

Report for: Cabinet - 21 January 2025

Title: The review of the annual parking permit charges (increase) for the fixed and floating Car Club Scheme in the Borough

Item Number: 10

Report authorised by Director of Environment and Resident Experience

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Ward(s) affected: All

**Report for Key/
Non-Key Decision:** Key Decision

1 Describe the issue under consideration

- 1.1 This report seeks authority to carry out a statutory consultation on the proposal to revise the annual parking permit fees for the Car Club Scheme.
- 1.2 In setting or reviewing these fees, the Council must adhere to the Mayor of London's Transport Strategy, as mandated by sections 142 and 144 (1)(a) of the Greater London Authority Act 1999. This Strategy emphasises the reduction of emissions and improvement of air quality.
- 1.3 While Haringey Council promotes sustainable transport modes such as public transport, cycling, and walking, it acknowledges that some trips necessitate vehicle use. Car clubs offer a flexible, environmentally friendly option for these residual trips, aligning with the Council's sustainability objectives outlined in the Walking and Cycling Action Plan, Climate Change Action Plan, Transport Strategy, and the Corporate Delivery Plan (2024-2026).
- 1.4 Car clubs have been operational in Haringey since 2008, beginning with ZipCar's fixed bay service. The service was expanded in 2014 to include floating bays, allowing vehicles to be picked up and returned at different locations. Both contracts for these services have now lapsed.
- 1.5 To ensure the continuation of these services and achieve the best value for residents, the Council is re-tendering for car club services. A recent benchmarking exercise revealed that Haringey's current car club fees are among the lowest in London.
- 1.6 This presents an opportunity to align fees with market value and recoup the costs associated with operating and monitoring the service.

- 1.7 Currently, the annual parking permit fee for a fixed car club bay is £240. The fees for the floating car club scheme are £1,400 per car for internal combustion engine (ICE) vehicles and £753.20 for electric vehicles (EVs). These fees are among the lowest in London, particularly for fixed bays.
- 1.8 Those parking permit fees for car clubs in Haringey were set at relatively low levels to encourage the implementation and use of car clubs by residents. This approach successfully supported the growth of the scheme and contributed to the Council's sustainability goals. However, with rising operational and monitoring costs, the Council must now reassess this strategy. In order to ensure that the car club scheme becomes financially viable and self-sustaining, it is necessary to update the fee structure, aligning it with current market rates and ensuring full cost recovery from the operators.

2 Cabinet Member Introduction

- 2.1 As we move towards a circular economy, the way we use vehicles must fundamentally change. Just as we now stream music and films rather than own physical copies, our vision is for residents to 'download' their car journeys - accessing vehicles when needed rather than defaulting to private ownership. This shift is essential for creating a more sustainable and equitable transport system.
- 2.2 Car clubs represent a vital component of this transformation. While we prioritise and promote sustainable travel modes like walking, cycling and public transport, we recognise that some journeys will always require a car. By providing an environmentally friendly option for these essential trips, car clubs help break the link between car use and car ownership. This change in behaviour is crucial - when people own cars, they tend to use them by default, even for short journeys that could easily be made by other means.
- 2.3 Our ambition is to have shared vehicles available on every street, integrated with other sustainable transport options. We envision mobility hubs that combine car club spaces with electric vehicle charging, cycle parking, and enhanced public spaces - transforming our streets into places that better serve our communities while advancing our climate goals.
- 2.4 By opening up the market to more providers, we aim to significantly expand car club provision across the borough. Greater choice and availability will make it easier for residents to access shared vehicles when they need them, helping more people move away from private car ownership. This expansion will support our goal of reducing the total number of vehicles on our streets while ensuring residents retain access to cars for essential journeys.
- 2.5 This strategy aligns with our broader goals around improving air quality, reducing emissions, and creating more liveable neighbourhoods. By promoting shared mobility alongside other sustainable transport options, we're working to deliver a greener, healthier, and more equitable Haringey for all residents.

3 Recommendations

- 3.1 It is recommended that Cabinet:
- 3.2 Approves the following changes to car club permit fee subject to the outcome of statutory consultation.

- a) Increase in the fixed bay (back-to-bay) permit fee from £240 per bay per year to £800 per bay per year:
- b) Increase in the floating car club permit fees
 - (i) from £1,400 per year to £1,540 per year for internal combustion engine vehicles; and
 - (ii) from £753.20 per year to £1,342 per year for electric vehicles.

3.3 Delegates authority to the Head of Highways and Parking to:

- a) carry out all required statutory consultations regarding the proposed changes to car club permit fees; and
- b) make all necessary traffic management orders, having considered any objections received in response to the statutory consultation, to implement the proposed changes, subject to key decisions being considered by Cabinet.

3.4 Notes that future price increases will be considered as part of the annual corporate fees and charges report.

3.5 Notes that the additional revenue generated will be retained for monitoring and traffic management order purposes.

4 Reasons for decision

4.1 The proposed adjustments to car club permit fees are driven by several key considerations, aimed at aligning Haringey Council's fees with market values, ensuring financial sustainability, and supporting environmental goals. The rationale behind the proposed changes is as follows:

Fixed Bay Permit Fee: The proposal to increase the fixed bay fee from £240 to £800 per bay per year is intended to reposition Haringey above at least half of the other boroughs in terms of fee levels, yet still remain competitive. For floating bays, the proposed fee increase is from £753.20 to £1,342.00 for EVs and from £1,400 to £1,540. This increase is necessary to better reflect the market value of these services and to address the financial pressures associated with monitoring and managing the car club operations. By aligning the fee with market rates, the Council can ensure that it recoups the costs associated with managing and monitoring the service.

Financial Sustainability and Service Improvement: The increase in permit fees generally is not only aimed at aligning with market values but also at ensuring full cost recovery. In the absence of external funding for those schemes, the Council cannot continue to subsidise the operators and must use its resources wisely to deliver expand the number of car club bays within the borough, which is a key objective outlined in the Corporate Delivery Plan 2024-26. By implementing these fee adjustments, the Council can ensure that the car club service remains financially viable and continues to meet the needs of residents.

4.2 These recommendations are designed to balance the need for fair pricing with the financial requirements of managing and expanding the car club service. They reflect a strategic approach to promoting sustainable transport options.

5 Alternative options considered

- 5.1 Alternative options were considered before arriving at the recommended fee adjustments. One significant alternative involved maintaining the current fee structure for both fixed and floating bays.

a) Failed Tender

Earlier in 2024, the Council issued a tender for the provision of fixed bay car club services. The terms of the tender required operators to cover both a 'monitoring fee' to fund the Council's oversight of the scheme, as well as the full costs associated with the installation of new car club bays. Unfortunately, these financial requirements were deemed too onerous by potential operators, leading to no submissions for the tender. This highlighted the challenge of covering those costs, necessitating a reconsideration of parking permits fees.

b) Maintaining the Current Fee Structure

An alternative option was to retain the existing fee of £240 per year for fixed bays, and £753.20 and £1,400 for EV and ICE floating bays respectively. However, maintaining the existing fees would require the Council to continue to subsidise the scheme, and this is not sustainable.

- 5.2 In conclusion, while maintaining the current fee structure would avoid imposing higher costs on operators, it would compromise the Council's ability to achieve long-term objectives related to sustainable transport and car club service expansion. The recommended fee increases strike a necessary balance between ensuring the financial sustainability of the scheme and aligning with the Council's wider environmental and mobility goals.

6 Background

- 6.1 Car club services in Haringey have been provided by ZipCar since 2008, when fixed bay services were first introduced. In 2014, the service expanded to include a floating car club scheme, allowing residents to hire a car from one location and return it to another, which could be outside the borough. ZipCar currently operates under two separate contracts for fixed and floating, both of which have recently lapsed, necessitating the re-tendering of these services to ensure uninterrupted operation and best value for money.
- 6.2 The presence of car clubs in Haringey aligns with sustainable transport objectives outlined in the Transport Strategy, Walking and Cycling Action Plan, Climate Change Action Plan, and the Corporate Delivery Plan (2024-2026). While Haringey Council prioritises encouraging sustainable travel modes such as walking, cycling, and public transport, it also recognises that not all trips can be made using these modes. Car clubs provide a valuable service for these residual trips.
- 6.3 The Council tendered for fixed bays in Spring 2024; however, no submissions were received as the terms and conditions were deemed unacceptable by prospective operators.
- 6.4 There is currently no external funding available to cover the increasing costs for the Council. Those costs therefore need to be recovered by the permit fees, as proposed in this report. A benchmarking exercise was conducted to compare the fee structures of

other London boroughs and assess Haringey's position. Information on permit fees was obtained through individual council information requests, fees and charges and CoMoUK¹, and compiled from boroughs that publish their fee structures online, as detailed in **Appendix A**. Data was available for 26 out of 33 London boroughs for fixed bays and 9 boroughs that operate a floating bays service.

- 6.5 The analysis shows that Haringey is the sixth lowest priced borough for fixed bay services, including Newham, which waives the cost entirely in exchange for other contributions. The mean fixed bay fee across London is between £522.82 and £550.88², with a median of £460.00 and £420.00. Haringey's current fee of £240 per year places it in the bottom 20th percentile of all London boroughs' fixed car club bay charges.
- 6.6 Information from nine London local authorities on floating car club fees shows that most of them differentiate between charges for internal combustion engine (ICE) vehicles and electric vehicles (EVs). The median fee for ICE vehicles is £1,459.00, with a mean of £1,439.20, while the median charge for EVs is £815.00, with a mean of £977.00. This places Haringey's current floating car club fees in the bottom 37th percentile for ICE vehicles and the 38th percentile for EVs, indicating that Haringey's fees are relatively low compared to other boroughs.
- 6.7 Given these findings, the Council proposes an increase in permit fees to reflect current market values and ensure the scheme's financial viability, while still maintaining service accessibility for most residents
- 6.8 When setting or reviewing parking charges, the Council considers:
- its transport and wider policy objectives;
 - statutory or legal requirements that may affect the setting of fees;
 - car ownership patterns;
 - the increasing demand for parking;
 - traffic management issues;
 - market conditions (parking charges in other boroughs);
 - cost of delivering the service; and
 - impact of charges on relevant stakeholders.
- 6.9 Statutory consultation will be undertaken in line with legislation set out under sections 6 and 46 of the Road Traffic Regulation Act 1984 (RTRA) by regulating or controlling vehicular and other traffic and setting charges for parking places. Statutory consultation will provide statutory consultees such as Police, Fire and Ambulance Services, Road Haulage Association, Freight Transport Association, Residents or Resident Groups, Chambers of Commerce Action Groups (Mobility, Cycling, Bus Operators, Taxi, CPRE etc along with any member of public to make representations or objection to the proposals that must be considered as part of any decision being taken.

7 Contribution to the Corporate Delivery Plan 2022-2024 High Level Strategic

¹ A charity specialising in car club and mobility services.

² The two mean and median values reflect that some local authorities have variable cost structures depending on vehicle emissions or bay location. The lower mean and median represent the lowest cost in the charging structure, while the higher mean and median reflect the highest cost.

Outcomes

- 7.1 Strategy and policy measures set out in this report support various themes of the Corporate Delivery Plan. The various proposals will contribute to:
- Arts, culture and heritage is fostered, celebrated and valued, and is woven through everything the council does: parking strategy recognises and supports a growing, thriving borough, and ensuring residents and local businesses benefit from this growth.
 - A Just Transition - The transition to a low carbon economy is just, equitable and benefits everyone: strategic objectives to ensure Haringey residents continue to benefit from local economic and cultural developments, in addition to maintaining core parking standards for local residents and businesses.
 - A Safer Borough: strategic objectives support safe efficient and reliable operation of the transport network and parking infrastructure.
 - A Greener and Climate Resilient Haringey: Improving measures to address impact of vehicles and parking, across various policy components, are intended to result in reduced emissions, impacts of vehicles.

8 Carbon and Climate Change

- 8.1 The Car Club Scheme contributes positively to carbon emission reduction and mitigates climate change:
- While sustainable travel options are always preferred it is acknowledged that some trips necessitate vehicle use. Car clubs offer a flexible, environmentally friendly option for these residual trips, aligning with the Council's sustainability objectives outlined in the Walking and Cycling Action Plan, Climate Change Action Plan, Transport Strategy, and the Corporate Delivery Plan (2024-2026).

Statutory Officers' comments

9 Finance

- 9.1 The recommendation is that Cabinet approves, subject to statutory consultations:
- a. An increase in the fixed bay (back-to-bay) permit fee from £240 per bay per year to £800 per bay per year:
 - b. An increase in the floating car club permit fees
 - i. from £1,400 per year to £1,540 per year for internal combustion engine vehicles; and
 - ii. from £753.20 per year to £1,342 per year for electric vehicles.
- 9.2 These increases in a. and b. above will result in an income increase of circa £80,408.00 per year based on data from Q1 2024.

10 Legal

- 10.1 The Council is under a statutory obligation to consult on matters of this nature. Under section 26 of the Local Government Act 1999, LBH has a duty and obligation to obtain

“Best Value” through its operations and especially through making available its assets to third parties. The abovementioned proposed increase of the fees charged to the operators of the car club schemes in the area of Haringey is consistent with LBH’s duty under section 26. This is of course more a new for the Finance team of the Council and their rationale.

11 Equality

11.1 The Council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

11.2 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

11.3 The decision proposed in this report is a revision of the annual parking permit fees for the Car Club Scheme to bring the Council’s rates in line with current market rates and ensure the financial viability of the scheme.

11.4 By aligning the fee with market rates, there is an increased chance that the re-tendering process is successful which will allow the scheme to continue. This will ensure that there is an option for environmentally friendly vehicle-based travel for residents, contributing to improved air quality in and around the borough.

11.5 Poor air quality is particularly harmful to pregnant women, disabled people and older people. Infants and young children are also disproportionately vulnerable to breathing in polluted air than adults due to their airways being in development, and their breathing being more rapid than adults. As such the decision will have a positive impact on residents with these protected characteristics.

11.6 The increase in fees for the use of the service will make it more expensive for customers to use, and so the decision will have a negative impact of residents from more socioeconomically deprived backgrounds because the scheme will be less financially accessible. However, it is noted that current rates are among the lowest in London and that the maintenance of these low fees resulted in a failed tendering process which would lead to the scheme ending and all positive impacts no longer occurring. Therefore, the proposed increase in fees is considered to be a proportionate measure to ensure the continued viability of the scheme.

11.7 The decision is anticipated to have a neutral impact on all other protected characteristics because these groups are not impacted specifically as a result of their characteristics.

12 Use of Appendices

Appendix A – London borough councils' car club permit fees and charges

Appendix A



