

Budget 2023/4 Amendment from Councillor Bienfait

Proposed: Cllr Nathalie Bienfait

Seconded: Cllr Peter Golds

Summary:

It is generally agreed that we are facing a climate and ecological crisis, as well as an air pollution crisis here in inner-London. The continued reliance of residents on cars to travel around the borough is contributing to these problems and should be actively disincentivised by the council. In addition, cars take up space which has a physical impact on our public realm. Given that space comes at a premium in Tower Hamlets, it is only just that car owners and drivers are prepared to contribute to the social cost of their car use on the general public. Currently, the charges to park a car in Tower Hamlets are relatively low and do not reflect the true cost of cars on our community.

Therefore, I have used a calculation developed by the Countryside Charity (CPRE London) which calculates the cost of parking in relation to the cost of real estate values in London. Using this calculation, we generate significantly more revenue for the council than we are currently getting from parking charges.

I have considered how we might use the difference to give back to the most vulnerable in our society and tackle climate issues at the same time. The proposals below do not come close to using the full amount generated, therefore it is clear just how much revenue the council is missing out on by significantly under-charging for parking in the borough.

Proposal 1: Increase parking charges in line with the CPRE London Parking Policy Benchmark Assessment Tool. They recommend a minimum charge of £150 per year for the lowest bands with differentiated levels for vehicles with larger engines. To apply this to Tower Hamlets would generate the following in the next 3 years for the parking reserve account:

- 2023-24 – £12.5m
- 2024-25 - £12.5m
- 2025-26 - £12.5m

Notes:

- Parking revenue is ring-fenced and must remain within the Highways budget; however it is calculated that parking funds can displace funding from the General Fund account in order to fund other projects of the council.
- The calculations above assume no change in the number of permits issued, based on 2019 figures.
- It is not possible to include HRA parking figures in this calculation.

Proposal 2: Expand full council tax reduction scheme to include those households who are currently qualify for the tapered reduction scheme. This would include an additional 7,050 people and could be expanded further by changing the requirements for who is included.

This would be a maximum cost of £10 per week, so 7,050 x 521.43 per year (£10/7 * 365).

Total £3.676m per year assuming no change to eligibility requirements and £11.028m over 3 years

Notes:

- Because parking revenue is ring-fenced for Highways spending, funding into Highways from the General Fund would need to be found to displace this council tax reduction scheme.
- It is also assumed that this is the very minimum of households who could benefit from this scheme. In total in Tower Hamlets there are currently just 20,996 working-age claimants.

Proposal 3: install additional bike parking across Tower Hamlets with a particular emphasis on installing individual lockers on estates where residents are more likely to live in properties with limited room to store bicycles. Proposed additional 600 individual cycle lockers on estates and 200 additional on-street bike hangars each year for 3 years.

- 200 on-street bike hangars: £1.000m per year
- 600 individual cycle lockers on estates: £0.570m per year

Total: £1.570m per year and £4.710m over 3 years

Notes:

- Important to note that this is capital expenditure being funded from revenue generated by parking.
- Ring-fenced parking revenue can be spent on Highways and Asset Management projects, so no need to displace General Funds.