

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	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000
Income					
On street car parking fees	3,957	5,064	5,160	5,160	5,160
Off street car parking fees	922	1,074	1,074	1,074	1,074
Residents parking permits	412	515	515	515	515
Penalty Charge Notices	1,452	1,768	1,768	1,768	1,768
Moving Traffic Offences	3,539	4,119	4,511	4,806	5,089
Miscellaneous income	16	22	22	22	22
Total income	10,298	12,562	13,050	13,345	13,628
Expenditure					
Operational costs parking	581	583	585	587	589
Enforcement service	5,976	6,021	6,110	6,272	6,375
Total expenditure	6,557	6,604	6,695	6,859	6,964
Surplus / (Deficit)	3,741	5,958	6,355	6,486	6,664

6. For 2021/22, income from car parking fees, residents' permits, penalty charge notices and MTO's is forecast to be £10.298 million which is significantly lower than before the pandemic. 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 £6.557 million, leaving a net surplus of £3.741 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. There is however a significant risk regarding the anticipated income levels. The table below illustrates the potential impact on the CPE Account if income levels are lower than modelled.

Financial Year	Forecast Surplus	Reduced Activity 5%	Reduced Activity 10%
2020/21	3,741	430	860
5 Years	29,204	2,706	5,412

8. If activity is lower than forecasted, the trading surplus will reduce by £430,000 for a 5% reduction and £860,000 for a 10% reduction. Over a 5-year period, this equates to £2.706 million and £5,412 million respectively.
9. The surplus from CPE activities is transferred to the Parking Reserve to support a range of highway, transport and environmental improvements.
10. During 2020/21, the WG reimbursed lost budgeted income funded via the Local Government Hardship Fund, which helped to maintain a sustainable position. There is currently no certainty this arrangement will continue into 2021/22 and therefore the forecasts do not include any reimbursements.
11. The table below sets out the predicted movement in the reserve.

Parking Reserve	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Estimated Opening Balance	4,381	1,606	1,068	927	917
CPE net surplus (deficit)	3,741	5,958	6,355	6,486	6,664
Funding Availability	8,122	7,564	7,423	7,413	7,581
Contribution to support revenue budget	5,935	5,935	5,935	5,935	5,935
Active Travel	411	411	411	411	411
Project Studies	170	150	150	150	150
Use of Reserve	6,516	6,496	6,496	6,496	6,496
Balance Carried Forward	1,606	1,068	927	917	1,085

12. The use of reserve includes a budgeted contribution, which supports a range of highway, transport and environmental improvements. Further funding will support the promotion of Active Travel initiatives including assessing the transportation impact on the Local Development Plan. It also includes an allocation to support project studies to support new initiatives.
13. 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.