

Leicester
City Council

WARDS AFFECTED: ALL

**Highways & Transportation Scrutiny Committee
Cabinet**

**3 March 2004
15 March 2004**

ON-STREET PARKING INCOME AND EXPENDITURE 2004/05

Report of the Service Director, Highways and Transportation

1 Purpose of Report

- 1.1 This report contains revised proposals for spending the surplus income generated by the on-street parking scheme in order improve transport in the City

2 Summary

- 2.1 The Council's on-street parking operation generates over £1.5 million a year. A proportion of this is spent on operating the system, including the Parking Team in the Transport Development Section, which is responsible for overall management and fine processing.
- 2.2 The remainder, around £1 million a year, is 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 Highways and Transportation Scrutiny is recommended to consider the report. Any comments the Committee wishes to make will be forwarded to Cabinet for consideration.
- 3.2 Cabinet is recommended to:
- a) determine that it is not desirable nor necessary to provide further off-street parking
 - b) approve the proposals for spending the surplus income set out in the Appendix
 - c) confirm that the Director has power to vary the amounts spent on the various items referred to in the Appendix, subject to funding being available

4 Financial & Legal Implications

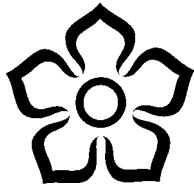
- 4.1 There is no net effect on revenue spending arising from these proposals. The expenditure proposed in the Appendix is of a type allowed by the Road Traffic Regulation Act 1984.

5 Report Author

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DECISION STATUS

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



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SUPPORTING INFORMATION

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

1 Financial Implications

1.1 There is no net effect on revenue spending arising from these proposals.

2 Legal Implications

2.1 The on-street parking bays in Leicester were introduced using the powers contained in Section 44 of the Road Traffic regulation Act 1984. The types of expenditure which may be made from any surplus income earned are set out in Section 55 of the same act.

2.2 Under the terms of the Act, it is necessary for the Council to determine that, in its view, there is no need or desire to provide additional off-street parking, before it can resolve to spend any surplus income on the costs of public passenger transport services or highway improvements.

Financial implications provided by Paresh Radia

Legal implications provided by Clive Tobin

3 Other Implications

3.1

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

3.2 Risk 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.

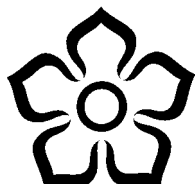
4 Background Papers – Local Government Act 1972

4.1 Report to Cabinet on 19 March 2001

4.2 Report to Cabinet on 24 March 2003.

5 Consultations

5.1 None required.



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Report

Review of on-street parking operation

- 1.1 Net income during 2003/04 has been slightly less than forecast. At Cabinet in March 2003, the Service Director, Highways and Transportation forecast income of £1.601 million, but the forecast outturn currently stands at £1.577 million.
- 1.2 Parking charges were last amended in April 2003. As part of the Council's revenue budget strategy, following consultation with members of Cabinet, it is proposed to increase tariffs again from April 2004, in order to raise an additional £100,000 towards the cost of supported bus services. It is anticipated that a similar further increase will be needed next year, as well as an expansion in the area covered by on-street charges, so that, over a period of years, the full cost of supporting unprofitable bus services can be either from on-street parking income or from external sources.
- 1.3 The table below shows the existing and proposed new charges.

	Existing	Proposed
CENTRAL AREA		
Up to 30 minutes	0.70	0.80
30 minutes to one hour	1.30	1.40
One hour to ninety minutes	1.90	2.10
Ninety minutes to two hours	2.50	2.70
OUTER AREA		
Up to one hour	0.60	0.70
One hour to two hours	1.10	1.20
Two hours to three hours	1.60	1.70

Use of surplus income

1.4 Changes since March 2003

1.5 There is very little difference between the income and expenditure approved by Cabinet in March 2003. Forecast income is £30,000 less than budgeted for. Whilst income from ticket sales is up, fine income has fallen. The cost of the on-street operation is more than forecast.

1.6 The net effect is that there is now likely to be a smaller amount (£0.494 million, as against £0.662 million) in the balance sheet than had been expected. The details are shown in the Appendix.

1.7 Next financial year, following a decision to increase off-street parking charges as part of the Department's budget strategy, I recommend that Cabinet should agree to increase on-street charges by 10p, resulting in the new charges set out in paragraph 1.3. This is expected to result in an increase in ticket income from £1.451 million this year to £1.551 million next year.

Provision of off-street parking

1.8 Under the terms of the Road Traffic Regulation Act 1984, the first call on this money is for the provision of off-street parking. The Planning and Transportation Committee agreed at its meeting on 1 December 1999 that the provision in Leicester of further parking accommodation for vehicles, otherwise than on the highway, is, at present, unnecessary or undesirable. Cabinet is recommended to reaffirm this position.

1.9 This position remains broadly true, except inasmuch as the proposed public car park at MacDonald Road will start operation, and is expected to require an annual subsidy of £25,000 per annum.

1.10 However, a review of health and safety at the Council's existing off-street car parks identified a need for some improvements, for which no provision exists in the base revenue budget. Various improvements at the Newarke Street and Granville Road public car parks have already been implemented, but works proposed for the Haymarket Centre Car Park were shelved, following a decision by Cabinet to seek to sell the car park lease. In the event of these proposals falling through, it is suggested that these works should be carried out by the Council during the next financial year, funded from on-street parking income. The items concerned are set out in the following table.

Car Park	Item	Cost
Haymarket Centre	Surfacing drainage repairs	£150,000
Haymarket Centre	Re-decoration of level one	£20,000
Haymarket Centre	Installation of fire alarm system	£60,000

On-street parking operation

1.11 The cost of employing parking attendants, and costs associated with the operation of the on-street ticket machines, including maintenance, are all funded from the income earned.

Parking team

- 1.12 The parking team in the Transport Development Group is funded from on-street parking income.

Local bus services

- 1.13 The vast majority of bus services in Leicester are run commercially by private bus operators, of which the three largest 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, it has the power to invite commercial operators to fill such gaps in provision in return for the Council contributing towards the cost of their provision.
- 1.14 The Council has agreed that there are a number of gaps in provision, which it chooses 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 evening, particularly after 2030. Orbital services (The Inner and Outer Link). Services to increase the density of the network, such as service 81 to Highway Road, to reduce walking distances to the nearest commercial service.
- 1.15 The Council has also secured funding from developers to pump-prime new services as developments take place, prior to them achieving commercial viability. The current total cost of all these services is currently around £1million a year.
- 1.16 Last year, Cabinet agreed, in principle, to add from the base revenue budget an additional amount to help pay for the cost of supporting local bus services, in order to retain the present broad level of provision, the cost of which has, for various reasons, been rising at faster than the rate of inflation. However, Cabinet agreed that this extra cost should in the current financial year, 2003/04, be funded from the on-street parking balance sheet. In 2004/05, this amount is £115,000, rising in 2005/06 to £230,000.
- 1.17 Had everything remained the same, therefore, it was anticipated that the amount spent from on-street parking income on supporting local bus services would have fallen next financial year, 2004/05, by £115,000 to £635,000. However, proposals for next year's budget, approved by the Council in February 2004, will require an additional £100,000 to be found from on-street parking income, giving a total spend from this source of £735,000.
- 1.18 In future years, it is anticipated that the Council will want to cease funding supported bus services from the base revenue budget. The spreadsheet shows how this might be phased in over several years. However, there is some concern that too many further increases in parking charges greater than the rate of inflation will start to prove counter-productive, and the indicative income levels shown assume that additional on-street parking bays will be introduced in the Friday Street area next year and around Regent Road and DeMontfort Street the year after.

Introduction in residents parking

- 1.19 The City Council is currently in the process of re-writing all the Traffic Regulation Orders in the City, with a view to taking over enforcement throughout the City from the Police, so that they can be sufficiently well enforced to make it possible to introduce further residents' parking schemes.

Highways and Transportation staff

- 1.20 Cabinet agreed that certain posts in the former Traffic Group should be created in order to improve service delivery in various areas. These posts are the Public Transport Co-ordinator, the Development Co-ordinator, the Travel Plans Officer, the Direction Signing Officer, one of the Transport Strategy Officers, and additional staff employed to introduce the new Leicester Traffic Regulation Order, as described in the previous paragraph. A small increase to cover wage inflation over the past two years is proposed.

St. Margaret's Bus Station

- 1.21 On-street parking income is used to fund the management of the St. Margaret's Bus station, for which no provision exists in the base revenue budget.

Network tickets.

- 1.22 Under the terms of the Transport Act 2000, the City Council now has the power to require bus operators to provide network tickets valid on all services. However, since then, discussions have been taking place between the various bus operators in the City, with a view to introducing such a ticket as a purely commercial venture. It is likely that such a ticket could affect the cost to the Council of supporting non-commercial services, but this could be either up or down. I propose therefore that the provision previously earmarked for spend in future years be dropped.

York House rental

- 1.23 This is expected to see no change next financial year. The staff 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.

MacDonald Road car park

- 1.24 This is now expected to be open to the public at the start of the next financial year, as part of the Belgrave Corridor project. The car park is not expected to cover its running costs. As agreed by Cabinet last year, it is intended to cover the shortfall from on-street parking income.

Public Transport Information Strategy (PTIS)

- 1.25 The Government requires the City Council to develop and implement a Public Transport Information Strategy. Work has been taking place over the past year, 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. These have been identified 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

- 1.26 It has become apparent that there considerable additional staff time, provided by all parties, is needed to develop and update the various databases to underpin the various pieces of information, as well as to inspect bus stops, and keep the information there in good condition and up-to-date. It is estimated that the City Council's share of the extra cost will be of the order of £50,000, for which no provision exists in the base revenue budget.

Future years

- 1.27 The effect of these recommendations, together with the indicative expenditures shown in the attached table, means that planned expenditure will exceed forecast income for the next three years. However, this situation should change in 2007/08, when the new Leicester Traffic Regulation Order is completed. However, the amount expected to remain in the balance sheet to cover any unexpected increases in costs is forecast to be very close to zero, and further attention to this may need to be given over the next few years.