

Leicester
City Council

WARDS AFFECTED: ALL

**Leisure and Environment Scrutiny Committee
Cabinet**

**2 March 2005
7 March 2005**

ON-STREET PARKING INCOME AND EXPENDITURE 2005/06

Report of the Service Director, Highways and Transportation

1 Purpose of Report

- 1.1 This report asks Cabinet to agree 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 nearly £1.7million a year. A proportion of this is spent on operating the system, including the Parking Team in the Transport Development Section, who are responsible for overall management and fine processing.
- 2.2 Use of the remainder, around £1.1 million a year, is restricted to expenditure on highways and transportation services, and for the purposes of environmental improvements in the Local Authorities area, and 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 Leisure and Environment Scrutiny Committee is asked to comment on the proposals in this paper. Any comments the Committee wishes to make will be forwarded to Cabinet for consideration.
- 3.2 Cabinet is recommended to:
- a) reaffirm that it is not currently desirable nor 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) confirm that the Director of Regeneration and Culture has power to vary the amounts spent on the various items referred to in the Appendix, subject to funding being available (paragraph 13.1 of the report)
 - d) approve the changes in tariffs set out in paragraph 1.3 in the main report.

4 Financial & Legal Implications

4.1 *Financial implications*

4.1.1 There will be anticipated income from on-street parking, the use of which is restricted by the Road Traffic Regulation Act 1984. The spend proposals can be funded by anticipated income and amounts brought forward. After the uses mentioned in this report, this will leave a forecast balance of £72,000 at 31 March 2006. A detailed breakdown is shown in the appendix.

4.1.2 There is no net impact on the general fund.
Financial information: Paresh Radia ext. 6507

4.2 *Legal implications*

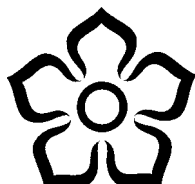
4.2.1 The expenditure proposed in the Appendix is of a type allowed by the Road Traffic Regulation Act 1984.
Legal information: Clive Tobin

5 **Report Author**

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

DECISION STATUS

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



Leicester
City Council

WARDS AFFECTED: ALL

Leisure and Environment Scrutiny Committee
Cabinet

2 March 2005
7 March 2005

ON-STREET PARKING INCOME AND EXPENDITURE 2005/06

Report of the Service Director, Highways and Transportation

REPORT

1 Charges

- 1.1 Net income during 2004/05 is almost exactly as forecast. At Cabinet in March 2003, the Service Director, Highways and Transportation, forecast income of £1.697 million; the forecast outturn currently stands at £1.698 million.
- 1.2 Parking charges were last amended in April 2004. As part of the Council's revenue budget strategy, following consultation with Members of Cabinet, this paper proposes to increase tariffs from April 2005, in order to help fund additional expenditure on supported bus services. £120,000 can be raised by a modest increase in tariffs. £35,000 a year will come from the previously agreed expansion of the scheme to the streets between Burleys Way and Abbey Park. A further £30,000 will come next financial year from a proposed expansion of the scheme to cover the De Montfort Street area, which is currently the subject of public consultation, rising to £100,000 a year in subsequent years.
- 1.3 The table below shows the existing and proposed new charges.

	Existing	Proposed
CENTRAL AREA		
Up to 30 minutes	0.80	0.90
30 minutes to one hour	1.40	1.50
One hour to ninety minutes	2.10	2.20
Ninety minutes to two hours	2.70	2.80
OUTER AREA		
Up to one hour	0.70	0.80
One hour to two hours	1.20	1.30
Two hours to three hours	1.70	1.80

2 Use of surplus income

- 2.1 There is very little difference between the income and expenditure approved by Cabinet in March 2004. For the second year running, income from ticket sales is up, whilst income from fines has fallen. Investigation suggests that this is because fewer motorists are breaking the rules. However, the cost of the on-street operation is slightly more than forecast. The cost of improving the Haymarket Centre car park has proved to be £35k more than estimated, but this has been offset by savings elsewhere.
- 2.2 The amount brought forward in the balance sheet has proved to be somewhat more than expected at the time the previous report to Cabinet in March 2004 was prepared. The net effect is that there is likely to be larger amount (£0.179 million, as against £0.096 million) in the balance sheet than had been expected. The details are shown in the Appendix.
- 2.3 Next financial year, if Members agree, ticket income at existing spaces could increase by £0.120 million, by increasing the on-street charges by 10p.

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

- 3.1 Under the terms of the Road Traffic Regulation Act 1984, the first call on any surplus income, after the cost of the operation has been paid for, is 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 off-street parking is, at present, unnecessary or undesirable. Cabinet is recommended to reaffirm this position which is in line with the City Council's approved transport policy.

4 On-street parking (proposed expenditure £589,000)

- 4.1 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.
- 4.2 The parking team in the Transport Development Group is funded from on-street parking income. This paper proposes to continue funding the Group from this source.

5 Local bus services (proposed expenditure £855,000)

- 5.1 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.
- 5.2 The Council re-affirmed its policy for supporting local bus services in December 1999. A number of gaps in provision have been identified as follows:-
- 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), that reduce walking distances to the nearest commercial service.

5.3 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 £1.3 million a year. In the current financial year, this has been funded from developer contributions, on-street parking income and the base revenue budget.

5.4 In future years, the Council may want to cease funding supported bus services from the base revenue budget. This paper therefore proposes that, in the next financial year, the contribution to supporting on-street bus services should be increased from £735k to £855k. This is reflected in the proposed Regeneration and Culture revenue budget.

6. Introduction of Residents Parking (proposed expenditure £125,000, excluding staff)

6.1 The City Council is currently in the process of re-writing all the Traffic Regulation Orders in the City, so that it can take over enforcement from the Police. 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.

6.2 This new Decriminalised Parking Enforcement regime is expected to make a surplus of income over running costs. However, there will be significant additional costs incurred in setting-up the new system. Officers intend to bring a report on Decriminalised Parking Enforcement to the April 2005 meeting of Cabinet.

7 Highways and Transportation staff (proposed expenditure £200,000)

7.1 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.

8 St. Margaret's Bus Station (proposed expenditure £50,000)

8.1 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.

9 York House rental (proposed expenditure £120,000)

9.1 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.

10 MacDonald Road car park (proposed expenditure nil)

10.1 We expected the car park to be open to the public before the end of this financial year, as part of the Belgrave Corridor project. Cabinet was advised last year that a small subsidy would be needed. It is now expected to cover its running costs.

11 Public Transport Information Strategy (PTIS) (proposed expenditure £30,000)

11.1 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

11.2 Considerable additional staff time, provided by all parties, will be needed to develop and update databases, inspect bus stops, and keep bus stop information in good condition and up-to-date. The City Council has recently appointed a Public Transport Information Officer, whose principal job will be to ensure that information at bus stops throughout the Greater Leicester urban area is accurate and in good condition. The cost of this post is being funded by the City and County Councils, together with the bus operators. During the start-up period this financial year, it is estimated that the City Council's share of the extra cost will be around £50,000. In future years, the estimated on-going cost will be less, because of the financial contributions to the scheme being made by the bus operators.

12 Future years

12.1 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 two years, leaving the account in balance at the end of the following financial year. Thereafter, the paid on-street operation will be absorbed into a far larger City-wide enforcement regime, when the new Leicester Traffic Regulation Order is completed, and the Decriminalised Parking Operation comes into force.

13 Delegated Powers

13.1 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.

FINANCIAL AND LEGAL IMPLICATIONS

14 Financial implications

14.1 Anticipated income from on-street parking, the use of this is restricted by the Road Traffic Regulation Act 1984. The spend proposals can be funded by anticipated income and amounts brought forward. After the uses mentioned in this report, this will leave a forecast balance of £72,000 at 31 March 2006. A detailed breakdown is shown in the appendix.

14.2 There is no net impact on the general fund.
Financial information: Paresh Radia ext. 6507

15 Legal implications

15.1 The expenditure proposed in the Appendix is of a type allowed by the Road Traffic Regulation Act 1984.
Legal information: Clive Tobin

OTHER MATTERS

16 Other implications

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	

17 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.

18 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 15 March 2004

19 Consultations

19.1 None required.