

ABERDEEN CITY COUNCIL

COMMITTEE Enterprise, Planning and Infrastructure DATE 12 Jan 2010

DIRECTOR Gordon McIntosh

TITLE OF REPORT Car Parking Income

REPORT NUMBER: **EPI/10/022**

1. PURPOSE OF REPORT

This report seeks to bring to Members attention the current position regarding the income from Car Parking services and the steps being taken to bring the budget in on target.

2. RECOMMENDATION(S)

It is recommended that the committee note the position regarding the income from Car Parking and acknowledge the steps being taken by officers to keep within budget.

3. FINANCIAL IMPLICATIONS

The base budget for 2009/10 set a target of a surplus of £4.08M for the car parking service. This does not take account of ongoing maintenance of signing and lining and debt charges for capital repayment costs for current infrastructure e.g. car parks, machines etc.

Officers across the three services involved are making every effort to ensure that the target is met.

4. SERVICE & COMMUNITY IMPACT

This proposal accords with National Outcomes 12 and 14 and especially the local outcome to minimise the global impact of transport within the Single Outcome Agreement 2009/10.

The Local Transport Strategy sets out a number of policies in relation to car parking and a detailed report on the strategic reasoning for the current charging levels was approved by the Resources Management Committee in February 2009.

5. OTHER IMPLICATIONS

The run up to and subsequent post Christmas sales period are always busiest times for parking in the city. The impact of parking activity on the budget will not be fully understood until the end of January at the earliest.

6. REPORT

The Car Parking service is currently split between three Directorates. Enterprise, Planning and Infrastructure hold responsibility for the overall budget, policy and development of charging structures. Housing and Environment manage the City Warden service and therefore control spending from the staffing perspective. Corporate Governance manage the cash collection, debtors and appeals elements of the service.

During the budget process in 2008 the Council approved a number of options to increase charging levels for on and off street. One significant change was to permits and in particular the charge for resident's permits. Across the city the charge was increased and in Foresterhill a charge was introduced for the first time.

There are many factors which affect income levels from Car Parking. While charging levels play a major part, the ease of alternatives also acts as an encouragement or discouragement to drivers, residents or businesses. The City has seen an increase in the overall level of parking available with the opening of Union Square in October 2009 and increased capacity at the Bon Accord/St Nicholas Centre in the late summer. In total this has increased capacity by over 1500 spaces. At the same time the Market Stance car park to the North of the Castlegate, which was operated by the Council, began redevelopment. Allied to the sale of the College Street Car Park as part of the Union Square development and the redevelopment of the Justice Mill site, the number of spaces managed by the Council has decreased by almost 900 spaces in a period of 18 months.

The economic downturn has also played a part in our income levels. In the same way that city centre retail businesses have found it more challenging in 2009, the lack of visitors to the city centre also means that people are not paying for parking as much as in the past.

A detailed analysis of income for both on and off street has been undertaken and is presented in Appendix 1 for each theme of income. In summary for the parking income streams up to the end of October 2009 is as follows:

- There are clear signs that both On and Off Street Parking are struggling to perform to budget. On-Street income for September and October 2009 was lower than for the same months in 2008, and the monthly Off-Street income is virtually unchanged. While year on year the income is higher than 2008/09 the income targets are not being met. The combined budget shortfall could be £325k at the end of this year, but a lot will depend on income achieved in the run up and during the festive period.

- Residents Parking Permits are budgeted at £970K for the full year. While income is increased from last year the figure for 2009/10 up to period 7 is only £455K. The budget shortfall could reach £275K if this trend does not improve. While September and October are months when the original schemes commenced and therefore the largest amount of permits are renewed, the November to February period is traditionally quiet for permit renewals so there may not be large amounts of income coming in over the next few months. A detailed breakdown of permits /zone so far this year is included in the appendix.

- Monthly permits for off street car parks are marginally below the income target and are projecting a budget shortfall of around £30K.

- Business Parking Permits continue to go from strength to strength, and based on current levels of uptake are projecting around £85k more than budget.

- Cash collection on PCNs is a bit higher than last year with greater efforts being made to deal with appeals, and pursuit of unpaid PCN debts. The budget is expected to be exceeded by a small amount in comparison with the overall income. The Scottish Government have asked all of the Local Authorities who have Decriminalised Parking powers to submit a detailed business case to justify requests to increase the levels of PCN charges. As PCNs are accrued to the budget the monthly trends are important here.

While income levels are around £550K below budget the level of spending on staffing costs are well below the budgeted allowance. Administration and enforcement staff (City Wardens) vacancies are amounting to an underspend of approximately £570K. The level of vacancies amounts to around 20% of the city warden resource and so efforts are being made to bring levels back up to full complement.

Given the potential for minor fluctuations and the changes to VAT levels from 1st January we will have to closely monitor expenditure throughout the remainder of the year.

REPORT AUTHOR DETAILS

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BACKGROUND PAPERS

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