

Discounted Battery Electric Vehicle Parking

Final Decision-Maker	Strategic Planning and Infrastructure Committee
Lead Head of Service	Jeff Kitson, Parking Services Manager
Lead Officer and Report Author	Jeff Kitson, Parking Services Manager
Classification	Public
Wards affected	All

Executive Summary

In order to support the council's wider air quality improvement aims and its declared climate change emergency, the report recommends to the Strategic Planning and Infrastructure Committee to discount parking tariffs as set out in the council's Fees and Charges schedule as applied to parking transactions relating to battery electric vehicles (BEVs), when purchased through RingGo cashless parking or PodPoint electric vehicle charging points at council controlled car parks.

The report also recommends that the discount applied is reviewed annually as part of the Fees and Charges process to manage financial risk as demand from battery electric vehicles increases over time.

Purpose of Report

Decision

This report makes the following recommendations to this Committee:

1. That a 50% discount to parking tariffs as set out in the council's Fees and Charges schedule is applied to parking transactions relating to battery electric vehicles (BEVs) when purchased through RingGo cashless parking or PodPoint electric vehicle charging points at council controlled car parks.
2. That the discount is reviewed annually as part of the Fees and Charges process to manage financial risk as demand from battery electric vehicles increases over time.

Timetable

Meeting	Date
Strategic Planning and Infrastructure Committee	9 February 2021

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1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>Directly impacts on the council's priorities of:</p> <ul style="list-style-type: none"> Embracing Growth and Enabling Infrastructure Safe, Clean and Green. <p>The Council's Low Emission Strategy (December 2017) provides that the Council will (<i>inter alia</i>) use parking policy to incentivise the use of low emission vehicles to improve air quality which includes the provision of cheaper or free parking for low emissions vehicles and to investigate the potential for applying variable parking fees.</p>	Jeff Kitson Parking Services Manager
Cross Cutting Objectives	<ul style="list-style-type: none"> Biodiversity and Environmental Sustainability is respected <p>The report recommendation supports the achievement of the Environmental Sustainability cross cutting objective by encouraging use battery electric vehicles through discounted parking charges.</p>	Jeff Kitson Parking Services Manager
Risk Management	New developments incorporated into Parking Services are assessed to ensure that performance and service quality are not placed at risk.	Jeff Kitson Parking Services Manager
Financial	With current BEV occupancy predictions, it is estimated that the recommendation of a 50% discount for BEV transactions via RingGo or PodPoint will result in an income reduction between £3,120 and £6,480 per annum. This cost will be funded from the existing budget and reviewed annually as part of the Fees and Charges review process.	Maxine Mahon Specialist Finance Manager (Strategy and Advice)
Staffing	There are no staffing implications.	Jeff Kitson Parking Services Manager
Legal	Acting on the recommendations would be in line with the Council's Low Emission Strategy (December 2017) and in accordance with its declared Biodiversity and Climate Change Emergency.	Russell Fitzpatrick (MKLS (Planning))

	<p>Furthermore, this is within the Council's powers as set out within the Local Government Act 2003 and the Localism Act 2011. Section 93 of the Local Government Act 2003 permits best value authorities to charge for discretionary services provided the authority has the power to provide that service and the recipient agrees to take it up on those terms. The authority has a duty to ensure that taking one financial year with another income does not exceed the costs of providing the service. A number of fees and charges for Council services are set on a cost recovery basis only, with trading accounts used to ensure that the cost of service is clearly related to the charge made. In other cases, the fee is set by statute and the Council must charge the statutory fee. In both cases the proposals in this report meet the Council's legal obligations. Where a customer defaults on the fee or charge for a service, the fee or charge must be defensible, in order to recover it through legal action. Adherence to the MBC Charging Policy on setting fees and charges provides some assurance that appropriate factors have been considered in setting such fees and charges.</p>	
Privacy and Data Protection	No impact identified.	Policy and Information Team
Equalities	No impact identified as a result of the proposals.	Equalities and Corporate Policy Officer
Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Senior Public Health Officer
Crime and Disorder	There are no crime and disorder implications.	Jeff Kitson Parking Services Manager
Procurement	No impact identified.	Jeff Kitson Parking Services Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 The Council's Low Emission Strategy (December 2017) provides that the Council will (*inter alia*) use parking policy to incentivise the use of low emission vehicles to improve air quality which includes the provision of cheaper or free parking for low emissions vehicles and to investigate the potential for applying variable parking fees.
- 2.2 This report sets out first proposals to ensure that the parking service meets future challenges in terms of facilitating improvements in air quality and the adoption of future technology.
- 2.3 Maidstone Borough Council car parks remain a key component in supporting the economic viability of the town centre with over one million parking events taking place in the council's car parks each year.
- 2.4 With more people than ever aware of their own environmental impact and the drive towards decreasing urban emissions, these proposals represent a first step in developing a more efficient and environmentally sustainable parking tariff to support the council's wider air quality improvement aims.
- 2.5 Currently parking tariffs are applied consistently to all vehicles regardless of vehicle type or their environmental impact. Parking systems have required the customer to input their full vehicle registration for some time, however pay units within car parks are unable to detect vehicle type upon entering vehicle registration as this requires a real time data link between the pay unit and the DVLA database. Pay unit manufacturers have recognised the future importance of this feature and are working towards a solution.
- 2.6 There has been a shift towards emissions-based tariffs by some cashless parking payment providers such as RingGo, who have already announced their success in developing variable tariff software for its customers.
- 2.7 Using this software, parking tariffs based on vehicle emissions has been successfully introduced in some Greater London authorities where cashless parking (using a mobile APP, text, or call) is the only option available to the motorist. Using vehicle registrations, combined with information from the DVLA, the system automatically adjusts parking tariffs between higher and lower polluting vehicles at the point of purchase.
- 2.8 Some London authority locations where cashless parking is the only option available have simplified this by discounting parking charges for battery electric vehicles and increasing charges for diesel engine vehicles with all other vehicles paying the normal parking tariff.
- 2.9 In Maidstone, the customer has multiple options in terms of parking operators, location, and payment methods, and so placing additional surcharges for high polluting vehicles such as diesels is not a viable option at this time. This will require vehicle identification technology to be available in pay units situated in in each car park location and although in development, this is not available to the parking industry at present.

- 2.10 However, discounted parking for BEVs is possible as drivers can be directed to make their purchase through the RingGo cashless APP or through one of the council's 18 PodPoint EV charging stations.
- 2.11 In Maidstone, the number of BEVs using the council's off-street car parks and paying through RingGo (the council's cashless provider) in the last 12 months has increased by 81% to 141 transactions. Over the same one-year period there were 2146 individual Pod-Point charge sessions.
- 2.12 In contrast to non-BEV transactions, the number of users is very low by comparison. However, data does demonstrate a steady uptake in BEV use across the council's parking network.
- 2.13 It is estimated that at present 0.52% of all off street parking transactions are made by customers driving BEVs. This represents 29,000kgs (64,000lbs) of CO₂ being deterred over a 12-month period (source PodPoint base data), the equivalent emissions of driving over 114,000 km.
- 2.14 Current usage data from RingGo and PodPoint confirms that BEV users pay on average between £1.30 and £2.70 per transaction.
- 2.15 It is anticipated that if the current rate of EV growth is maintained, over 5% of all transactions may be from BEV users in the next 3 years.
- 2.16 To demonstrate the council's commitment to green travel, it is recommended that a discount is applied to all BEV cashless transactions made through either RingGo or PodPoint.
- 2.17 In the future any income shortfall may potentially be recovered through increased parking charges applied to high polluting vehicles once technology to identify these vehicles becomes available across all payment methods.
- 2.18 The number of transactions will be closely monitored and recorded as a percentage of all parking transactions. The impact on income will be considered and the discount applied amended as necessary in line with demand and financial impact.
- 2.19 Discounted parking for the BEV user group is also intended to facilitate increased BEV usage and therefore concessions will not be sustainable in the long term as BEV ownership will increase over time, particularly as the government has announced that new petrol and diesel vehicles will no longer be sold from 2030. It is therefore recommended that any discount applied is reduced in line with increased BEV demand.
- 2.20 Therefore, the discount applied will be reviewed annually as part of the Fees and Charges process to manage financial risk as demand from battery electric vehicles increases over time.
- 2.21 This first step will underpin future Parking Services development designed to facilitate improvements in air quality. This development plan has six incremental phases moving from off-street to on-street operations over the next three years.

Phase 1	April 2021	Introduce parking tariff discounts for BEVs paying for parking through RingGo or PodPoint
Phase 2	2021	Gain member approval to procure a virtual resident parking permit solution
Phase 3	In development	Secure pay unit / DVLA connection through pay unit supplier
Phase 4	In development	Propose a surcharged parking tariff for high polluting vehicles in car parks / Maintain discounted parking tariff discount for BEVs through all payment methods
Phase 5	2022	Introduce virtual resident parking permits
Phase 6	2023	Gain member approval for differential resident permit charges for higher and lower polluting vehicles

- 2.22 Parking Services will continue to work with IPS, the council's pay unit supplier, during phase one and two to develop software to recognise vehicle types at payment. However, if pay unit manufacturers are unable to adapt pay units to meet this requirement in the future, it may be a consideration to create cashless car parks only in high pollution locations. This will enable both discounted BEV parking and an increased diesel engine tariff to be applied to draw BEVs into town centre locations and promote migration of higher polluting vehicles away from clean air zones.

3. AVAILABLE OPTIONS

3.1 Option 1 – 50% Discount

3.2 Using transaction data from both RingGo and PodPoint, an income reduction of between £1,200 and £2,480 per annum will be seen if a 50% discount was applied to the existing BEV user group.

3.3 However, if discounts were offered, it is likely that BEV customers who currently pay by cash will also migrate to a cashless payment option. With current BEV occupancy predictions, it is estimated that a 50% discount for BEV transactions via RingGo or PodPoint will result in an income reduction between £3,120 and £6,480 per annum.

3.4 If over 3 years EV growth continues at the current rate, it is estimated that income reduction will increase to between £30,160 and £62,720 per annum if uncontrolled with a 50% discount applied.

3.5 Option 2 – 75% Discount

3.6 Using transaction data from both RingGo and PodPoint, an income reduction of between £1,800 and £3,720 per annum will be seen if a 75% discount was applied to the existing BEV user group.

3.7 However, if discounts were offered, it is likely that BEV customers who currently pay by cash will also migrate to a cashless payment option. With current BEV occupancy predictions, it is estimated that a 75%

discount for BEV transactions via RingGo or PodPoint will result in an income reduction between £4,680 and £9,720 per annum.

- 3.8 If over 3 years EV growth continues at the current rate, it is estimated that income reduction will increase to between £45,240 and £94,080 per annum if uncontrolled with a 75% discount applied.
- 3.9 If either option 1 or 2 is agreed, the fees and charges applied to paid parking bays can include an off-street and on-street tariff specifically discounted for BEVs. This can then be configured into the RingGo and PodPoint software which will be able to identify BEV vehicle transactions.
- 3.10 Option 3 – Free Parking
- 3.11 Using transaction data from both RingGo and PodPoint, an income reduction of between £2,400 and £4,960 per annum will be seen if a 100% discount was applied to the existing BEV user group.
- 3.12 However, if discounts were offered, it is likely that BEV customers who currently pay by cash will also migrate to a cashless payment option. With current BEV occupancy predictions, it is estimated that a 100% discount for BEV transactions via RingGo or PodPoint will result in an income reduction between £6,240 and £12,960 per annum.
- 3.13 If over 3 years EV growth continues at the current rate, it is estimated that income reduction will increase to between £60,320 and £125,440 per annum if uncontrolled with a 100% discount applied.
- 3.14 There are unintentional consequences and other risks associated with free parking and these should also be considered if option 3 was thought to be viable.
- 3.15 If free parking was agreed, the customer will still be required to log the parking session on the RingGo APP as this software identifies the vehicle as a BEV and valid for discount through the vehicle registration number. If drivers identify that free parking is applied through promotion only, there is a risk that they will park without registering their parking session on the APP leading to unnecessary enforcement action.
- 3.16 Parking without recording the parking session through the APP also impacts on data gathering which is necessary to identify BEV vehicle usage and to reduce income risk.
- 3.17 At present the electricity charges for each EV charging session is recovered, as supply charges are broadly comparable to the hourly tariff applied to the car park. If free parking through the PodPoint EV chargers was agreed, each parking/charging session will result in a net cost to the council. This will also lead to reduced EV bay turnover with stays in EV charging bays likely to be longer than necessary.
- 3.18 Free electricity under option 3 will also include residential parking in the evening where it is anticipated that off-street parking facilities will become charging hubs as residential EV ownership increases over time.

- 3.19 Season tickets are priced at between £770 and £930 per annum. If free parking was agreed, it is unlikely that BEV season ticket holders will no longer purchase a season ticket, as free all-day parking will become available. By offering a percentage discount through daily transactions as recommended, the potential to migrate is reduced and therefore risks to income are controlled.
- 3.20 It is therefore not recommended to apply free parking to either RingGo or PodPoint transactions.
- 3.21 Option 4 – No Discount
- 3.22 Alternatively, the current tariff structure can remain unchanged and applied consistently across all vehicle types; however, this will not stimulate growth in BEV ownership and use, or demonstrate the council's commitment to air quality improvement as set out in The Council's Low Emission Strategy (December 2017).
- 3.23 Alternative method of managing financial risk
- 3.24 As an alternative to reviewing BEV discounts at the Fees and Charges review each year, the discount may be reduced over time using a tiered approach in equal increments as BEV uptake increases over time.
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|-----------------------------------|-----------------------------|
| BEV % of all parking transactions | Discount applied reduced by |
| Under 3% | 0% |
| Between 3% and 5% | 20% |
| Between 6% and 10% | 20% |
| Between 11% and 20% | 20% |
| Between 21% and 30% | 20% |
| Over 30% | 20% (no discount) |
- 3.26 However, this method of regulating any discount applied may increase financial risk as increments are set.
- 3.27 The future EV market remains difficult to predict and therefore the safeguards of considering the level of BEV discounts at each Fees and Charges review provides an annual appraisal of the financial impact of the concession.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 1, offering a 50% discount to BEV customers is the recommended option as this applies a good level of discount to raise awareness of EV activity and encourage BEV ownership, whilst managing risk to income.
- 4.2 This option demonstrates the council's commitment to air quality and will lead the way in offering discounts for BEV motorists in Maidstone.
- 4.3 Option 1 may also stimulate the parking market, leading to competitor car park operators matching the discount where technology is able to determine vehicle type.

- 4.4 It is recommended that the discount is reviewed annually as part of the Fees and Charges process to manage financial risk as demand from battery electric vehicles increases over time.
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5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risk to income is manageable as BEV uptake remains low and the report recommendations further controls as BEV uptake increases over time.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Changes to the parking tariff require formal consultation as part of the Traffic Regulation Order variation process. Therefore, public consultation on these proposals will be required as part of this process.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Parking Services will amend the Off-Street Traffic Regulation Order after which the discounts can be incorporated into RingGo and PodPoint tariff systems to enable introduction during April 2021.
- 7.2 The discount will be promoted through press release, social media and through promotion within each car park prior to activation. It is anticipated that ongoing promotion once live will continue to demonstrate the council's commitment to air quality initiatives and support increases in BEV adoption over time.
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8. REPORT APPENDICES

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9. BACKGROUND PAPERS

- MBC Low Emissions Strategy (December 2017):
https://maidstone.gov.uk/_data/assets/pdf_file/0010/164674/Low-Emissions-Strategy-December-2017.pdf