

North Yorkshire Council

Transport Economy, Environment and Enterprise Overview & Scrutiny Committee

12 April 2023

Financial Performance and Allocation of Civil Parking Enforcement Surplus

Report of the Corporate Director – Environment

1.0 Purpose of Report

- 1.1 This report informs the Transport, Economy, Environment and Enterprise Overview and Scrutiny Committee of the financial performance and allocation of the Civil Parking Enforcement (CPE) annual surplus and use of the CPE reserve general working balance for the 2022/23 and 2023/24 financial year.

2.0 Background

- 2.1 For traffic management purposes, on-street parking charges are in operation in Harrogate, Knaresborough, Scarborough, Filey, Whitby and Northallerton. As a consequence of these charges and other income received through the administration of CPE, after operational costs have been met, a surplus is generated.
- 2.2 The permitted uses for any surplus arising from CPE are set out in Section 55 (as amended) of the Road Traffic Regulation Act 1984. The Act limits how local authorities can spend any surplus income in respect of parking places, once expenditure and the costs of the enforcement operation have been met. The surplus can be used for parking, or alternatively where the provision of further off-street parking accommodation is unnecessary or undesirable, the surplus can be used for public transport, highway or road improvement projects or environmental improvements. The surplus can be spent anywhere in North Yorkshire as the whole county is a designated Civil Enforcement Area.
- 2.3 The Deeds of Arrangement, which prior to Local Government Re-organisation on 1 April 2023, governed the CPE operation with Harrogate and Scarborough Borough Councils included a provision whereby the County Council was required to invite proposals from the Borough Councils for expenditure of the surplus. There was then a requirement to prioritise the proposals and communicate the decision to the Borough Councils. There has been engagement with both Harrogate and Scarborough Borough Councils, which are included and considered later in this report.
- 2.4 The NYCC Corporate Director for Business and Environmental Services (BES) in consultation with the BES Executive Members took a decision on the allocation of CPE surplus income in October 2022. That decision approved the annual funding or contribution from the CPE budget to highways and transport operations and services as well as specific investments in future highways improvement projects for the financial years 2022/23 and 2023/24.
- 2.5 Prior to 2016, the CPE surplus was not fully reinvested and consequently over a number of years accrued a substantial reserve. This general working balance has since been allocated to fund other projects identified in the North Yorkshire Strategic Transport Prospectus.

3.0 CPE Surplus Commitments and Expenditure

3.1 Table 1 below, sets out the approved list of services and projects that received funding from the CPE surplus in the previous 3-year investment period 2019/20 – 2021/22, its total financial allocation and actual expenditure.

Commitments	£ Allocated	£ Actual	£ +/-
Concessionary fares	3,593	1,451	-2,142
Highway maintenance	1,650	1,650	0
Scarborough Park and Ride	861	1,066	+205
Whitby Park and Ride	778	435	-343
CCTV	84	84	84
Parking Engineer post	198	97	-101
Signing and lining works	165	34	-131
Major Scheme Development – traffic model updates	1,500	1,497	-3
Contribution to Major Scheme Development	1629	1,200	-429
Air Quality Management	300	287	-13
Sustainable Transport Initiatives (Revenue)	300	263	-37
Contribution to Highways	400	400	0
Harrogate/York/Leeds Rail Line Improvements	2016	975	-1041
Scarborough Parking Review	60	0	-60
Ryedale Parking Strategy	40	41	+1
Northallerton Parking Surveys	5	5	0
Harrogate Smart Parking Project	35	35	0
Hambleton NNDR	118	118	0
Parking Management (Area 3)	54	54	0
Bikeability	43	43	0
A1M/A59 Junction 47 Improvement Scheme	635	635	0
Total	14,464	10,370	-4,094

3.2 Table 1 shows an overall underspend of £4.094k however, the surplus received was £7,678k with the CPE Reserve used to cover shortfall. In addition, some of the committed project funding has not been realised within this three-year period for the reason(s) that the full investment was not required or due to a delay in delivery. This remaining investment will be carried into this year's allocation should it still be required.

4.0 Future Investment

4.1 Previously, the decision on the level of annual investment has been based on the preceding year's surplus, which in 2019 was £3.34m. However, a substantial part of the last investment period, particularly the 2020/21 financial year, was impacted by the COVID 19 Pandemic and lockdown situations and social distancing measures. Consequently in 2020/21, the surplus reduced to £944k. Government grant funding of £777k was used to bridge the shortfall along with the use of the CPE Reserve. However, with the gradual easing of restrictions and reopening of businesses and services over the 2021/22 financial year, CPE income has started to return to a near pre covid level with a surplus of £2.76m in 2021/22.

- 4.2 It could reasonably be expected that this surplus will be similarly achieved in 2022/23, but parking demand is influenced by a range of factors such as weather, national events, and economy. Given the national economic situation, the increase in cost of living and changes to working arrangements, it may have an impact on visitor numbers to towns. Therefore, a forecast surplus of £3.00m has been applied to the 22/23, 23/24 financial years.
- 4.3 The majority of the commitments that formed the previous list and their respective funding values remain. The approved use of the CPE Surplus income in 2022/23 and 2023/24 is shown in *Table 2*, below;.

Table 2: Civil Parking Enforcement: Annual Surplus Allocation 2022/23 and 2023/24			
Forecast Annual Surplus Income £3.00m			
Commitments	Summary	Allocation 2022/23 (£000's)	Allocation 2023/24 (£000's)
Concessionary fares	Contribution towards the concessionary fares budget to reimburse operators.	900	1,243
Highways Maintenance	Contribution to Highways maintenance.	950	950
Demand response travel	Contribution towards the demand response travel budget to reimburse operators.	200	150
Scarborough park and ride	Contribution towards the operational running costs.	299	299
Whitby park and ride	Contribution towards the operational running costs.	270	270
Signing and lining works	On-going works to ensure signing and lining is in accordance with the Traffic Signs Regulations and General Directions.	58	59
Major scheme development	Funding of Major Scheme development work.	500	0
Air quality management	Funding for development and implementation of Air Quality Management Strategy.	100	100
Sustainable Travel	Funding of work to support Sustainable Travel projects and initiatives.	100	100
Parking Engineer post	Resource to provide capacity and expertise on traffic management and CPE.	55	56
CCTV	Payment to Harrogate BC to access camera network.	28	0
Hambleton NNDR	Business rate applied to on-street parking.	50	50
Scarborough parking review	Contribution to funding the parking review of Scarborough Town Centre	30	45
Bikeability	Contribution to bikeability cycle training scheme	85	87
Major Projects	Junction 47	781	0
LEVI funding	Electric Vehicle Infrastructure	200	0
Total Planned Expenditure		4,626	3,409
Funded by			
Forecast CPE Surplus Income		3,000	3,000
CPE Reserve		1164	0
Superintendence Allocation		462	409
Total planned funding		4,626	3,409
Final Balance		0	0

4.5 Typically, the CPE Surplus allocation is projected over a three-year investment period however, due to Local Government Reorganisation and the need for further budget review, this has been reduced to 2 years and a further report will be presented in May 2023 for the financial year 2024/25. Though it should be noted based on the current forecast income, expenditure may need to reduce to meet the available budget.

4.6 Table 2 shows that planned expenditure in the financial years 2022/23 and 23/24 is greater than the forecast annual surplus income and use of the remaining CPE reserve. To maintain the existing level of investment and delivery of these services, approval was given to fund the remaining shortfall through the Superintendence Reserve.

5.0 District Council Consultation

5.1 As required by the terms of the CPE Service Level Agreement with Harrogate and Scarborough Borough Councils, both were consulted on the surplus allocation.

5.2 Harrogate Borough Council (HBC) responded detailing a range of projects and service areas it would like to see new or increased investment of the surplus (see Appendix 1). In summary these were:

- West of Harrogate infrastructure improvements – funding to help develop the mitigation needed to support the developments at allocated sites in the west of Harrogate.)
- ‘Top-up’ funding – to enable delivery of schemes that have already been identified and developed but funding shortfalls are risking delivery
- Contingency for the Harrogate Transforming Cities Fund project
- Additional capacity for Harrogate transport projects –

NYCC’s response to the HBC submission was:

5.3 The work required to mitigate the west of Harrogate developments is currently being determined and a corridor study is in progress and time scales for completion mean there would be a need to make an allocation from the 22/23 surplus. Furthermore, the mitigation should be funded by the developers.

5.4 Top up funding of shortfalls in already established projects would need to be considered on a case-by-case basis right and dependent on headway within the budget based on in year forecasting.

5.5 It is not possible to match fund the Transforming Cities Fund Project

5.6 The Major Transport Projects, allocation remains within the budget and will contribute toward various projects within Harrogate.

5.7 No comments were received from Scarborough Borough Council. However, the County Council continued its financial commitment to funding a major parking review in Scarborough, as shown in table 2.

6.0 Local Government Reorganisation

6.1 A significant change to parking management is brought about through Local Government Reorganisation that came into effect on 1 April 2023. The creation of the unitary authority means responsibility for both on and off-street parking is now wholly within the remit of North Yorkshire Council replacing the previous split arrangement of on-street being the responsibility of the former County Council and Off-street local authority car parks and parking being the responsibility of the district councils.

6.2 Operationally, there will be no immediate change with North Yorkshire Council ensuring the delivery of the service is 'safe and legal' from vesting day. However, the opportunity does arise to review the service and strategic approach to managing both on and off-street parking and the development of an inclusive new parking strategy.

7.0 Equalities Implications

7.1 No equality implications are considered to arise from the proposed use of the 2022/23 and 2023/24 CPE surplus or the general working balance on scheme development and model updates / renewals or to address air quality issues. Any decisions taken in respect of a project or service would be subject to a specific equality impact assessment. An initial equality impact assessment screening form is presented in Appendix 2.

8.0 Financial Implications

8.1 The report sets out the use of CPE surplus annual allocation over the current and next financial year. As set out in section 4 of this report, indicative planned expenditure is greater than forecast income over the two-year period. This is being bridged through the use of the remaining balance in the CPE reserve in 2022/23 and using the Superintendence Reserve if additional funding is required in 2022/23 and 2023/24 to show an overall balanced position over these years. Given the call on the Superintendence Reserve, this will be the subject of a future report to Environment Executive Members setting out the use of this Reserve.

9.0 Legal Implications

9.1 Funding highway improvements is one of the permitted uses for surplus arising from CPE as set out in Section 55 of the Road Traffic Regulation Act 1984 (as amended), improvements being within the meaning of the Highways Act 1980 under the power of general improvements. Section 55 also provides for the surplus to be used for meeting the costs incurred in the provision or operation of or facilities for public transport services and the purposes of environmental improvement. Environmental improvement includes the reduction of environmental pollution, improving or maintain the appearance or amenity of a road or land in the vicinity of a road.

9.2 Under Section 122 of the Road Traffic Regulation Act 1984 the Authority has a general duty when exercising functions under the Act to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway.

10.0 Climate Change Implications

10.1 There are no detrimental climate change implications considered to arise through the proposed allocation of the CPE Surplus and reserve. A Climate Change Assessment is included as Appendix 3 to this report.

11.0 Recommendations

11.1 It is recommended that:

- i. The TEEE O&S Committee notes the allocation of the CPE Surplus as set out in Table 2 of this report and the use of the Superintendence Reserve.
- ii. Note the opportunity for strategic review of on and off-street parking management and CPE services post Local Government Re-organisation.

Appendices:

Appendix 1 – Harrogate BC response to Civil Parking Enforcement (CPE) Surplus Expenditure Consultation

Appendix 2 – Initial equality impact assessment screening form

Appendix 3 – Climate Change Assessment

KARL BATTERSBY

Corporate Director, Environment

County Hall

Northallerton

31 March 2023

Report Author - David Kirkpatrick, Team Leader - Traffic Engineering

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

Barrie Mason
Assistant Director, Highways and
Transportation
County Hall
Northallerton
DL7 8AH

Our ref: DHDSTW0422

Date: 19th April 2022

Dear Barrie

Civil Parking Enforcement (CPE) Surplus Expenditure Consultation

Thank you for consulting Harrogate Borough Council (HBC) in relation to the surplus CPE monies. This letter of response has been drafted in consultation with Cllr Phil Ireland, the Cabinet Member for Carbon Reduction & Sustainability.

As the exact amount of surplus is unknown, we are working on the basis of the £3m estimate that has been provided, noting that £2m of which is income from Harrogate CPE operations. We also note that circa £1.1m will be needed for concessionary fares across the county.

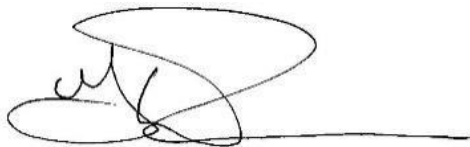
With the above in mind, the following are projects that we would like to see allocated funding from the CPE surplus:

- West of Harrogate infrastructure improvements – funding to help develop the mitigation needed to support the developments at allocated sites in the west of Harrogate. This work is required to ensure appropriate mitigation is provided and reduce risk to the Local Highway Authority in terms of seeking funding from the developers (via S106).
- ‘Top-up’ funding – to enable delivery of schemes that have already been identified and developed but funding shortfalls are risking delivery this could be due to insufficient funding requests via S106 or funding bodies, or where developer contributions have been returned, examples include schemes such as Victoria Avenue and Pannal / A61 cycle schemes
- Contingency for the Harrogate Transforming Cities Fund project – with inflation rising it would be prudent to budget for additional match funding from CPE surplus expenditure.

- Additional capacity for Harrogate transport projects – there are significant projects underway in the Harrogate district and so extra resource would be welcomed to support these projects.

I hope this is helpful and will inform your decision on spending the surplus money available. If you require further information please don't hesitate to contact with myself or my colleagues; David Stannard (david.stannard@harrogate.gov.uk) or Daniel Harper (daniel.harper@harrogate.gov.uk).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Trevor Watson', with a long horizontal line extending to the right.

Trevor Watson
Director of Economy, Environment & Housing
Harrogate Borough Council

Cc Karl Battersby, David Kirkpatrick

Initial equality impact assessment screening form			
<p>This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.</p>			
Directorate	NYC Environment		
Service area	Highways		
Proposal being screened	Use of Civil Parking Enforcement (CPE) surplus		
Officer(s) carrying out screening	David Kirkpatrick		
What are you proposing to do?	Allocate the surplus arising from On –street Civil Parking Enforcement operations		
Why are you proposing this? What are the desired outcomes?	The funding is ring-fenced via Sec 55 of The Road Traffic Regulation Act 1984 with any surplus remaining after all operational costs can be reinvested in parking, traffic management and other highways and transportation and environmental projects and services		
Does the proposal involve a significant commitment or removal of resources? Please give details.	Yes The surplus typically annually equates to £3.00 million and funds many project and services		
<p>Is there likely to be an adverse impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC’s additional agreed characteristics?</p> <p>As part of this assessment, please consider the following questions:</p> <ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? <p>If for any characteristic it is considered that there is likely to be a significant adverse impact or you have ticked ‘Don’t know/no info available’, then a full EIA should be carried out where this is proportionate. You are advised to speak to your Equality rep for advice if you are in any doubt.</p>			
Protected characteristic	Yes	No	Don’t know/No info available
Age		X	
Disability		X	
Sex (Gender)		X	
Race		X	
Sexual orientation		X	
Gender reassignment		X	
Religion or belief		X	
Pregnancy or maternity		X	
Marriage or civil partnership		X	
NYC additional characteristic			
People in rural areas		X	
People on a low income		X	
Carer (unpaid family or friend)		X	

Does the proposal relate to an area where there are known inequalities/probable impacts (e.g. disabled people's access to public transport)? Please give details.	No.			
Will the proposal have a significant effect on how other organisations operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	No.			
Decision (Please tick one option)	EIA not relevant or proportionate:	x	Continue to full EIA:	
Reason for decision	No equality implications are considered to arise from the proposed use of the 2022/23 and, 2023/24 CPE surplus or the general working balance on scheme development and model updates / renewals or to address air quality issues. Any decisions taken in respect of a project or service would be subject to a specific equality impact assessment.			
Signed (Assistant Director or equivalent)	Barrie Mason			
Date	30/03/23			

Climate change impact assessment

The purpose of this assessment is to help us understand the likely impacts of our decisions on the environment of North Yorkshire and on our aspiration to achieve net carbon neutrality by 2030, or as close to that date as possible. The intention is to mitigate negative effects and identify projects which will have positive effects.

This document should be completed in consultation with the supporting guidance. The final document will be published as part of the decision making process and should be written in Plain English.

If you have any additional queries which are not covered by the guidance please email climatechange@northyorks.gov.uk

Please note: You may not need to undertake this assessment if your proposal will be subject to any of the following:
 Planning Permission
 Environmental Impact Assessment
 Strategic Environmental Assessment

However, you will still need to summarise your findings in in the summary section of the form below.

Please contact climatechange@northyorks.gov.uk for advice.

Title of proposal	Civil Parking Enforcement (CPE) surplus
Brief description of proposal	Use of CPE surplus
Directorate	Environment
Service area	Traffic Engineering
Lead officer	David Kirkpatrick
Names and roles of other people involved in carrying out the impact assessment	Andrew Clare
Date impact assessment started	28/03/22

Options appraisal

Were any other options considered in trying to achieve the aim of this project? If so, please give brief details and explain why alternative options were not progressed.

None

What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

Please explain briefly why this will be the result, detailing estimated savings or costs where this is possible.

The proposal is to note the allocation of the financial surplus arising from on-street Civil Parking Enforcement operations. This surplus, which is in the region of £3m per annum is ringfenced by the Road Traffic Regulation Act 1984. The Act limits how local authorities can spend any surplus income in respect of parking places, once expenditure and the costs of the enforcement operation have been met. The surplus can be used for parking, or alternatively where the provision of further off street parking accommodation is unnecessary or undesirable, the surplus can be used for public transport, highway or road improvement projects or environmental improvements. The surplus can be spent anywhere in North Yorkshire as the whole county is a designated Civil Enforcement Area

How will this proposal impact on the environment? N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.		Positive impact (Place a X in the box below where	No impact (Place a X in the box below where relevant)	Negative impact (Place a X in the box below where relevant)	Explain why will it have this effect and over what timescale? Where possible/relevant please include: <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	Explain how you plan to mitigate any negative impacts.	Explain how you plan to improve any positive outcomes as far as possible.
Minimise greenhouse gas emissions e.g. reducing emissions from travel, increasing energy efficiencies etc.	Emissions from travel	X			<p>The CPE Surplus subsidises public transport fares, making it cheaper for passengers to travel by bus encouraging fewer trips by private car.</p> <p>The surplus also contributes to the operation Park and Ride facilities and the development of major highway projects to reduce congestion, journey times and provision of active travel infrastructure to encourage walking, cycling and other modes of sustainable travel.</p>		
	Emissions from construction		X		<p>The impact of construction of highway infrastructure is negated by the long term benefit of improving travel and encouraging modal shift to sustainable travel options.</p>		

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where</p>	<p>No impact (Place a X in the box below where relevant)</p>	<p>Negative impact (Place a X in the box below where relevant)</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>	
	Emissions from running of buildings		X				
	Other		X				
Minimise waste : Reduce, reuse, recycle and compost e.g. reducing use of single use plastic			X				
Reduce water consumption			X				
Minimise pollution (including air, land, water, light and noise)	X				Allocating funding to existing sustainable travel options and developing other improvement projects contributes to the reduction of vehicle usage and associated pollution from emissions and noise.		

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where relevant)</p>	<p>No impact (Place a X in the box below where relevant)</p>	<p>Negative impact (Place a X in the box below where relevant)</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>
<p>Ensure resilience to the effects of climate change e.g. reducing flood risk, mitigating effects of drier, hotter summers</p>	X			<p>Using this surplus to fund highway improvement projects to reduce congestions, delay and encourage modal shift to sustainable travel options contributes to fewer vehicle miles and emissions and reduced environmental impact</p>		
<p>Enhance conservation and wildlife</p>		X				
<p>Safeguard the distinctive characteristics, features and special qualities of North Yorkshire's landscape</p>	X			<p>Reducing congestion, delay and traffic volume benefits the highway environment and interfacing environments</p>		
<p>Other (please state below)</p>		X				

Are there any recognised good practice environmental standards in relation to this proposal? If so, please detail how this proposal meets those standards.

None

Summary Summarise the findings of your impact assessment, including impacts, the recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

It is considered that there are no negative impacts within the assessment, as the proposal is to allocate the CPE surplus for the improvement of the highway network and encourage sustainable modes of travel.

Sign off section

This climate change impact assessment was completed by:

Name	David Kirkpatrick
Job title	Traffic Engineering Team Leader
Service area	Highways & Transportation
Directorate	Environment
Signature	D.Kirkpatrick
Completion date	28/03/23

Authorised by relevant Assistant Director (signature): Barrie Mason

Date: 30/03/23