

Leicester
City Council

WARDS AFFECTED: ALL

Highways and Transportation Scrutiny Committee
Cabinet

10 May 2006
15 May 2006

ON-STREET PARKING INCOME AND EXPENDITURE 2006/07

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 scheme in order improve transport in the City

2 Summary

- 2.1 The Council's on-street parking operation generates over £2 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 Use of the remainder, around £1.5 million a year, is restricted to expenditure on highways and transportation services 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 Highways and Transportation 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 Corporate Director of Regeneration and Culture, in consultation with the Cabinet Link Member, has power to vary the amounts spent on the various items referred to in the Appendix, subject to funding being available (paragraph 12.1 of the report)

4 Financial & Legal Implications

4.1 *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 £177,000 at 31 March 2007. A detailed breakdown is shown in the appendix.

4.1.1 There is no net impact on the general fund.

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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, as amended by the Traffic Management Act 2004.

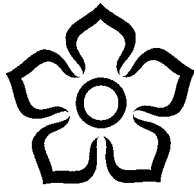
Anthony Cross, Head of Litigation, ext. 6362

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DECISION STATUS

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



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Highways and Transportation Scrutiny Committee
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10 May 2006
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ON-STREET PARKING INCOME AND EXPENDITURE 2005/06

Report of the Corporate Director, Regeneration & Culture

REPORT

1 Charges

- 1.1 Net income during 2005/06 is £100,000 more than anticipated prior to the start of the financial year. At Cabinet in March 2005, the Service Director, Highways and Transportation, forecast income of £1.872 million; the forecast outturn at the time of writing stands at £1.982 million. This follows the introduction of charges in the De Montfort Street area, which have produced considerably more income than anticipated.
- 1.2 Parking charges in the City Centre were last amended in April 2005, whilst the new charges in the De Montfort Street area only came into effect in August. Usage of many City Centre bays is currently being affected the limited enforcement of single and double yellow lines. It is proposed, therefore, to postpone any tariff rises until after the introduction of Decriminalised Parking Enforcement next January.

2 Use of surplus income

- 2.1 There have been some minor changes in expenditure, but the net effect is that the amount left in the balance sheet to carry forward from 2005/06 to 2006/07 is £100,000 more than forecast, and it is expected that there will be a further rise in gross income, as a result of the De Montfort Street area being in operation for a full year.
- 2.3 There will be a major change in income and expenditure following the introduction of Decriminalised Parking Enforcement next year. However, it is proposed to treat the two accounts as separate for the time being, and to review the position later in the financial year.

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

- 3.1 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 additional on-street parking will be considered as part of the on-going review of traffic regulation orders in the City.

4 On-street parking (proposed expenditure £595,000)

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.

5 Local bus services (proposed expenditure £990,000)

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 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 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 £1.55 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 2006/07 will rise by £35,000, following the re-tendering of services where the contracts have expired.

5.4 In addition, an inaccurate accounting forecast at the start of 2005/06 means that only £1.45 million was spent in the 2005/06 financial year (£100,000 too much having been spent in 2004/05), which cut the contribution needed from on-street parking income by the same amount. In order to balance the books in 2006/07, an additional contribution from on-street parking income of £100,000 is needed, taking the total contribution in 2006/07 to £980,000.

5.5 Cabinet has asked for a report on expenditure on supported bus services, which it is hoped to present to Cabinet next month, and the amount to be funded from on-street parking income, may need to be reviewed in the light of its findings.

6. The New Leicester Traffic Regulation Order (proposed expenditure £125,000, excluding staff)

6.1 The City Council is currently in the process of re-writing all the Traffic Regulation Orders (TROs) 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 planned to come into operation on 2 January 2007. Whilst there are considerable start-up costs to be paid for (quite apart from the costs of re-writing the TROs), Cabinet has previously agreed that these should be paid for by prudential borrowing, and these do not appear in the on-street parking balance sheet.

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

- 7.1 In view of pressures on the Department's revenue budget, income from on-street has been used to help pay for staffing in the Highways and Transportation Division. It is proposed that this continue.

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 £130,000)

- 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. A rent review is due this year on part of the accommodation, and a notional increase has been included in the figures.

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

- 10.1 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

- 10.2 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.

11 Future years

- 11.1 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.

12 Powers of the Director

- 12.1 Under the terms of the City Council's constitution, the 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.

13 FINANCIAL AND LEGAL IMPLICATIONS

Financial implications

13.1 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 £177,000 at 31 March 2007.

13.2 There is no net impact on the general fund.

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Legal implications

13.3 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.

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14 OTHER MATTERS

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 | |

15 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. |

16 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

17 Consultations

17.1 None required.

18 Report Author

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