

COMMUNITES COMMITTEE – 14 JANUARY 2020

PARKING CHARGES INCOME 1 NOVEMBER 2018 TO 31 OCTOBER 2019

ABSTRACT

This report provides a summary and details of the usage and income generated from off-street car parking charges for the first 12 months of operation from the date of their reintroduction on 1 November 2018 to 31 October 2019.

1. BACKGROUND

- 1.1 The introduction of parking changes in Angus was agreed as part of the budget setting process approved by Angus Council on 15 February 2018 (reference Report 59/18, Schedule 3e) and approved by Angus Council on 20 June 2018 (reference Report 193/18). Modifications to the operation of the parking regime were approved at Communities Committee of 15 January 2019 (reference Report No. 13/19) and at Angus Council of 9 May 2019 (reference Report 139/19 and item 4(ii)(g) of the minute).
- 1.2 The main modifications were the introduction of monthly and 3-monthly parking permits from 16th March 2019, the increase in short stay durations from two to four hours and the removal of the requirement for vehicle registration details to be entered at the meters from 8th/9th July 2019 (reference Report 13/19); and the addition of coin operated meters in selected car parks from 3rd/4th October 2019 (reference Report 139/19).

2. CURRENT POSITION

Car Park Usage

- 2.1 The usage of off-street car parks over the first 12 months of operation is summarised below, including the related **gross** income for information.

The **gross** income represents the monetary value of car park sales during the 12 month period before deducting VAT, transaction costs and other costs of running the car parking charging regime.

Appendix 1 has additional breakdown information with regards to usage.

	<i>Number sold</i>	<i>Gross Income (£)</i>
Tickets (Meters)	154,188	£303,131
Tickets (Pay to Park)	3,996	£10,062
Cash (Coin meters) (Part-October only)	5,033	£8,429
Permits	1,653	£159,382
Total Gross Income		£481,004
Penalty Charge Notices (PCN) for off street car parks only	1,410	£50,730
Total (Gross Income + PCN)		£531,734

To give a true picture of the actual net income to the Council from car parking during first 12 months of operation, the costs associated with running the car parking charging regime need to be offset against the gross income shown above.

Running Costs

2.2 There are 6 categories of running costs/adjustments relating to the Council's car parking activities as follows:

2.3 VAT

Off-street car park charges are subject to VAT at the standard rate (20%). The charges levied are inclusive of this VAT amount, which requires to be paid to HMRC on a monthly basis as part of the Council's VAT return process.

No VAT is due on Penalty Charge Notices.

2.4 Borrowing Costs

The capital cost of buying the ticket machines, installing these and providing signage, etc. totaled £354,000 including the additional coin machines. This was funded by borrowing with the related borrowing costs being met from the income generated from parking charges. The borrowing is being repaid over a 5 year period, which is well within the expected lifespan of the machines and is therefore a prudent approach. The £354,000 cost also includes the additional unexpected costs of addressing vandalism of ticket machines.

In line with the Council's accounting policy on borrowing costs, only interest is charged in the year the borrowing is incurred, with repayment of the capital element commencing the following year.

2.5 Staff Costs / Enforcement Costs

The Council has not employed any extra staff to administer and enforce off-street car parking charges but has instead added these duties to those of our existing community enforcement wardens. Those wardens deal with decriminalised parking enforcement (DPE) as well as dog fouling, anti-social behaviour and litter enforcement with DPE for on-street parking being the most significant part of their duties.

An analysis of staff time shows that 8.4% of the wardens' time is spent on enforcement of the off-street car parking charging regime.

Enforcement costs include a share of staff costs; vehicle costs; supplies & services; and property costs.

2.6 Transaction Costs

The Council incurs transaction processing costs on the parking charges. These cover the banking and cash handling costs incurred in processing the income through to the Council's bank account and financial ledger.

2.7 Other Operational Costs

The parking machines and the systems that run them incur other operational costs. These include the cost of the permit system, the mobile payment server, web-hosting and support, data costs and back office system costs.

2.8 Other adjustments

The gross income at paragraph 2.1 above relating to the sale of permits, includes income for permits that straddle 12 month reporting periods, i.e. a portion of the permits sold will cover parking after 31 October 2019.

The portion of the permits that applies after 31 October 2019 has been adjusted in the calculation of the surplus position at paragraph 2.9 below.

Surplus Position

- 2.9 Allowing for the gross income and running costs associated with the car parking charging regime, as well as permits that straddle reporting periods, the following surplus position results.

	£
Gross Income – Parking Charges	481,004
Gross Income – Penalty Charge Notices (PCN)	50,730
Total Gross Income	531,734
Less:	
• VAT	80,167
• Borrowing Costs	43,604
• Staff Costs / Enforcement Costs	48,676
• Transactions Costs	41,790
• Other Operational Costs	17,981
• Permits covering periods after 31 October 2019	23,973
Surplus From Off-Street Car Parking	275,543

Additional Net Income to the Council

- 2.10 Whilst the position shown above represents the trading surplus in respect of off-street parking provision, as enforcement of the car parking charging regime is being undertaken by existing staff resource, the associated costs need to be excluded from the surplus calculation to reflect the income received that was actually additional in terms of the Council's overall performance against budget.

The following table details this calculation.

	£
Surplus From Off-Street Car Parking (per above)	275,543
Adjust for enforcement costs already allowed for in the Council's budget	48,676
NET Additional Income from Off-Street Car Parking	324,219

3 CONCLUSION

- 3.1 Overall the Council received additional net income of £324,219 as a result of parking charges in the 12 months to 31 October 2019
- 3.2 For future years, the accounting and reporting for parking charges will be matched to the financial year periods and subsumed into the routine Council accounts and monitoring reporting schedules.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Report No. 139/19 - Amendment to Short Stay Off Street Parking Restrictions – Policy and Resources Committee – 30 April 2019 - deferred to Angus Council – 9 May 2019
- Report No. 13/19 – Development of Parking Charges – Communities Committee - 15 January 2019
- Report No. 294/18 - Angus Council (Off-Street Car Parks) (Decriminalised Enforcement) (Variation) (No 2) Order 2018 - Car Parking Charges - Communities Committee – 25 September 2018
- Report No. 193/18 - Parking Charges – Angus Council - 14 June 2018
- Report 59/18, Schedule 3e – Change Programme – Angus Council – 15 February 2018
- Minute of Meeting of the Scrutiny and Audit Committee 20 November 2018

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APPENDICES

Appendix 1 – Sales/usage and operational gross income - by burgh and car park for the first year

Sales/usage and operational gross income - by burgh and car park for the first year

PCNs	Off-street	No.	Value £	Permits#	No.	Value
Total		1,410	50,730.00	1 Month	651	£14107.17
				3 Months	175	£11,375.00
				6 Months	624	£81,120.00
				12 Months	203	£52,780.00
				Total	1653	£159,382.17

Town/Burgh	Car Park Name	No of meters	No of bays	Meters Tickets	Pay to Park		Coins			
					Value	Tickets	Value	Tickets		
Arbroath	Shore Car Park	1	35	6,730	£ 12,034.00	88	£180.00	-	-	
	Shore Car Park (Coin)	1	-	-	-	-	-	407	£650.20	
	Ladybridge Street Car Park	2	99	16,505	£37,833.00	436	£1,331.00	-	-	
	Ladybridge Street Car Park (Coin)	1	-	-	-	-	-	490	£963.65	
	Hill Street - High Street Car Park	2	119	9,545	£24,146.00	325	£1,051.00	-	-	
	Gravesend Car Park	1	15	1,212	£ 3,024.00	62	£221.00	-	-	
	Guthrie Port Car Park	1	10	1,512	£3,207.00	59	£130.00	-	-	
	Helen Street Car Park	1	23	1,809	£4,433.00	43	£153.00	-	-	
	Leonard Street Car Park	1	28	2,019	£3,072.00	19	£41.00	-	-	
	Millgate - North Grimsby Car Park	1	79	8,928	£18,917.00	248	£754.00	-	-	
	Millgate - North Grimsby Car Park (Coin)	1	-	-	-	-	-	-	106	£194.95
	North Port Car Park (from August 2019)*	1	21	303	£ 559.00	8	£13.00	-	-	
	Stanley Street Car Park	1	69	1,729	£4,366.00	34	£101.00	-	-	
	West Abbey Street Car Park	1	45	7,867	£12,128.00	249	£422.00	-	-	
West Abbey Street Car Park (Coin)	1	-	-	-	-	-	-	501	£853.90	
Sub Total		17	543	58,159	£123,719.00	1,571	£ 4,397.00	1,504	£2,662.70	
Brechin	Church Street Car Park	1	32	7,329	£10,299.00	141	£212.00	-	-	
	Church Street Car Park (Coin)	1	-	-	-	-	-	459	£626.15	
	City Road South End Car Park	1	15	607	£1,143.00	65	£136.00	-	-	
	City Road West Side Car Park	1	29	1,087	£2,418.00	66	£222.00	-	-	
	Maisondieu Lane East Car Park	1	16	1,341	£1,789.00	17	£24.00	-	-	
	Maisondieu Lane West Car Park	1	63	4,792	£9,166.00	80	£158.00	-	-	
	Maisondieu Lane West Car Park (Coin)	1	-	-	-	-	-	335	£491.95	
	Market Street Car Park	1	18	3,612	£4,841.00	64	£92.00	-	-	
Sub Total		8	173	18,768	£29,656.00	433	£844.00	794	£1,118.10	
Carnoustie	High Street Car Park	1	32	2,644	£3,658.00	55	£87.00	-	-	
	High Street Car Park (Coin)	1	-	-	-	-	-	120	£161.25	
	Links Avenue Car Park	1	33	2,932	£5,770.00	117	£320.00	-	-	
	Links Avenue Car Park (Coin)	1	-	-	-	-	-	160	£270.50	
	Park Avenue Car Park	1	50	2,811	£4,874.00	20	£40.00	-	-	
Sub Total		5	115	8,387	£14,302.00	192	£447.00	280	£431.75	
Forfar	East Greens Car Park	4	210	10,425	£20,597.00	242	£619.00	-	-	
	East Greens Car Park (Coin)	1	-	-	-	-	-	301	£527.20	
	Green Street Car Park	1	17	3,673	£5,641.00	85	£127.00	-	-	
	Myre Car Park	3	210	25,721	£50,147.00	458	£1,091.00	-	-	
	Myre Car Park (Coin)	1	-	-	-	-	-	965	£1,582.60	
	Myre Road Car Park	1	7	589	£1,104.00	19	£42.00	-	-	
	Old Halkerton Road Car Park	1	10	95	£218.00	34	£ 43.00	-	-	
	St Jame's Road Car Park	1	13	281	£ 516.00	3	£ 7.00	-	-	
	West High Street Car Park	1	16	891	£1,817.00	17	£38.00	-	-	
Sub Total		14	483	41,675	£80,040.00	858	£1,967.00	1266	£2,109.80	
Kirriemuir	Bellies Brae Car Park	1	63	2,351	£5,653.00	69	£224.00	-	-	
	Bellies Brae Car Park (Coin)	1	-	-	-	-	-	88	£156.55	
	Glengate Car Park	1	27	2,213	£5,481.00	42	£90.00	-	-	
	Reform Street Car Park	1	63	9,354	£15,306.00	243	£351.00	-	-	
	Reform Street Car Park (Coin)	1	-	-	-	-	-	744	£1,284.50	
Sub Total		5	153	13,918	£26,440.00	354	£ 665.00	832	£1,441.05	
Montrose	Baltic Street Car Park	1	26	4,451	£7,856.00	79	£131.00	-	-	
	Baltic Street Car Park (Coin)	1	-	-	-	-	-	249	£ 467.70	
	Lower Hall Street Car Park	1	80	3,057	£9,082.00	253	£869.00	-	-	
	Murray Lane Car Park	1	62	5,753	£12,036.00	256	£742.00	-	-	
	Murray Lane Car Park (Coin)	1	-	-	-	-	-	108	£198.10	
Sub Total		5	168	13,261	£28,974.00	588	£1,742.00	357	£665.80	
Total		54	1,635	154,168	£303,131.00	3,996	£10,062.00	5,033	£8,429.20	

Key: *Installed after building works
Permits allow use of any car park calculated as per paragraph 2.8

Tickets	158,164	£ 313,193.00
Permits	1,653	£ 159,382.17
PCNs	1,410	£ 50,730.00
Coins	5,033	£ 8,429.20
		£ 531,734.37