

Civil Parking Enforcement and Parking Reserve

1. The Traffic Management Act was introduced in 2004 to tackle congestion and disruption on the road network. The Act places a duty on local traffic authorities to ensure the expeditious movement of traffic on their road network and the networks of surrounding authorities. It gives authorities additional tools to better manage parking policies, moving traffic enforcement and the coordination of street works. Welsh Ministers granted Civil Parking Enforcement (CPE) powers to Cardiff Council in July 2010. This extended to the enforcement of Bus Lanes and Moving Traffic Offences (MTOs) in November 2014.
2. The payments generated from car parking fees, resident's permits, penalty charge notices and Moving Traffic Offences are allocated to a CPE account and operational costs, including the cost of the enforcement service are deducted. Any surplus from parking and enforcement is ring-fenced for traffic, highways and environmental improvements.
3. The pandemic has had a profound impact on all parking income streams with significant reductions in the use of on street and off street parking and subsequent penalty charges notices. In addition, lower traffic volumes, particularly in the city centre, has meant lower penalties from MTO's.
4. Predicting future income levels is challenging, as this is dependent on numerous factors. These include the continued period of the pandemic, potential future lockdowns, the recovery of the city centre and organisations view on staff returning to the workplace.
5. The position has been modelled using various assumptions and scenarios and the table below illustrates the financial forecast for Civil Parking Enforcement

Civil Parking Enforcement	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Income					
On street car parking fees	4,839	5,171	5,171	5,171	5,171
Off street car parking fees	1,092	1,138	1,138	1,138	1,138
Residents parking permits	473	530	530	530	530
Penalty Charge Notices	1,933	1,933	2,040	2,040	2,040
Moving Traffic Offences	4,050	4,395	4,635	4,805	4,915
Miscellaneous income	48	48	48	48	48
Total income	12,435	13,215	13,562	13,732	13,842
Expenditure					
Operational costs parking	597	579	605	580	579
Enforcement service	6,142	6,250	6,240	6,372	6,403
Total expenditure	6,739	6,829	6,845	6,952	6,982
Surplus / (Deficit)	5,696	6,386	6,717	6,780	6,860

6. For 2022/23, income from car parking fees, residents' permits, penalty charge notices and MTO's is forecast to be £12.435 million. Expenditure includes the operating costs of the off-street car parks and maintenance of the on-street parking bays plus the cost of the enforcement service. Overall, expenditure is estimated to be £6.739 million, leaving a net surplus of £5.696 million.
7. The level of the annual surplus on the account is forecast to improve in future years as the city centre recovers and other parking and enforcement activities are introduced.
8. The surplus from CPE activities is transferred to the Parking Reserve to support a range of highway, transport and environmental improvements.
9. During 2020/21 and 2021/22, the WG reimbursed lost budgeted income funded via the Local Government Hardship Fund, which helped to maintain a sustainable position. There will be no Hardship Fund from April 2022.
10. The table below sets out the predicted movement in the reserve.

Parking Reserve	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000
Estimated Opening Balance	1,648	828	698	899	1,163
CPE net surplus (deficit)	5,696	6,386	6,717	6,780	6,860
Funding Availability	7,344	7,214	7,415	7,679	8,023
Contribution to support revenue budget	5,935	5,935	5,935	5,935	5,935
Active Travel	581	581	581	581	581
Use of Reserve	6,516	6,516	6,516	6,516	6,516
Balance Carried Forward	828	698	899	1,163	1,507

11. The use of reserve includes a budgeted contribution, which supports a range of highway, transport and environmental improvements. It also includes regular funding for the promotion of Active Travel initiatives including assessing the transportation impact on the Local Development Plan.
12. The reserve balance shows a reduction over the next couple of years followed by a gradual increase, reflecting the anticipated recovery, albeit not to the levels pre pandemic. The balance in the reserve will provide a degree of resilience against the income forecast and consequential surplus from CPE.