.30	£5.80
% change	-	-	11%	6%	9%
Electric, hydrogen or hybrid	£4.50	£4.50	£4.50	£4.50	£4.50
% change	-	-	0%	0%	0%
Any other vehicle	£10.00	£4.50	£7.00	£7.30	£8.10
% change	-	-	56%	4%	11%