

**MAIDSTONE BOROUGH COUNCIL**

**CABINET MEMBER FOR ENVIRONMENT**

**REPORT OF ASSISTANT DIRECTOR FOR  
ENVIRONMENTAL SERVICES**

**Report prepared by J Kitson**

**Date Issued: 21<sup>st</sup> January 2010**

- 1. BUDGET REVIEW-PARKING SERVICES**
- 1.1 Issue for decision
- 1.1.1 To consider the impact of the economic recession on the parking services budgets.
- 1.2 Recommendation of the Assistant Director of Environmental Services
- 1.2.1 That impact of the recession on the parking services budgets be noted along with the delay on implementing the new charging arrangements in 2009/10.
- 1.2.2 That the fees and charges for parking services as identified in the Appendix A of the report be retained for the 2010/2011 financial year.
- 1.3 Reasons for Recommendation
- 1.3.1 Certain factors have had a significant impact on the Parking Services budget when coupled with the continued effects of the downturn in the economy.
- 1.3.2 The introduction of Sunday charges, the increase in the mid range pay and display tariff and changes to the residents parking scheme were delayed by eight weeks to enable the necessary process of the Overview and Scrutiny Committee to be concluded.
- 1.3.3 Since the introduction of the tariff changes on 1<sup>st</sup> June 2009 short stay car parks have remained on budget as has Sunday charges. Long stay parking income remains low when compared to budget and reflects a change in demand for all day parking.

1.3.4 Although penalty charge notice recovery rates remain good, income against budget is down, as a greater percentage of penalty notices are paid at the reduced rate of £25.

1.3.5 Current projections identify a significant year end deficit within the Parking Services budget:

NF2 Parking Services Section	£5,300
D11 Pay & Display	£68,000
D12 Parking Decriminalisation	£45,000
D27 Residents Parking	<u>£23,400</u>
	<u>£141,700</u>

The shortfall has already been reported to Cabinet which has requested that management measures be put in place to reduce the problem. However, this has proved difficult due to the limited options available.

1.3.6 The effect of the recent snowfall and icy conditions during December and January has had a detrimental effect on Pay & Display income and levels of penalty charge notice issue. This has increased the projected year end deficit by around £40,000.

1.3.7 Increasing charges is unlikely to increase income as it is felt that with the current economic climate, drivers will consider other options. This has been confirmed by the recent budget consultation, reported to Cabinet in December 2009 as part of the budget strategy report, which established that parking charges are close to the point where drivers would visit other centres. It is therefore not proposed to increase the current charges in this financial year.

1.3.8 Staffing levels in the parking services team were reduced last year and process times for informal appeals are currently outside the guidelines provided in the Traffic Management Act (this should be resolved in the New Year). Maintenance budgets are being partially used to offset other costs and therefore cannot be reduced.

1.3.9 Continuing efforts will be made to reduce the shortfall until the end of the financial year.

1.3.10 Assuming current income levels remain as at present there will also be a shortfall in income for the next financial year and this has been recognised in the budget strategy. The income levels have been reduced by £50,000 to reflect the economic downturn. The full year income from the charges introduced last year will reduce the current shortfall by a further £35,000.

1.3.11 Further budget savings of £24,000 will be achieved from the introduction of the Imperial database system within Parking Services. It is therefore anticipated that the Parking Services budget will be on target in 2010/2011.

1.3.12 It is not proposed to increase the charges in 2010/2011 for the reasons given above.

1.3.13 Other management measures will be undertaken to reduce further impact, including limiting maintenance and costs for new orders to essential items only.

1.3.14 In addition, some initial discussions have taken place on the potential for developing a shared parking service arrangement with boroughs in the Mid Kent area. Whilst these are only at an early stage through sharing resources there may be an opportunity to reduce costs and maintain or further improve services next year.

#### 1.4 Alternative Action and why not Recommended

1.4.1 Pay and display charges could be increased but based on the budget consultation this would not generate additional income and could have a negative effect.

1.4.2 Other measures could be considered to reduce parking service costs but such measures could impact on maintenance times and could reduce income. In addition, process targets required under the Traffic Management Act would not be met.

#### 1.5 Impact on corporate objectives

1.5.1 Corporate objectives to improve access across the borough through better roads, public transport and services, directly relate to the services provided by Parking Services.

#### 1.6 Risk Management

1.6.1 There is a strong risk that any further adverse economic effects will reduce parking services income even further.

1.7 Other Implications

1. Financial
2. Staffing
3. Legal
4. Equality Impact Needs Assessment
5. Environmental/Sustainable Development
6. Community Safety
7. Human Rights Act
8. Procurement
9. Asset Management

X

Financial

1.7.1 The financial implications are identified in the report.

Background Documents

None.

**NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED**

Is this a Key Decision?

Yes

No

If yes, when did it appear in the Forward Plan? \_\_\_\_\_

Is this an Urgent Key Decision?

Yes

No

Reason for Urgency

**How to Comment**

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

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