

Cllr Bienfait Green Budget Amendment 2024

Proposed: Cllr Nathalie Bienfait

Seconded: Cllr Peter Golds

Summary:

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:

- 2024-25 income generated (£m): £17.0m
- 2025-26 income generated (£m): £17.1m
- 2026-27 income generated (£m): £17.1m

Notes:

- The cheapest band for residents is for 'Electric Band 1 - Battery size 1-59 KWH'; £36 for 12 months. Raising this to £150 is a 317% increase. For the purpose of this calculation all other residents permit charges have been increased by 317%.
- Future year estimates assume no change in the number of permits, but the charges are adjusted for CPI based on forecasts by the OBR (Office for Budget Responsibility).
- 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.

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 7,767 households and could be expanded further by changing the requirements for who is included. The number of households qualifying for council tax reduction has decreased since

last year, however those qualifying for tapered reduction has increased. We still have approximately 6% of the population of Tower Hamlets not able to afford their council tax bill. I am convinced that we as a council take steps to protect the most economically vulnerable from the current very high costs of living.

Expanding the tapered reduction scheme would be a maximum cost of £10 per week per claimant, so 7,767 x 521.43 per year (£10/7 * 365).

Total £3,179,776.76 per year assuming no change to eligibility requirements and £9,539,330.28 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 19,970 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: £1m per year
- 600 individual cycle lockers on estates: £0.6m per year

Total: £1.6m per year and £4.8m 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.

Proposal 4: finance Highways projects which were left unfunded during the budget year 2023-24 because TfL suspended LIP payments totalling £1.13m. This pot is used by the Highways team to finance projects such as traffic calming and pedestrian improvements to pavements. For the past year, the team has been stuck in the development stages of all their projects because TfL suspended the payment of the Local Infrastructure funding to Tower Hamlets last year. The Administration also did not see fit to properly fund this workstream in light of the suspension of this pot.

This year (2024-25), Tower Hamlets will be awarded around £372,000 by TfL, which is welcome, however does not address the historical shortfall in this vital area of council work. My proposal therefore seeks to bridge the gap in funding and highlight just how little money is needed to make significant changes to the public realm that our residents and visitors experience on a daily basis.

- Financing projects for the previous financial year costs in 2024-25: £1.13m
- 2025-6: no cost

- 2026-7: no cost

Notes:

- Seeing as the funding stream for this proposal (parking charge increases) comes from the Highways budget, there would be no need to displace General Fund funds to ensure budgets are properly ring-fenced.