

BRISTOL CITY COUNCIL

Place Scrutiny Commission

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Report of: Peter Mann - Service Director, Transport

Title: Residents' Parking Schemes Finance update

Ward: Citywide

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RECOMMENDATION

To note the updated position on RPS Finances and provide comments.

1 Kingsdown RPS

Kingsdown RPS was launched in January 2011. Pay & Display gross income is in the region of £250k per annum and gross permit income is c£45k per annum. The budget used to fund the initial RPS schemes was £911k which was part of a £1.717m capital sum borrowed against future income. This loan was also approved to cover the costs of a review of the Central Controlled Parking Zone, the implementation of Bus Lane Enforcement and the replacement of the Civil Enforcement Officers' handheld computers. Repayment of the loan is fixed over a 6 year period ending in 2015-16 and the Parking Services accounts are currently on target to repay the loan at this time. Income and expenditure for this scheme is included within Parking Services' revenue budget.

2 Redcliffe RPS

Redcliffe RPS was launched in November 2012. Pay & Display income is in the region of £37k gross per annum and gross permit income is c£5k per annum. There is no capital repayment associated with this scheme as it was funded from within the Transport Capital Programme. Income and expenditure for this scheme is included in Parking Services' revenue budget.

3 Cotham RPS

Cotham RPS was launched in December 2012. Pay & Display gross income is in the region of £125k per annum and gross permit income is c£60k per annum. There is no capital repayment associated with this scheme as it was funded from within the Transport Capital Programme. Income and expenditure for this scheme is included in Parking Services' revenue budget.

4 Residents' Parking Schemes Cabinet Report - June 2013

The Residents' Parking Schemes Cabinet Report of June 2013 put forward proposals to introduce 21 new residents' parking schemes funded by £9.8m of the capital programme and £8.3m of prudential borrowing to support the scheme alongside £1.5m from the Local Transport Plan capital allocation.

The mayor's subsequent decision determined at the Cabinet meeting was to progress the "inner ring" of 13 new residents parking schemes only, financed by £7m of the capital programme - £4m in 2013/14 and £3m in 2014/15. Prudential borrowing would be used to support the scheme alongside £1m from the Local Transport Plan capital allocation.

Costs and payback

A paper was presented to the Corporate Capital Programme Board on 10th October 2014 which set out updated spending proposals for the Residents' Parking Schemes programme over this and the next financial years. Due to revised timetable for delivery of the programme some spending will now occur in 2015/16. The paper set out that expected spend would be approximately £4.27m in 2014/15 and £2.23m in 2015/16 with an anticipated overall total spend of £6.6m.

The programme has been progressing steadily and at the time of writing five of the twelve additional schemes comprising the inner ring have been introduced with a sixth, St Paul's, to be launched before the date of the Scrutiny Committee. Final outturn cost figures for these new schemes have not yet been calculated but will be available at the end of quarter three of this financial year. It is nevertheless expected that the full inner ring of twelve RPS areas (to add to the three established previously) will be completed within the current allocated budget.

In order to provide a robust justification for borrowing, the capital repayment has been set against estimated income from permits and pay & display from across the whole RPS programme. This is because some areas will, by virtue of their scale and topography, cost more than others to implement and similarly some will, by virtue of their proximity to areas of high demand for pay-and-display, generate more income than others to assist with payback of the borrowing.

As with all income to the Council's parking service, this is required by law (s 55 Road Traffic Regulation Act 1984) to be used first to offset costs against the parking account. This is explained in more detail in Appendix A. In the case of RPS this means the cost of implementation, payback of borrowing including interest charged, enforcement, review and maintenance of lines, signs and machines.

The payback period for the programme relies upon the income targets being met and costs contained with budgets. At present, the indications of income from the first operational schemes combined with prudent estimates of capital expenditure suggests that the payback period for the inner ring would be completed within 7 years.

5 Inner Ring Residents' Parking Schemes- Income

Details of four of the "inner ring" schemes that have been implemented to date as follows:

Scheme	Permit Forecast Income	Permit Actual Income to date	% Variance
Easton & St Phillips	£29,800	£40,346	+35%
Cliftonwood & Hotwells	£87,600	£99,816	+14%
Cotham North	£88,750	£117,085	+32%
Redland	£109,200	£46,968	-57%
Total	£315,350	£304,215	-4%

Headlines:

- Permit take up (i.e. the number of permits issued as a percentage of the number of properties in each area) has largely been in line with projections +/- 6% variance compared to our initial forecast. This gives confidence in the forecast for other areas.
- Redland income is low because the scheme borders were redrawn after the forecasts were done. Actual take up is in line with the number of households in the revised scheme area.
- Forecasted permit income was originally based on the majority of the permit applications being residential first vehicle permits at a cost of £48. Other permit types are more expensive, second vehicle permits are £96 and others such as customer permits, traders permits and carers permits have been introduced after the submission of the Cabinet Report in 2013. In Cotham North for example only 81% of the permits issued have been first vehicle residential permits and this has led to higher income levels than originally forecast.
- Overall the deficit against forecast for these schemes is low and is likely to be covered by additional permit applications during the rest of the

financial year. Income from other schemes is likely to be in line with or higher than forecast.

Scheme	P&D Forecast Income	P&D Full Year Forecast based on income to date	% Variance
Easton & St Phillips	£24,790	£87,434	+253%
Cliftonwood & Hotwells	£41,602	£62,854	+51%
Cotham North	£123,546	£79,800	-35%
Redland	£31,776	£24,063	-24%
Total	£221,714	£254,152	+15%

Overall, the schemes are largely performing as expected. The forecasts were originally produced when both Cotham and Redcliffe were in their early stages, so there was little in the way of precedent to use and a degree of variation from forecast is not wholly unexpected.

Redcliffe in particular is a small scheme with very little take up of P&D. RPS areas that were expected to be broadly similar in terms of P&D take up were modelled on Redcliffe which may have led to an underestimation of P&D income. This certainly seems to be the case in Easton & St Phillips.

Headlines

- Easton & St Phillips has performed significantly better than anticipated. Income is higher than expected across the whole scheme. However in addition to this, seven streets with just 26% of the P&D bays have accrued more than 50% of the entire scheme income to date. These streets are broadly speaking in the Old Market area of the scheme and are likely to be generating high levels of income due to their proximity to Cabot Circus and to places such as the Council CSP, Trinity Road police station and Old Market shops. It was initially thought that the 2 hour length of stay would deter those visiting Cabot Circus; however, that does not appear to be the case.
- Cliftonwood & Hotwells has also performed better than forecast.
- Cotham North and Redland appear to be underperforming against forecast. However, these forecasts are based on just one full month of data (August). These areas are close to the University so any forecast that only uses data from school holidays is likely to be understated.
- RingGo (parking payments by telephone) amount to 10% of the total income on average although this varies by scheme (8% in Redland through to 13% in Cliftonwood & Hotwells). Experience suggests that this figure increases over time; 20% of all income from the Kingsdown RPS was via RingGo in 2013/14. Ultimately, growth in this area should enable the number of machines to be reduced over time saving money

and reducing the impact on the street scene.

6 Inner Ring Residents' Parking Schemes – Forecasts

The finances for the full programme of Inner Ring RPS can be updated as follows:

Year	Type	Original Forecast	Sept 14 Forecast	%Variance
2014-15	Income	£1,009,502	£603,230	
	Expenditure	£533,435	£299,487	
	Total	£476,066	£303,742	-£172,324
2015-16	Income	£1,630,152	£1,544,394	
	Expenditure	£567,520	£536,349	
	Total	£1,062,632	£1,008,045	-£54,587
2016-17	Income	£1,627,586	£1,693,643	
	Expenditure	£573,024	£533,163	
	Total	£1,054,562	£1,160,479	+£105,917

Headlines

- The programme continues to make a surplus each year which will be used to repay the capital loan.
- The surplus in years one and two is less than projected due to the revised implementation programme.
- In year three the surplus is higher than originally forecast which reflects the overall impact of the schemes which have been implemented to date.

The Finance Team is currently carrying out some remodelling in order provide a revised repayment plan taking into account the changes to the programme for the inner ring schemes, which will have had both an expenditure and income effect.

7 PCN Income and its use

Penalty Charge Notice revenue is an insecure source of income as the purpose of parking enforcement is compliance with the regulations not to provide a means of generating income.

The Parking Services budget already includes estimates of PCN income based on historical performance going back 14 years.

There were approved parking restrictions, such as limited waiting and double

yellow lines, in place in many of these residential areas before the launch of the new RPS schemes. PCN income was therefore already being generated from the RPS areas to a certain extent and this income was used to offset Parking Services operational costs.

Experience from Kingsdown, Cotham and Redcliffe shows that while there is an increase in the number of PCNs issued immediately after a new scheme is introduced, this returns to near normal levels fairly quickly and there is little or no long term increase in overall PCN income over the original baseline.

Additional PCN income is therefore not included within the financial model for the RPS programme as the income is not new or additional income but rather simply continues to contribute towards Parking Services' original PCN income budget to offset enforcement costs.

All English authorities must keep an account of all parking income and expenditure in designated (i.e. on-street) parking spaces which are in a Civil Enforcement Area and of income and expenditure related to their functions as an enforcement authority (i.e. PCN income).

- Permit, Pay & Display and PCN income from Residents' Parking schemes should be included within the council's S55 Account (S55 of the Road Traffic Regulation Act 1984, as amended by the Traffic Management Act 2004).
- The Traffic Management Act 2004 is not a revenue raising act and is very clear that setting PCN income targets would be illegal. Legal Services has previously endorsed this view.
- While surpluses can be made on the parking account there are clear rules which determine what these surpluses can be used for - see Appendix A.

Appendices

Appendix A: BPA Parking Practice Note 24 – Parking Accounts

Risk Assessment

This is not applicable to this report which provides factual data on finances related to RPS areas.

Public Sector Equality Duties

This is not applicable to this report which provides factual data on finances related to RPS areas.

Financial implications / issues:

Information in relation to costs and payback of the capital borrowing has been provided by Mike Allen from the Finance Team and included in the body of this report.

Legal and Resource Implications

Advice in relation to the use of Section 55/PCN income has been provided by the Council's Legal Team and their advice has been included in the body of this report.

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PARKING ACCOUNTS REQUIRED UNDER THE TRAFFIC MANAGEMENT ACT 2004

INTRODUCTION

Under S. 55 of the Road Traffic Regulation Act 1984, as amended by the Traffic Management Act 2004, all English authorities must keep an account of all parking income and expenditure in designated (i.e. on-street) parking spaces which are in a Civil Enforcement Area, and of their income and expenditure related to their functions as an enforcement authority.

Regulations and guidance confirm that in respect of off-street parking places (ie car parks), the term "income and expenditure as enforcement authorities" includes that related to the issue of PCNs. It does not, for example, include pay and display or permit/season ticket income or the direct expenditure relating to collecting that income.

Outside London, similar accounts must be kept of all parking income and expenditure in respect of designated (i.e. on-street) parking places which are not in a Civil Enforcement Area, but this aspect is

not covered further in this note as the rules on this are not changing.

This note is designed to give advice to authorities on preparing and publishing their accounts under the new legislation.

Guidance and regulations provide for what authorities must do with this financial information, including its incorporation in annual reports, and relevant aspects of the guidance are included in this note. A separate Parking Practice Note will give advice on the provision and publication of other (non-financial) information under the 2004 Act.

A copy of S.55 of the 1984 Act, as modified by the 2004 Act, is reproduced in Annex A.

Relevant extracts from operational guidance are reproduced in Annex B.

FORM AND DETAILS OF ACCOUNTS

Paragraphs 4.16 and 4.24-4.29 of operational guidance¹, deal with the publication of information on parking income, expenditure, the surplus or deficit, and action taken in respect of that surplus/deficit. Of particular interest is that the guidance includes a new requirement that the financial statement should provide details of the benefits that can be expected as a result of the proposed use of the parking surplus.

This financial information is required for the financial year and is to be made available by each enforcement authority within six months of the end of that year.

S. 55 of the 1984 Act requires only one account, but it is appropriate to provide sub-accounts for on-street and off-street operations. Also, any income and expenditure associated with clamping and removal should be specifically identified and possibly summarised in a separate sub-account, as these activities should not make a surplus. Accurate income and expenditure figures are therefore needed to inform on future charges for clamping and removal.

A recommended form of the account is given below. Clearly, the contents will vary by authority. LAs are, however, recommended to provide detailed information for each main income and expenditure area. This will allow meaningful comparisons to be made with other authorities.

Authorities are reminded that Statutory Guidance says "Reporting is an important part of accountability. The transparency given by regular and consistent reporting should help the public understand and accept CPE. It provides a framework for performance comparisons between councils".

It is recommended that, for comparative purposes, the published accounts should show information for the previous year as well as the current year. It would be appropriate to comment on the reasons for any significant changes in income or expenditure.

Authorities should decide how the income and expenditure reported in the account is determined, based on proper accounting practices. The basis of the accounting measures should be clearly identified in the account.

REFERENCE

¹ And paragraphs 114, 116, 117 and Annex A of statutory guidance.

SPECIMEN FORM OF PARKING ACCOUNT

Name of Local Authority: **Year:**

PARKING ACCOUNT AS REQUIRED BY S. 55 OF THE ROAD TRAFFIC REGULATION ACT 1984 (AS AMENDED)

Year	Current Year	Previous Year (optional)
ON-STREET	£	£
Income		
Pay & Display/Meters		
Residents' & Visitors' Permits		
Business Permits		
Other non-PCN income		
PCN income		
Clamping/removals income*		
Total Income		
Expenditure		
Contractors		
In-house staff		
Equipment maintenance/renewal		
London Councils or Traffic Penalties Tribunal (as appropriate)		
TEC (Northampton)		
Clamping/removals expenditure*		
Total Expenditure		
Surplus (Deficit)		
OFF-STREET		
PCN Income		
Clamping/removals income*		
Total Income		
Expenditure		
Clamping/removals expenditure*		
Total Expenditure		
Surplus (Deficit)		
TOTAL ON- AND OFF-STREET		
Income		
Expenditure		
Surplus (Deficit)		

* NB. Clamping/removals income and expenditure (excluding any relevant PCN income) could also be separately summarised to allow easy reference to any surplus/deficit in these areas.

APPLICATION OF PARKING SURPLUS/DEFICIT

Year	Current Year	Previous Year (optional)
	£	£
Surplus (Deficit*)		
Making good to the general fund of any amount charged to that fund in the 4 years immediately preceding the financial year in question (where appropriate)		
Brought forward (where appropriate)		
<i>Report to include expenditure such as:-</i>		
Refurbishment of Car Park A**		
Introducing Controlled Parking Zone B**		
New on-street ticket machines**		
Lines and signs audit**		
Concessionary fares		
Taxi-card schemes		
Carried forward (where appropriate)		

* NB. At the end of each financial year any deficit in the account must be made good out of the general fund.

** NBB. Expenditure such as that identified by two asterisks (**) can be dealt with either in the basic parking account as revenue expenditure, thus reducing the parking surplus, or included here when approved as capital expenditure. The arrangement will depend on how authorities plan their future expenditure.

Given that mature parking operations may produce a parking surplus, though not designed so to do, some authorities prudently allow for future surpluses and build this into their programmes. There is nothing wrong in this, as long as they do not rely on these surpluses, and if for any reason these surpluses do not occur, authorities must not adjust their charges or operations simply to achieve the expected surpluses.

It is also worth noting that authorities can only spend their surplus on non-parking related items if they are satisfied there is no need for further off-street parking facilities. Authorities may wish to provide a statement establishing this fact if monies are to be spent in other areas.

PUBLICISING AND SUBMITTING ACCOUNTS

Regulations² made under the TMA 2004 will mean that enforcement authorities outside London will no longer have to send their parking accounts each year to the Secretary of State.

However, as noted above, these authorities will still need to produce parking accounts under S. 55 of the Road Traffic Regulation Act 1984 and to publicise these under the requirements of statutory guidance.

The requirements for London authorities will not change and they will have a continued obligation to submit their parking account and action taken in respect of any deficit or surplus in the account to the Mayor of London.

Under the above-mentioned regulations, London authority parking accounts have to be sent "as soon as is reasonably practicable after the conclusion of the audit of the authority's accounts for the financial year in question", and the report on the surplus/deficit has to be made "as soon after the end of the financial year to which it relates as is reasonably possible".

In practice, one can see the sense in authorities dealing with these matters at the same time and providing the information in one report to the Mayor of London.

OTHER REPORTS

Authorities are reminded that they are also required to submit details of their parking income and expenditure, not restricted to their CPE operations, annually to the Government Department known as Communities and Local Government.

BUS LANE AND MOVING TRAFFIC CONTRAVENTIONS

It is appropriate here to note that any authority carrying out enforcement of moving contraventions in bus lanes or of moving contraventions against traffic signs currently need to provide separate accounts on these operations as these actions are currently carried out under separate legislation and the rules relating to spending any surplus are different. Civil enforcement of these contraventions will in future take place under the 2004 Act, and authorities will need to take note of any requirements in future regulations made under this Act.

REFERENCE

² *The Civil Enforcement of Parking Contraventions (England) General Regulations 2007 (SI 2007 No. 3483)*

ANNEX A

ROAD TRAFFIC REGULATION
ACT 1984 - S.55FINANCIAL PROVISIONS RELATING TO
DESIGNATION ORDERS (AS AMENDED BY THE
TRAFFIC MANAGEMENT ACT 2004)

- (1) An enforcement authority which is a London authority shall keep an account of -
- (a) their income and expenditure under this Part of this Act in respect of designated parking places;
 - (b) their income and expenditure as an enforcement authority in relation to parking contraventions within paragraph 2 of Schedule 7 to the 2004 Act (parking places); and
 - (c) their income and expenditure as an enforcement authority in relation to parking contraventions within paragraph 3 of that Schedule (other parking matters).
- (1A) An enforcement authority which is not a London authority shall keep an account of -
- (a) their income and expenditure under this Part of this Act in respect of designated parking places in their area which are not in a civil enforcement area for parking contraventions;
 - (b) their income and expenditure under this Part of this Act in respect of designated parking places in their area which are in a civil enforcement area for parking contraventions; and
 - (c) their income and expenditure as an enforcement authority in relation to parking contraventions within paragraph 4 of Schedule 7 to the 2004 Act (contraventions outside London).
- (2) At the end of each financial year any deficit in the account shall be made good out of the general fund or, in Wales, council fund, and (subject to subsection (3) below) any surplus shall be applied for all or any of the purposes specified in subsection (4) below and, in so far as it is not so applied, shall be appropriated to the carrying out of some specific project falling within those purposes and carried forward until applied to carrying it out.
- (3) If the local authority so determine, any amount not applied in any financial year, instead of being or remaining so appropriated, may be carried forward in the account kept under subsection (1) above to the next financial year.
- (3A) Transport for London, the Council of each London Borough and the Common Council of the City of London shall, after each financial year, report to the Mayor of London on any action taken by them, pursuant to subsection (2) or (3) above, in respect of any deficit or surplus in their account for the year.
- (3ZA) An enforcement authority which is a London authority shall, after each financial year, send a copy of the account kept by them under subsection (1) to the Mayor of London.
- (3ZB) A copy of an account required to be sent under subsection (3ZA) shall be sent as soon as is reasonably practicable after the conclusion of the audit of the authority's accounts for the financial year in question.
- (3B) The report under subsection (3A) above shall be made as soon after the end of the financial year to which it relates as is reasonably possible.
- (4) The purposes referred to in subsection (2) above are the following, that is to say -
- (a) the making good to the general fund or, in Wales council fund, of any amount charged to that fund under subsection (2) above in the 4 years immediately preceding the financial year in question;
 - (b) meeting all or any part of the cost of the provision and maintenance by the local authority of off-street parking accommodation, whether in the open or under cover;
 - (c) the making to other local authorities, or to other persons of contributions towards the cost of the provision and maintenance by them, in the area of the local authority or elsewhere, of off-street parking accommodation, whether in the open or under cover;
 - (d) if it appears to the local authority that the provision in their area of further off-street parking accommodation is unnecessary or undesirable, the following purposes -
 - (i) meeting costs incurred, whether by the local authority or by some other person, in the provision or operation of, or of facilities for, public passenger transport services,
 - (ii) the purposes of a highway or road improvement project in the local authority's area,

- (iii) in the case of a London authority, meeting costs incurred by the authority in respect of the maintenance of roads maintained at the public expense by them,
 - (iv) the purposes of environmental improvement in the local authority's area,
 - (v) in the case of such local authorities as may be prescribed, any other purposes for which the authority may lawfully incur expenditure.
- (e) in the case of a London authority, meeting all or any part of the cost of the doing by the authority in their area of anything -
- (i) which facilitates the implementation of the London transport strategy, and
 - (ii) which is for the time being specified in that strategy as a purpose for which a surplus may be applied by virtue of this paragraph; [NB. Details are given in the Appendix below]
- (f) in the case of a London authority, the making to any other London authority of contributions towards the cost of the doing by that other authority of anything towards the doing of which in its own area the authority making the contribution has power -
- (i) to apply any surplus on the account required to be kept under subsection (1) above; or
 - (ii) to incur expenditure required to be brought into that account.
- (4A) For the purposes of subsection (4)(d)(ii) -
- (a) a highway improvement project means a project connected with the carrying out by the appropriate highway authority (whether the local authority or not) of any operation which constitutes the improvement (within the meaning of the Highways Act 1980) of a highway in the area of a local authority in England or Wales; and
 - (b) a road improvement project means a project connected with the carrying out by the appropriate roads authority (whether the local authority or not) of any operation which constitutes the improvement (within the meaning of the Roads (Scotland) Act 1984) of a road in the area of a local authority in Scotland.
- (4B) For the purposes of subsection (4)(d)(iv) "environmental improvement" includes -

- (a) the reduction of environmental pollution (as defined in the Pollution Prevention and Control Act 1999 (c. 24); see section 1(2) and (3) of that Act);
 - (b) improving or maintaining the appearance or amenity of -
 - (i) a road or land in the vicinity of a road, or
 - (ii) open land or water to which the general public has access; and
 - (c) the provision of outdoor recreational facilities available to the general public without charge.
- (4C) Regulations for the purposes of subsection (4)(d)(v) above -
- (a) may prescribe all local authorities, particular authorities or particular descriptions of authority,
 - (b) may make provision by reference to whether the authority or authorities in question have been classified for the purposes of any other enactment as falling or not falling within a particular category, and
 - (c) may make provision for the continued application of that provision, in prescribed cases and to such extent as may be prescribed, where an authority that is prescribed or of a prescribed description ceases to be so.
- (5) [Deleted]
- (6) [Deleted]
- (7) [Deleted]
- (8) For the purpose of enabling Transport for London and any other London authorities to discharge jointly any functions conferred by virtue of subsection (4)(f) above by a joint committee established under section 101(5) of the Local Government Act 1972, sections 101(5) and 102 of that Act shall have effect as if Transport for London were a local authority.
- (9) In the application of this section in relation to Transport for London, any reference to its general fund shall be taken as a reference to the financial reserves for which provision is made under Section 85(4)(c) of the Greater London Authority Act 1999 in calculating Transport for London's component budget for the financial year in question.
- (10) In this section -
- "the 2004 Act" means the Traffic Management Act 2004;

“enforcement authority” means an authority which is an enforcement authority for the purposes of paragraph 1(2), 2(5) or 8(5) of Schedule 8 to the 2004 Act (parking contraventions);

“London authority” means Transport for London, a London borough council or the Common Council of the City of London;

“the London transport strategy” means the transport strategy prepared and published under Section 142 of the Greater London Authority Act 1999.

- (11) A reference in this section to the income and expenditure of an authority as an enforcement authority is to their income and expenditure in connection with their functions under Part 6 of the 2004 Act (civil enforcement).
- (12) A reference in this section to a civil enforcement area for parking contraventions is to be construed in accordance with Schedule 8 to the 2004 Act.

APPENDIX TO ANNEX A

CLAUSE 4(e)(ii) - SPECIFIED PURPOSES IN THE LONDON TRANSPORT STRATEGY FOR WHICH PARKING SURPLUSES CAN BE USED.

- bus priority measures and improvements to bus stops;
- other measures to improve buses;
- on-street measures to promote walking;
- on-street measures to promote cycling;
- on-street measures to improve accessibility to the transport network;
- parking and enforcement measures;
- traffic reduction and traffic management measures;
- road safety measures;
- structural maintenance of bridges and principal roads;
- Streets-for-People areas identified in the LIP;
- environmental street improvement schemes in town centres;
- Interchange projects;
- measures to assist freight developed through Freight Quality Partnerships;

- complementing congestion charging;
- development of school travel plans and workplace travel plans;
- vehicle emissions monitoring and enforcement.

ANNEX B

EXTRACTS FROM OPERATIONAL GUIDANCE

4.16 Enforcement authorities should produce an annual report about their enforcement activities within six months of the end of each financial year. The report should be published and as a minimum it should cover the financial, statistical and other data (including any parking or CPE targets) set out below (ie in paragraph 4.24).

4.17 Enforcement authorities should make annual returns to the Government about the number and speed of payment of PCNs. They should also advise the appropriate adjudication service in a timely fashion how many PCNs they have issued.

4.24 PARKING ANNUAL REPORTS: POSSIBLE CONTENTS

FINANCIAL

- Total income and expenditure on the parking account kept under section 55 of the Road Traffic Regulation Act 1984 as modified by regulation 25 of the Civil Enforcement of Parking Contraventions (England) General Regulations 2007 (see paragraph 4.27-4.29 below).
- Breakdown of income by source (i.e. on-street parking charges and penalty charges).
- Total surplus or deficit on the parking account.
- Action taken with respect to a surplus or deficit on the parking account.
- Details of how any financial surplus has been or is to be spent, including the benefits that can be expected as a result of such expenditure.

[NB. Remainder of this paragraph not included here]

FINANCIAL REPORTING

4.25 The income and expenditure of local authorities in connection with their on-street charging and their on-street and off-street enforcement activities are governed by Section 55 (as amended) of the Road Traffic Regulation Act 1984. This means that all their income and expenditure as enforcement authorities (i.e. related to the issue of and income from PCNs) in respect of off-street parking places is covered by section 55. London authorities must³ keep an account of all income and expenditure in respect of designated (i.e. on-street) parking places; and their functions (income and expenditure) as enforcement authorities, within paragraphs 2 and 3 of Schedule 7 to the TMA. English authorities outside London must⁴ keep an account of all income and expenditure in respect of designated (i.e. on-street) parking places which are not in a Civil Enforcement Area, income and expenditure in designated (i.e. on-street) parking spaces which are in a Civil Enforcement Area and their functions (income and expenditure) as an enforcement authority.

4.26 The Secretary of State has included a provision in the TMA that further amends section 55 RTRA. This provision affects any local authority that enforces civil parking. It means that their on-street parking account is no longer limited to permitted parking income and expenditure. The on-street parking account will also include income and expenditure relating to the enforcement of all restricted parking contraventions within a CEA - on-street as well as off-street. Local authorities should be able to distinguish between income from off-street and on-street penalty charges, but will need to find a way of allocating costs between the two. The report should cover all on-street income from and expenditure on parking activities, including that from parking meters, pay and display machines, resident's parking permits, and penalty charge

notices. All enforcement authorities in London must⁵ send a copy of the account to the Mayor of London as soon as reasonably possible after the end of the financial year.

4.27 Where an authority makes a surplus on its on-street parking charges and on-street and off-street enforcement activities, it must⁶ use the surplus in accordance with the legislative restrictions in Section 55 (as amended) of the RTRA 1984.

4.28 The Secretary of State recommends that enforcement authorities publish this account in their annual report.

4.29 Every local authority makes financial returns each year to Communities and Local Government. These returns include information about parking income and expenditure.

ANNEX A (to Operational Guidance)

The enforcement authority keeps any proceeds from penalty charges, which finance the enforcement and adjudication systems. Authorities must only use any financial surpluses from on-street charges and on and off-street enforcement must be used only for the purposes set out in Section 55 (as amended) of the RTRA and authorities need to keep separate accounts of PCN income from on-street enforcement and from off-street enforcement.

REFERENCES

³ See amendments to Section 55 Road Traffic Regulation Act 1984 in *The Civil Enforcement of Parking Contraventions (England) General Regulations 2007 (SI 2007 No.3483)*, Regulation 25.

⁴ *Ibid*, Regulation 25.

⁵ *Ibid*, Regulation 25

⁶ *Ibid*, Regulation 25



These Parking Practice Notes are believed to contain accurate and current information and are published by the BPA in good faith. They are, however, intended for guidance and not as a substitute for appropriate specialist advice. Neither the BPA nor the author can accept any responsibility or liability for any omissions or errors that these Notes may contain. Any views expressed in this paper are those of the author.

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