

Meeting: Cabinet
Date: 28 June 2023
Classification: Part 1
Key Decision: Yes
Title of Report: **Removal of 6-9pm parking charging and Enforcement in Zone 1A**
Policy Context:
Executive Director: Alan Richards, Executive Director Environment & Place
Report Author: Alan Richards, Executive Director Environment & Place
Executive Councillor: Councillor Kevin Buck (Cabinet Member for Highways, Transport and Parking)

1. Executive Summary

- 1.1. This report provides background information to enable the Council to decide on revoking its decision to charge for parking between the hours of 6pm and 9pm in Zone 1A; which Budget Council took in February 2023.
- 1.2. The full year budget assumption of additional parking income for charging between the hours of 6pm and 9pm was £250k per annum.
- 1.3. It is expected that the reduction in revenue will be more than offset by increasing the number of sea front parking spaces. The creation of these spaces will require a capital investment of £175k per annum for two years.
- 1.4. The creation of these additional spaces will take circa of 1 - 9 months due to the potential for physical works as well as the creation of new traffic regulation orders. It is anticipated that there will be no additional revenue forecast within 2023/24 as any revenue will first be off set against the balance of the required saving of £250k and then secondly against implementation costs. However, it is expected that additional revenue is expected in 2024/25 (dependant on driver behaviours).
- 1.5. Various concerns have been expressed about the economic effect on the city, and most notably the sea front economy, of the recently implemented 6-9pm charging tariffs. This recommendation is aimed at overcoming those concerns and raising additional revenue by the provision of extra parking facilities.

2. Recommendations

It is recommended that Cabinet:

- 2.1. Agree to revoke the decision made at Budget Council in February 2023 and remove the 6pm to 9pm charging arrangements considering the financial implications as set out in Section 5;
- 2.2. Agree the temporary cessation of charges for 6pm to 9pm during the summer school holidays pending the relevant activity required by the service, as set out in section 3 below;
- 2.3. Agree the new parking bays to be introduced as set out in Section 4;
- 2.4. Agree a one-off budget of £40k (paragraph 5.7) to be allocated to the parking service for the required changes to be implemented and initially funded from the Business Transformation Reserve and then reimbursed from the additional parking income;
- 2.5. Note there will be capital investment of circa £175k and initially funded from reprioritised highways schemes and then reimbursed by the additional parking income;
- 2.6. Note that there will be no Civil Enforcement Officer presence in Zone 1A after 6pm.

3. Tariff change process

- 3.1. If Cabinet agree to reverse the decision and make the changes, the service is required to:
 - Go through a statutory process (which is a minimum of 21 days) to advertise the new charges on a Traffic Regulation Order and map-based order.
 - Order new signage, including the inserts for pay and display machines. This may require a procurement exercise and time required to complete (unless waiver is granted by Procurement team).
 - Work with our third-party providers to change tariffs:
 - 2 different providers for pay and display machines.
 - 2 providers for cashless parking
 - 1 provider for virtual permits
 - User Acceptance Test (UAT) for all digital platforms i.e. cashless parking and parking permit system. This is to confirm the changes are reflecting correctly.
 - Information update on MySouthend – this will be collaborative work with colleagues from customer services.
 - Information update on the Council's website – this will be a collaborative work with colleagues in communications team.
 - Review existing terms and conditions for permits and parking areas.

4. Timescales

- 4.1. To implement new parking charges from the as soon as practicably possible and no later than from the 1st September 2023, the Council would ideally need to instigate and engage with statutory processes.
- 4.2. Wherever possible, the service will aim to have the changes implemented earlier than the suggested date, as it will be possible to undertake several of the activities prior to the formal decision.
- 4.3. If the 6 -9pm charges are not formally removed by 20th July 2023, the Council will implement a short-term option of a 'summer payment holiday' between 6pm – 9pm during the intervening period. If approved by full council on 13th July, this would be implemented as soon as possible after full council and no later than 20th July 2023. This would mean that the new charges would be suspended during the summer period, whilst the permanent proposed changes go through the formal consultation and decision-making process.
- 4.4. It is anticipated that additional parking spaces can be created in Zone 1a over the next 1 - 9 months. These will be given priority and it is anticipated that all new spaces will be created as soon as possible and no later than the school Easter break in 2024.
- 4.5. A number of options have been reviewed by officers with some requiring more capital investment than others if they can be delivered.
 - Realignment and alterations to the layout within Seaway car park including areas of unused verges and surrounding areas (up to 185 extra temporary spaces) and the removal of the taxi rank and installation of additional parking bays on Lucy Road; Lucy Road has already been through council cycles, to be implemented immediately upon agreed budget. Both of these are subject to an analysis of the legal position and any associated risks.
 - Further on street parking along Hartington Road, Pleasant Road, Beach Road and Burdett Road (up to 38 extra spaces)
 - Re-aligning yellow lines and loading bays (up to 75 extra spaces)
 - Introduction of echelon parking along Marine Parade (up to 82 extra spaces)
 - Introduction of echelon parking along Western Esplanade (up to 68 extra spaces)
- 4.6. Further work is required to review these proposals and undertake any necessary safety audits to understand any risks which may materialise by creating these additional spaces / repurposing of existing locations etc. However, based on the average income per bay in these areas and assuming that there is NO displacement of current parking visits there is the opportunity that these spaces will bring in additional income as follows:

Location	Potential extra spaces	Estimated income
Seaway	185	£185k
On Street	38	£20k
Yellow lines and loading bays	75	£30k
Marine Parade	82	£160k
Western Esplanade	68	£140k
TOTAL	448	£535k

5. Financial Implications

- 5.1. Since the introduction of the 6pm to 9pm charging on the 1st April 2023, the service has taken approx. £115k in parking fees from machines and cashless parking sessions up to mid-June (this is for all parking sessions which start after 6pm and not sessions started earlier which run past 6pm). It is estimated that this will increase to circa £180k by mid-July and is therefore circa £180k additional parking income delivered against the additional budget requirement of £250,000. There has also been an additional income from PCN issuance between the hours of 6pm and 9pm of £7k.
- 5.2. The parking income budget has increased by £1.1M in 2023/24 from £8.3M to £9.4M because of the budget council decisions when setting the 2023/24 budget in February 2023. Current projections show that this budget is in line to deliver to the total 2023/24 parking income budget of £9.4M, but the 6-9pm charging is a key component of that.
- 5.3. Removing the 6-9pm charging will reduce the hours that enforcement needs to be undertaken and therefore if Cabinet approve the change there will be no visible parking enforcement presence after 6pm. There is no saving to the Council here as the costs of the additional enforcement were to be met by additional PCN income and redeployment of existing resource.
- 5.4. Therefore, removing this new charge will leave a budget gap in 2023/24 and for a full year which needs to be balanced via an alternative saving or additional income.
- 5.5. For 2023/24, it is estimated that £180k of the required additional revenue budget of £250k will be generated by mid-July. Therefore, leaving a balance of £70k for the year to be identified. This will be monitored against the overall parking income budget in year as and when new parking bays are brought into operation and as usual if the total budget is not delivering the relevant department is required to address that shortfall by year end.
- 5.6. It is proposed in Section 4 that up to 448 new parking bays could be created over a period of 1 - 9 months. The potential income which might be generated from these new spaces is £535k in a full year. However, it needs to be borne in mind that there is a risk that there could simply be parking displacement and

additional income is not generated. It will be important therefore that the overall parking income budget is closely monitored as usual during 2023/24 to inform the 2023/24 outturn and 2024/25 budget setting position and to ensure the 2024/25 parking income budget is properly set.

- 5.7. There will be the requirement of one-off investment to make the tariff changes and the required capital investment. It is proposed that the £40k required by the Service for tariff changes is initially funded by the Business Transformation Reserve but as and when the additional income is generated and exceeds the budget then the sum of £40k will be reimbursed to the reserve. The breakdown of the required one-off investment of £40k is as set out below;

Description*	Net
Parking signage design	£117.00
Replacement of parking tariff signs	£5,000.00
Public notices	£10,681.95
Map-based order management	£12,050.48
Tariff software change on parking machines	£2,235.00
Machine inserts, overlay signage and labour	£3,148.65
Parking permit system (Si-Dem)	£7,200.00
Total Spend	£40,433.08

- 5.8. In addition, circa £175k is needed for capital investment to create the parking bays. This will initially come from reprioritised highways schemes in the capital investment programme but reimbursed at a later stage by the additional parking income generated.

6. Legal Implications

- 6.1. The setting of the Council's budget is a non-executive function and is reserved to full Council under section 67 of the Local Government Finance Act 1992. The Executive proposed a budget which included provision to charge in Zone 1A between the hours of 6pm to 9pm and that was factored in to the budget that was agreed at Budget Council on the 23rd February 2023. If a subsequent change in charging policy (such as the proposed removal of charging and enforcement in Zone A between 6-9pm) results in a budget shortfall, and the shortfall cannot be addressed through in year virements or from other agreed budget sources, then full Council will be required to reconsider the budget and

ensure adequate provision is in place before any changes to charging policy can be made.

- 6.2. Following the setting of the budget, the executive cannot take any decisions for which there is no agreed budget (see regulation 5 and Schedule 4 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000), however, virement can be made from one cost centre to another in line with the Council's financial standing orders and this is expenditure permitted under the Financial Procedure Rules and deemed to be expenditure within the Council's budget.
- 6.3. Council Financial Procedure Rules (Part 4 (f)) Appendix B(3) details the Scheme of Virement whereby Key Controls are maintained and administered by the Chief Finance Officer.
- 6.4. If the shortfall in addressing the Budget cannot be made through virement then part Part 4(c) of the Constitution, Budget and Policy Framework Procedure Rules, section 2(a) provides that if the Executive and any officers discharging Executive Functions wishes to make a decision that is contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget then the decision may only be taken by the Council (subject to urgency procedures at Section 3). At this Council meeting the Council would need to address the proposals to fund this shortfall.
- 6.5. Paragraph 3.3(c) of Appendix B must also be taken into account in relation to recurring savings or expenditure which will impact upon future resources, and states as follows:

“virement does not create additional overall budget liability. The CE & Executive Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. The CE & Executive Directors must plan ahead to fund such commitments from within their own budgets.”

- 6.6. Any implications arising from matters discussed at 4.5 and 4.6 above will also need to be considered if the recommendations are agreed.

7. Carbon Impact

- 7.1. No carbon impact assessment has been undertaken on these proposals. At a high level, there may be some air quality improvements if there is a reduction in the need for drivers to circulate searching for a space however the intention is to add capacity and draw more cars in to the seafront area which by design would have a negative carbon and air quality impact.

8. Equalities

8.1. There are no immediately obvious equalities implications arising from this report.

9. Consultation

9.1. The consultation requirements are set out in the report.

10. Appendices

None