

Local Members Interest
N/A

Staffordshire Parking Board – 26th July 2011

CIVIL PARKING ENFORCEMENT – 2010-11 Financial Outturn and 2011-12 Budgets

Recommendations of Staffordshire County Council Cabinet Member (Highways and Transport):

1. In respect of the 2011-12 budgets, consider and, if appropriate, approve the budgets for Cannock Chase District, Lichfield District, South Staffordshire District and Tamworth Borough
2. Note the revenue outturn position of each district authority in 2010-11 and consider the on-going financial position.
3. Note the encouragement of the County Council for Local Parking Committees to utilise any additional resources generated from “on-street” charging to address parking related issues, rather than requiring an earlier pay back of set-up costs.

Joint report of the Director for Place and Deputy Chief Executive and the Director of Resources

PART A

Why is it coming here – what decisions are required

4. The Joint Staffordshire Parking Board Meeting of 13 December 2010 agreed the 2011-12 budgets for Civil Parking Enforcement (CPE) in four of the Districts. The budgets for the remaining districts - Cannock Chase District, Lichfield District, South Staffordshire District and Tamworth Borough – were to be approved by the Chair following further discussions. This report considers those budgets further, along with the latest financial outturn position for all authorities in 2010-11.

Reasons for recommendations:

5. Budgets for four of the District CPE services have yet to be approved for 2011-12
6. This report seeks to inform the Board of the latest financial position for each CPE service highlighting the financial outturn position for 2010-11 and comments on that position along with the implications for the future financial position.
7. A change in the arrangements for the pay back of set-up costs is being encouraged by the County Council for those districts who are generating additional resources.

PART B

Background

8. The Terms of reference for the Staffordshire Parking Board include “Taking an overview of DPE (now CPE) in Staffordshire, operationally, financially and strategically”

9. CPE has now been operating in each of the four first tranche districts for in excess of 3 and a half years and for 2 full years in the second tranche authorities. On 13 December 2010 the Joint Staffordshire Parking Board considered budgets that had been reviewed for the remainder of 2010-11 and for 2011-12, in the light of experience up to then. In some instances the budgets submitted by districts were significantly less favourable than previous indications and it was agreed that further discussions were urgently needed to investigate options for managing performance. Those discussions are on-going and this report outlines the outturn position for 2010-11 and any movement in the budgets for 2011-12.
10. Members will be aware from previous reports that one of the fundamental principals underpinning the Partnership agreements between the District and County Councils covers the reimbursement of the initial set up costs for both parties as a "first call" on operational surpluses. In one District the initial set-up costs were completely met from "on street" charging introduced prior to the introduction of CPE and consequently surpluses generated in this district can now be utilised to deliver additional parking related measures or other local road improvements.
11. In another District the continuing introduction of limited additional "on street" charging is beginning to see a much quicker pay back of the initial set-up costs than originally anticipated and on this basis the County Council is able to encourage the Local Parking Committee to utilise the additional resources to address parking related issues, rather than requiring an earlier pay back of the set-up costs.

District Budgets

12. The outturn figures for each district are shown in the top section of Tables 1 to 16 attached to this report. The periods that have passed are shaded in grey and the figures in these columns represent the latest known position. The other columns represent budget figures previously agreed.
13. Within each district there is a comparison between the actual position and the previously agreed budget (the middle section), with a variance analysis between the two in the bottom section. The major variances relating to the 2010-11 financial outturn position are highlighted below, along with any other concerns.
14. *Staffordshire Moorlands* – The actual position for 2010-11 (a deficit of £0.073m) shows a worsening position on both the previous year's position and on the budget, with an increase in expenditure and a reduction in income. It is hoped to try and establish the reasons for this shortly, but this must question whether the previously approved budget for 2011-12 is achievable, even though the enforcement element of the service is now being undertaken by external contractors.
15. There is currently a deficit of £0.363m in the reserve and an improvement of the annual financial position is key to ensuring that this is repaid, as there are no other sources of funding available. If a surplus is not achievable in future years then further consideration may have to be given to the way the service is managed
16. *East Staffordshire* – The actual position for 2010-11 shows a surplus of £0.016m, although within that there would seem to be a significant reduction in the levels of PCN income and this is currently being investigated. This is partly matched by a reduction in expenditure, including employee costs, but this situation also questions whether the previously approved budget for 2011-12 is achievable.

17. As a consequence of the 2010-11 financial outturn, the reserve at the end of the financial year amounted to £0.177m of which £0.157m was available for use on highway improvement projects in the district.
18. *Stafford* – The actual position for 2010-11 has once again reverted to a deficit (£0.013m). Although expenditure has fallen from the previous year, there has also been a significant drop in income, which is of concern and again this is currently being investigated. A new enforcement contract is now in operation and an exercise is currently being undertaken to see how this will impact on the financial situation in the current and future years. Clearly this situation will need to be monitored closely during the year
19. This leads to a deficit within the reserve of £0.250m, which is largely as a consequence of the initial set-up and first year costs.
20. *Newcastle* – The actual outturn for 2010-11, shows a slight improvement on budget, but is down on the previous year position with a surplus of £0.020m in the year. This reflects increasing levels of income from “on street” parking as the Borough looks to manage on-street parking and traffic management in the Town Centre more effectively.
21. The outturn position reduces the deficit in the reserve to £0.108m and at this rate will be removed in approximately 5 years, with the opportunity to allocate resources to highway improvement projects, once the reserve deficit has been cleared. However, the budget for 2011-12 anticipates that the encouraging financial position will continue and it is likely to be increased further with the imminent introduction of additional “on street” parking. In light of this the County Council is able to encourage the Local Parking Committee to utilise the additional resources to address parking related issues, rather than requiring an earlier pay back of the set-up costs, although the overall finances will need to be closely monitored to ensure that the pay back of set-up costs is still maintained in the period envisaged.
22. *Cannock* – The actual net expenditure for Cannock in 2010-11 (a deficit of £0.089m) shows a considerable increase on the deficit position reported for the previous year, as well as on the budget. The reasons for this are once again being explored and similarly it is thought that this may cast doubt on whether the latest forecast for the current year can be achieved. The 2011-12 budgets have not yet been approved and it is suggested that approval be deferred further until the investigations in to the 2010-11 outturn position have been concluded. However, it should be reiterated that if the service continues with year on year deficits then there is little prospect of the initial set-up costs being reimbursed and the County Council will not be able to stand costs for which it has no budgetary provision.
23. The 2010-11 deficit gives rise to a deficit in the reserve of £0.272m and If a surplus is not achievable in future years then further consideration may have to be given to the way the service is managed.
24. *Lichfield* - The outturn position for Lichfield in 2010-11 (a deficit of £0.051m) shows a slight improvement on the budget position for the year and in comparison with the previous year, with a reduction in expenditure and an increase in income. However, this is still a deficit and the resulting deficit in the reserve is now £0.183m.

25. The budget for 2011-12 has not yet been approved, but the latest forecast position is for a further deficit in the year of £0.076m, which will increase the deficit on the reserve to £0.259m. Previous reports have made it clear that the County Council has no budgetary provision to fund deficits of this magnitude and the service cannot continue with year on year deficits. Improvement of the annual financial position is key to ensuring that the set-up costs and subsequent deficits are repaid, as there are no other sources of funding available. If a surplus is not achievable in future years then further consideration may have to be given to the way the service is managed.
26. *Tamworth* – The actual outturn position for Tamworth (a net deficit of £0.040m) is in line with the financial position for the previous year, but is higher than previously anticipated, with a predicted increase in income not materialising. The largely arises from the down turn in parking experienced across the country. The 2011-12 budgets have not yet been approved and a deficit of £0.009m is still anticipated. It is recommended that the budget for this year be approved at this level in the hope that further improvement can yet be made. As before, it should be reiterated that if the service continues with year on year deficits then there is little prospect of the initial set-up costs being reimbursed and the County Council will not be able to stand costs for which it has no budgetary provision.
27. The 2010-11 deficit gives rise to a deficit in the reserve of £0.142m and If a surplus is not achievable in future years then further consideration may have to be given to the way the service is managed.
28. *South Staffordshire* – The actual outturn shows a small deficit of £0.011m, which is a slight improvement on the previously anticipated budget and on the position in the previous year. It is also improved further by the Section 106 contribution of £0.005m previously reported, which reduces the deficit in the reserve to £0.070m
29. For 2011-12 a change in the delivery model has been proposed with the appointment of a further Civil Enforcement Officer in an attempt to reduce driving time and manage enforcement more effectively. This is partly funded by the Section 106 agreement and will be monitored through the year. The unique situation which South Staffordshire finds itself in has been commented on before and the County Council is looking to see whether it can make a small amount of funding available to meet some of the deficit on an on-going basis. Consequently it is recommended that the Budget for 2011-12 be approved as set out in the top section of table 15.

Report author:

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List of background papers

1. County Council Cabinet Reports - 25 April 2006, and 21 February 2007.
2. Partnership Agreements and associated business models
3. SPB Reports - 9 July 2007, 10 September 2007, 3 December 2007, 14 July 2008, 19 January 2009, 13 July 2009, 18 January 2010, 13 December 2010
4. District Council Financial Returns

Appendix 1:Community Impact Assessment

Name of Policy/Project/Proposal: CPE		
Responsible officer: Nick Miller		
Commencement date & expected duration: Annual		
	Impact Assessment	
	+ve/ neutral/ -ve	Degree of impact and signpost to where implications reflected
Outcomes plus		
Prosperity, knowledge, skills, aspirations	+ve	Transport, parking and highway operations support the planned economy; with parking enforcement improving traffic flows supporting businesses and communities; Improved public realm.
Living safely	+ve	Road safety: reductions in road casualties and antisocial use of vehicles.
Supporting vulnerable people	+ve	Poorly and inconsiderately parked vehicles can often obstruct pavements badly affecting the passage of wheelchair users.
Supporting healthier living	+ve	Sustainable transport / accessibility options; enhanced public realm.
Highways and transport networks	Neutral	
Learning, education and culture	Neutral	
Children and young people	+ve	Road safety: reductions in road casualties and antisocial use of vehicles.
Citizens & decision making/improved community involvement	Neutral	
Physical environment including climate change	Neutral	
Maximisation of use of community property portfolio	Neutral	.
Equalities impact: This report has been prepared in accordance with the County Council's policies on Equal Opportunities and in fact CPE strongly supports social inclusion as the needs of those with disabilities, vulnerable adults and children, as well as economic regeneration are specifically met by a well-managed system of car parking provision and controls.		
Age	+ve	Improved transportation for those too young to drive: Walking, cycling and public transport delivery.
Disability	+ve	Provision of integrated transport infrastructure compliant with DDA requirements.
Ethnicity	Neutral	
Gender	Neutral	

Religion/Belief	Neutral	
Sexuality	Neutral	
	Impact/implications	
Resource and Value for money In consultation with finance representative	The financial information included in this report is derived from information provided by each CPE service. The report comments on the outturn position for 2010-11 and earlier years along with the implications for the future financial position.	
Risks identified and mitigation offered	The risk implications in respect of the performance of the respective services are identified within the report	
Legal imperative to change In consultation with legal representative	There are no specific legal implications arising from this report	

Health Impact Assessment screening:

- In summary no significant negative impacts on public health have been identified in respect to the outcomes of this report.