



Leicester
City Council

WARDS AFFECTED: ALL

Cabinet

17th September 2007

ON-STREET PARKING INCOME AND EXPENDITURE 2007/08

Report of the Corporate Director, Regeneration & Culture

1 Purpose of Report

- 1.1 This report asks Cabinet to agree proposals for spending the surplus income generated by the on-street parking bays and enforcement in order improve transport in the City.

2 Summary

- 2.1 The Council's on-street parking operation is expected to generate a net surplus of around £2 million a year. Use of this surplus, is restricted to expenditure on certain highways and transportation services and improvements and certain environmental improvements. To date, it has been variously spent on off-street public parking, bus services, and a contribution to the cost of the employment of staff in the Highways and Transportation Section, employed in various capacities to help improve bus services and the highway.

3 Recommendations

- 3.1 Cabinet is recommended to:
- a) Reaffirm that it is not currently desirable or necessary to provide further off street parking (paragraph 3.1 of the report).
 - b) Approve the proposals for spending the surplus income set out in the Appendix to this report.
 - c) Note the review of bus services and to agree the delegation to the Corporate Director of Regeneration and Culture of the precise amount to be spent on these services following consultation with Cabinet, subject to funding being available (paragraph 8 of the report).
 - d) Note the delegation to the Corporate Director of Regeneration and Culture to vary the amounts spent on the various items referred to in the Appendix, subject to funding being available, and agree that this delegation be exercised in consultation with the Cabinet Lead Member (paragraph 16.1 of the report).

REPORT

4 Parking and enforcement operation

- 4.1 Net income during 2006/07 was nearly £300,000 more than anticipated. The additional income came from parking tickets issued following the Council taking over enforcement on 2 January. Costs, however, also rose, but the net effect was a surplus of in the balance sheet account at the start of the current financial year.

- 4.2 A further significant increase in both income and expenditure is now anticipated in 2007/08, largely because the Council's enforcement of traffic regulation orders (TROs) will be operating for the full financial year. The table at the end of the report breaks both income and expenditure down into various elements.
- 4.3 One of these, the expected expenditure on TRO sign and line expenditure will be much smaller than previously anticipated, because the new staff who are needed to ensure that a planned programme of maintenance is delivered have yet to be recruited and trained. Some work, largely of a fire fighting nature, is being carried out, but a substantial rise in expenditure on maintenance can be expected in 2008/09. Extra staff are being recruited to work in the TRO Team. These staff will enable sign and line maintenance to be carried out properly. They will also make it possible for the team to respond to requests for new TROs in a more timely way in the future.
- 4.4 It is also proposed to recruit some additional parking attendants to cope with the workload. Provision for four additional full time equivalents has been included in the proposed expenditure.

5 Use of surplus income

- 5.1 The following paragraphs give details of the various uses to which it is proposed that the surplus income is put. These proposals are summarised in the table at the end of the report.

6 Provision of off-street parking (proposed expenditure nil)

- 6.1 Under the terms of the Road Traffic Regulation Act 1984, as amended by the Traffic Management Act 2004, the first call on any surplus income, after the cost of the operation has been paid for, is for the provision of off-street parking. When the on-street parking scheme was first introduced in 1999, the Council agreed that the provision in Leicester of further off-street parking was unnecessary or undesirable, and the position has been reviewed annually since then. Cabinet is recommended to reaffirm this position. However, the opportunity for the provision of additional on-street parking will be considered as part of the on-going review of traffic regulation orders in the City.

7 Haymarket car park dilapidations (proposed expenditure £320,000)

- 7.1 In order for the existing parking spaces at the Haymarket Centre to be maintained, an estimated £520,000 needs to be spent on dilapidations. Provision of £200,000 has been included in the Department's base revenue budget, and it is proposed that the remainder come from on-street parking income.

8 Local bus services (the precise amount to be spent from on street parking will come back for approval following a review of the services provided)

- 8.1 The vast majority of bus services in Leicester are run commercially by private bus operators, the three largest of which are First, Arriva and Centrebus. However, there is a duty on the Council to consider whether, in its view, the commercially run network contains any deficiencies in provision, and, if so, the Council has the power to invite commercial operators to fill any gaps in provision, but the Council has to contribute towards the cost of this provision.
- 8.2 The Council has agreed that there are a number of gaps in provision, which it wants to support. These tend to fall into five main categories.

- Bus services to and from schools, which are largely used by school students.

- Bus services on Sundays.
- Bus services in the early morning and late evening.
- Orbital services (The Inner and Outer Link).
- Services to increase the density of the network, (such as service 81 to Highway Road), that reduce walking distances to the nearest commercial service.

8.3 The Council also secures funding from developers to pump-prime new services as developments take place, before they achieve commercial viability. The current cost of all these services is currently around £1.405 million a year. In the current financial year, this has been funded from developer contributions, on-street parking income and the base revenue budget. It is anticipated that the cost in 2007/08 will remain constant, as a result of savings on one service which now operates commercially being offset by inflation in costs elsewhere.

8.4 Although the anticipated cost has not increased, the base revenue budget available has been reduced as part of the Department's budget strategy, and it is proposed to make up the shortfall from on-street parking income.

9 The New Leicester Traffic Regulation Order (proposed expenditure £130,000, excluding staff)

9.1 The City Council is currently in the process of re-writing all the Traffic Regulation Orders (TROs) in the City, to enable the Council to take over enforcement from the Police. So far 90% is completed and the remaining 10% still needs to be done.

9.2 Although the new Leicester Traffic Regulation Order was enacted on 2 January 2007, so that it could be enforced by the Council, those parts of the city where the Council had envisaged residents' parking might be considered remain to be completed. Thereafter, it is proposed to review the order on a ten year cycle.

9.3 The new work of the team will also allow sufficient flexibility to allow changes to be made more urgently where necessary, enabling the service to respond appropriately to customer feedback.

9.3 Some of this work, including the new orders and the costs of some of the staff involved in carrying out this work are funded from on-street parking income.

10 Repayment of prudential borrowing (£70,000)

10.1 The new Decriminalised Parking Enforcement regime, as planned, came into operation on 2 January 2007. In order to bring this into effect, money on equipment and other items had to be spent up front before the new income stream from parking tickets started. In total £240,000 was borrowed. £70,000 of this has already been repaid from developer funding, and it is proposed that a further £70,000 be repaid from on-street parking income during this financial year.

11 Highways and Transportation staff (proposed expenditure £215,000)

11.1 Planning and Transportation Committee agreed in March 2000 that certain posts in the Highways and Transportation Division should be created in order to improve service delivery in various areas. In addition, in March 2001, Cabinet agreed to fund two extra staff to help introduce the new Leicester Traffic Regulation Order, as described in paragraph 6.1. This paper proposes a small increase to cover wage inflation.

12 St. Margaret's Bus Station (proposed expenditure £150,000)

12.1 On-street parking income is used to fund the management of the St. Margaret's Bus station, because there is no provision in the Regeneration and Culture base revenue budget. In addition, in order to meet the requirements of the approved budget strategy, it has proved necessary to cut funding for the bus station from revenue by £100,000, and it is proposed that this year, total expenditure from on-street parking income be increased from £50,000 to £150,000.

13 York House rental (proposed expenditure £150,000)

13.1 The staff in the Transport Development Section occupying York House are either involved in the management of the on-street parking operation, the provision of public transport or the procurement of highway improvements. A rent review is due this year on part of the accommodation, and a notional increase has been included in the figures.

14 Public Transport Information Strategy (PTIS) (proposed expenditure £55,000)

14.1 The Government requires the City Council to develop and implement a Public Transport Information Strategy. Work has been taking place over the past two years, with consultants TAS advising a consortium of City and County Councils, together with the main commercial bus operators as to what the key elements of such a strategy should be. The consortium has identified the key elements as:

- Information at bus stops (service numbers, real-time and timetables)
- Information by telephone (traveline, bus operator services, startext)
- Information on the internet
- Maintenance and update of all the above, to ensure accuracy and coverage
- Promotion activities, such as door-to-door delivery of timetables

14.2 The cost of this work is being shared between the City and County Councils, and the various local bus operators. Most of the City Council's cost currently comes from the Department's revenue budget, but a small contribution from on-street parking is needed.

14.3 The increase from last year is in order to help fund the on-going maintenance of star-trak, which had been approved during last year but which was not taken up as it was able to be funded from external income.

15 Future years

15.1 The effect of these recommendations, together with the indicative expenditures shown in the attached table, means that planned income and expenditure is expected to balance in the current financial year.

16 Powers of the Director

16.1 Under the terms of the City Council's constitution, the Corporate Director of Regeneration and Culture has delegated powers to vary the amounts spent on the various items referred to in the Appendix, subject to funding being available.

17 Financial & Legal Implications

17.1 Financial implications

There will be anticipated income from on-street parking, the use of which is restricted by the Road Traffic Regulation Act 1984, as amended by the Traffic Management Act 2004. After the uses mentioned in this report, this will leave a

forecast balance of £12,000 at 31 March 2008. A detailed breakdown is shown in the appendix.

17.2 There is no net impact on the general fund.
Paresh Radia ext. 6507

17.3 *Legal implications*

The expenditure proposed in the Appendix is of a type allowed by the Road Traffic Regulation Act 1984, as amended by the Traffic Management Act 2004.
Anthony Cross, Head of Litigation, ext. 6362

18 OTHER MATTERS
Other implications

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN THE REPORT
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Older People on Low Income	No	

19 Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact	Control Actions (If necessary/or appropriate)
The amount of income earned is less than forecast	M	L	The level of income earned will be monitored throughout the year, and, if necessary, changes will be made to the planned programme of expenditure.

L - Low
M - Medium
H - High

L - Low
M - Medium
H - High

20 Background Papers – Local Government Act 1972

- Report to Planning and Transportation Committee on 22 March 2000
- Report to Cabinet on 19 March 2001
- Report to Cabinet on 7 March 2005

21 Consultations

21.1 None required.

22 Report Author

Mike Pepper, Head of Transport Development
Ext. 2150, e-mail peppm002@leicester.gov.uk

23 DECISION STATUS

Key decision	Yes
Reason	Revenue expenditure over £250,000
Appeared in Forward Plan	Yes
Executive of Council Decision	Executive (Cabinet)