

Cabinet report



Report of head of economy, leisure and property

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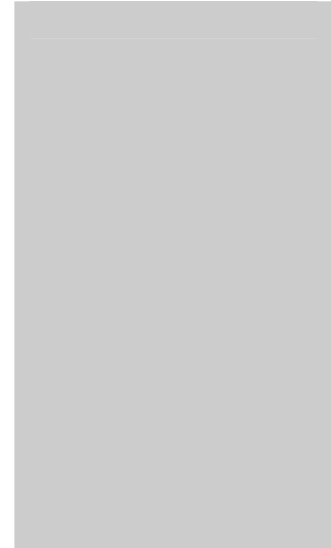
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To: CABINET

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Car park fees and charges 2013/14

Recommendations

Cabinet is recommended to:

(a) make no changes to the current car park fees and charges, and to continue the provision of free parking on Saturday afternoons and half-price season tickets for those working in South Oxfordshire

(b) support the improvement of the car park environment by replacing car park machines, furniture and signage and carrying out improvements to those public conveniences situated within the council's car parks.

Purpose of report

1. The purpose of this report is to provide options to enable the cabinet to determine the appropriate car park fees and charges from 1 April 2013. Reviewing the car park fees and charges each year is in line with the council's car park pricing policy, which is attached to this report as appendix 1.

Corporate objectives

2. The provision of public car parks contributes to the achievement of our strategic objective “building the local economy” by giving access to shops, businesses and services within the towns and some villages. It also contributes towards our strategic objective of “effective management of resources” by providing car parking that is value for money and meets the needs of the users.
3. The car park pricing policy balances the requirement for users to meet the costs of the car parks, with the need for charges to be economically viable having regard to the impact they have on the local economy. The policy aims to:
 - encourage people to shop locally
 - have car park charges that are competitive with car parks provided by other bodies in the district, and that are comparable with other neighbouring authorities
 - offer season tickets at reduced rates to also support local shops and businesses that may have employees who park all day in one of our car parks, as well as offering one day permits at reduced prices for market traders.

Background

4. In February 2012, cabinet approved the following changes to the car park fees and charges from 1 April 2012:
 - (a) offer half-price season tickets purchased in the period 1 April 2012 - 31 March 2013 for those working in the towns and villages in South Oxfordshire only
 - (b) offer no charge for parking on the two bank holidays on 4 and 5 June 2012 in each of the four towns and Goring
 - (c) offer free parking for the last three hours of the charging period on Saturday afternoons from 14 April 2012 in each of the four towns and Goring.

Impact of the changes made in 2012

(i) HALF-PRICE SEASON TICKETS

5. Offering half-price season tickets has almost doubled the number of tickets sold. Based on sales up to December 2012, officers estimate that by the end of the financial year the total income from season tickets will be £25,000. This compares to the income from the sale of season tickets (at full price) in 2011/12 of £29,000. This represents only a £4,000 reduction in income over the year and has little effect on the overall car park account.
6. In general, the half-price offer was well received by those who drive into our towns and villages to work. In addition, a small number of residents who live in the centre of towns and work at home, who normally have to pay for parking, have taken advantage of the offer.

(ii) NO CHARGE FOR THE TWO JUNE BANK HOLIDAYS

7. Officers estimate that the loss of income from this one-off offer of two days free parking was negligible. Residents appreciated the free parking available to celebrate the Queen’s jubilee.

(iii) FREE PARKING FOR THE LAST THREE HOURS OF THE CHARGING PERIOD ON SATURDAY

8. Free parking on Saturday afternoons was introduced in mid-April 2012. A Saturday usage survey was taken across the car parks before the offer on one day in March 2012 and then on one day again in September 2012. Analysis of the data shows that usage on a Saturday afternoon increased in less than half the car parks. It should be noted that car parks in Henley were already at capacity on Saturday afternoons.

9. The table one below shows a breakdown for each car park and compares usage at 3pm and at 5pm both before and after the offer was introduced. The numbers in bold show where the usage increased.

Table one Car park usage on Saturday afternoon before and after the introduction of free period

Car park	March 2012 at 3pm (per cent usage)	September 2012 at 3pm (per cent usage)	March 2012 at 5pm (per cent usage)	September 2012 at 5pm (per cent usage)
Didcot				
Edinburgh Drive	80	68	31	38
High Street	50	39	33	25
Broadway East	97	67	57	38
Broadway West	100	77	53	47
Goring				
Wheel Orchard	56	96	48	33
Henley				
Greys Road	100	100	90	90
Kings Road	99	96	71	75
Southfields	98	98	62	80
Thame				
Cattlemarket	53	52	31	23
Southern Road	78	40	27	22
Wallingford				
Castle Street	100	100	60	50
Cattlemarket	86	83	41	55
St Georges	25	20	5	5
Thames Street	78	96	78	74
Goldsmiths Lane	94	86	58	63

SUMMARY

10. The changes to the fees and charges offering the free periods and reduced price season tickets have been well received by residents. The impact on the car

parking account has been negligible. The take up of season tickets has increased following the halving of the cost on 1 April 2012. The information from the Saturday afternoon survey is limited as it is a snap shot of just one day. From the survey results, the impact of introducing free parking on a Saturday afternoon appears varied depending on the car park and further surveys are required to assess the full impact of this offer.

Car park account over five years

11. Table two below estimates how the net cost of car parks will change over the five-year period 2011/12 to 2015/16. The table shows that if no changes are made to the level of fees and charges (and assuming levels of usage stay the same) then the car park account will have a net income of £229,308 in 2015/16 and over the five-year period the account will produce a cumulative estimated surplus of over £1.1 million.

Table two Car park account over five years

	2011/12	2012/13	2012/13	2013/14	2014/15	2015/16
	Actual	Actual to Nov' 2012	Forecast outturn	Draft base budget	Draft base budget	Draft base budget
Total Income	927,157	615,907	922,132	922,299	922,299	922,299
Total Costs	717,253	470,477	691,544	663,283	677,917	692,991
Actual / projected net income (deficit)	209,904	145,430	230,588	259,016	244,382	229,308
Actual / projected net income (deficit) cumulative	209,904		440,492	699,508	943,890	1,173,198

Options

12. Officers reviewed the fees and charges, as required by the car park pricing policy, and considered various options.

A. MAKE NO CHANGES TO THE FEES AND CHARGES

13. Appendix 2 attached to this report shows car park fees and charges compared with neighbouring local authorities. Based on maintaining the current fees and charges, table 1 above shows the car parking account having an estimated surplus of over £1.1 million over the five year period.

14. However, this surplus provides the council with the opportunity to look at changing some of the fees and charges, which would benefit our customers over the next few years and still stay comfortably within the policy, albeit these would have an impact on the revenue we collect. Officers are proposing several options

for consideration at our car parks in Didcot, Goring, Henley, Thame and Wallingford that are subject to parking charges.

B. ONE HOUR FREE PARKING AT ANY TIME IN CAR PARKS IN HENLEY

15. Whilst other car parks in the district offer free one hour parking at any time, the two town centre car parks in Henley are only free from 9am to 10am Monday to Friday. Offering up to one hour free parking at any time would bring these car parks in line with the council's other car parks. This would reduce our income by an estimated £80,000 a year and still leave the car park account with a healthy cumulative surplus over the five years of some £933,000.

16. It is important to note that Waitrose offers a refund on the cost of one hour parking in the town centre car parks if users spend more than £10 in the Waitrose store. Therefore, this option would go mainly to reducing the contribution that Waitrose makes on the refunds.

C. TWO HOURS FREE PARKING AT ANY TIME IN ALL CAR PARKS

17. This option would bring the council's car parks more in line with the parking fees in the neighbouring Vale of White Horse district. Officers estimate that this option would result in an annual loss of income of £575,000.

18. If this option was agreed, then the car park account would be in deficit over the five year period, which would be in breach of the current car parking policy that requires the account to at least break even over the five year period.

D. AN ADDITIONAL TARIFF BAND OF PARKING FOR HALF AN HOUR AT NO CHARGE IN HENLEY

19. Introducing a tariff band of half an hour free parking in Kings Road and Greys Road car parks in Henley would support requests from those users who wish to park in the car parks for only a short period. Officers estimate an annual loss of income of £70,000 and the car park account would continue to have a healthy surplus of some £963,000 over the five year period.

20. In order to manage and enforce the car park efficiently, officers recommend that this option would be accompanied by the requirement to display a free ticket that would be obtained from the car park machines.

E. FREE PARKING ON ONE DAY OF THE WEEK IN ALL CAR PARKS

21. Introducing free parking on one particular day of the week would support our market towns and encourage people to shop locally. The specific day could coincide with a market day or be set to attract people into the town centres on a day of the week that they would not normally go into the town or village. Officers estimate the annual loss of income at £160,000 per year.

22. This option would mean that the account would be running at a marginal loss, although it would still allow for a healthy surplus of income over the five year period as previous surpluses are accumulated.

F. FREE PARKING AT WEEKENDS IN ALL CAR PARKS

23. There is no charge in council car parks on Sunday so this option would be to allow free parking all day on Saturday. Officers estimate the loss of income at £180,000 per year. Although there would still be an overall surplus of income over the five year period, the annual account would be running at a loss.

G. IMPROVED CAR PARK FURNITURE AND ENVIRONMENT

24. Another option is to fund new ticket machines, signboards and other furniture in the car parks and to improve the environment of the car parks generally. Officers are already preparing plans for new tariff boards, which should be in place in the next few months. The resurfacing and re-marking of surface lines is carried out as part of the capital improvement programme, for which there is a separate growth bid. Other improvements could be made, such as to increase the visibility of pedestrian crossings, to repaint/replace bollards and railings and to provide better signage within the car parks, and to provide better signage directing drivers to our car parks. In addition, we could improve the hard and soft landscaping features within the car parks, including tidying up the boundary treatments. Most of this work could be done within existing budgets. One exception would be replacing all the car park pay and display machines.
25. There are a total of 27 machines, which vary in age and usage but all are at least four years old. The cost of a new machine is some £3,000, making an estimated total of £81,000 if we were to replace them all. It would be an option for new machines to produce tickets that require vehicle registration plate details and/or the ability to pay by 'chip and pin'. Including for other associated costs to improve the areas around the pay and display stations, the overall cost would be some £95,000.

H. IMPROVE PUBLIC CONVENIENCES

26. Counsel's advice obtained in 2003 was that the council cannot set the parking fees charges to 'raise revenue generally'. In setting the fees and charges we should have 'regard to the costs involved in providing the service'.
27. Officers in legal services have confirmed that it would be legitimate for income from our car parks to be spent on works involved in maintaining, improving or providing (new) public conveniences situated within our car parks.
28. Officers estimate the cost of depreciation of all the toilets situated in car parks at £15,000 a year. In addition, officers have requested an increase in the capital budget of £100,000 to improve toilets in the Greys Road and Station car parks in Henley (only improvements in the Greys Road car park of £50,000 can be accounted for within the car park account, as the Henley station car park is not owned by the council). This would allow for the improvements and renovations to be made to the toilets and be put against the car park account. This is a further option to reduce the surplus income.
29. Table three below shows the costs of options B, C, D, E, F, G and H in next years budget.

Table three Options for reducing charges

	2013/14 base budget
Option B (one hour free in Henley)	80,000
Option C (two hours free all car parks)	575,000
Option D (1/2 hour free Henley)	70,000
Option E (free on one day)	160,000
Option F (free at weekends)	180,000
Option G (new machines)	95,000
Option H (improve public conveniences)	65,000

I. REDUCING FEES BY 10p OR 20p

30. There is an option to make small changes to the fees and charges for long-stay, short-stay, or both. This could be done by reducing fees by 10p or 20p for example. This would have a financial impact on the model that is quite difficult to calculate and has not been considered at this stage.

Reasons for arriving at recommendations

A. MAKE NO CHANGES TO THE FEES AND CHARGES

31. Compared to other car parks in neighbouring authorities, the cost of parking in the council's car parks remains extremely competitive. Also, assuming no changes and given the estimated surplus of over £229,308 in 2015/16, officers recommend to cabinet that we make no changes to the fees or charges this year, and continue to provide free parking on Saturday afternoons and half-price season tickets for those working in South Oxfordshire.

32. Officers have considered the scope to use income from parking charges to invest in the car parks and make them safer and more attractive for visitors and whether it would be appropriate to reduce any parking charges.

G and H. IMPROVED CAR PARK FURNITURE AND ENVIRONMENT AND PUBLIC CONVENIENCES

33. There is an opportunity to help improve the user experience of our car parks by investing in improvements to the car park furniture and environment, including the public conveniences within the car parks. Not only would this make the car parks more attractive to look at and easier to use, it may make them safer and it would provide better directional signage and information, as well as helping to make the public toilets within the car parks more attractive for users. In addition, we could provide drivers with an electronic method of payment using chip and pin, as well as providing the council with more reports on sales and usage. It may also increase income, as registration-linked tickets would improve enforcement of the car park order, although registration-linked ticket machines are less popular with drivers who would have to get into the habit of memorising their vehicle number plate to input when they obtain a ticket. Experience obtained from other councils is that this causes some initial agitation amongst car park users and would take at least a year for the change in habit to become accustomed.

34. By making the car parks and their public conveniences more attractive to drivers and easier to use, we may also increase the number of people using the car parks and thereby into shops, businesses and services available in our towns and villages.
35. Officers considered the other options B – F, but discounted them in terms of likely adverse financial impact in the long-term and/or operational issues and/or benefits for drivers and the council. In particular, the town centre car parks in Henley are already at capacity and making any concession on the fees by introducing any further free periods would not improve the operation of the car park. Providing further free periods more widely across all car parks can be considered again in the future but only once the standard and appearance of the car parks has been improved. Therefore, retaining the current system of charges would be appropriate having regard to the various purposes and matters set out in section 122 of the Road Traffic Regulation Act 1984
36. Improving the general appearance of the car parks, in particular the pay and display machines, signs and public conveniences would make for a better customer experience; raise the standard of the car parks and encourage people into our towns. To make it easier for the users, the car park machines should also accept electronic forms of payment but not be registration-linked. Therefore, officers recommend cabinet to support the improvement of the car park environment by replacing car park machines, furniture and signage and carrying out improvements to those public conveniences situated within our car parks.

Financial implications

37. If agreed, the combined options of maintaining the current fees and charges, including the free Saturday afternoon parking and half price season tickets introduced in April 2012, and improving the car park furniture and environment (replacing pay and display machines), including public conveniences, would bring the net income in 2013/14 to some £99,016. In the following years, the car park account would show a surplus each year and there would still be a cumulative net surplus income in 2015/16. This is in line with the car park pricing policy.
38. The options G and H are reliant on capital growth bids to be agreed as part of the budget setting process.
39. There are no implications to staff savings in relation to these recommendations.

Legal implications

40. Any legal implications are referred to in the body of the report.

Risks

41. This review of car park fees and charges aims to achieve car parking prices that are competitive and car parks that are financially self sufficient. The risk is that car parks are either too cheap and so busy that users cannot find spaces, or too expensive and under used, thereby becoming a burden on the council tax payer to maintain them.

42. Therefore, setting fees at the right level is important in this context, as setting them specifically to generate a surplus could lead to a risk of a challenge in the future. There is a low risk associated with setting the fees for 2013/14 to generate a small surplus net income, as we are using estimated figures in our calculations and the final outturn may be higher or lower than anticipated. The risk overall is reduced by considering how the change affects the next three financial years (table 1 shows a cumulative surplus income). The risk is also reduced by having annual reviews of the fees and charges so we can consider any changes necessary to ensure that the car park account continues to have a suitable surplus over the five year period (as required by car park pricing policy a) in appendix 1).
43. The other risk in our calculations is that we cannot accurately predict how people's habits will change with the retention of the free periods of parking and half price season tickets, and the provision of better signage directing drivers to our car parks. The calculations and estimations of net income and change in income assume that the current car park usage will remain the same.

Equality Implications

44. In considering the options we have taken account of our public sector equality duties of the Equality Act 2010.
45. Options B to F improve access* to our car parks for everyone and would not disadvantage any particular equality groups.
46. Option G would improve access to our car parks for everyone, particularly people with visual impairments through increasing the visibility of pedestrian crossings, repainting/replacing bollards and railings and providing better signage within the car parks.
47. Option H could help the council to advance equal opportunities for people with disabilities and older or less mobile people as any improvements to the public conveniences would take account of their needs.

Conclusion

48. The car park account shows a surplus of income over expenditure when viewed over the five year period in accordance with the agreed pricing policy. This allows the council to consider ways of encouraging more use of the council car parks by changing the fees. Making small changes to the fees, such as reducing them by 10p, would have an impact, but officers consider that retaining the offer of having something half-price or completely free is more appealing. Many of the car parks are less busy on Saturday afternoons and so by continuing to offer free parking at this time we may encourage more people into our towns and villages.
49. Officers recommend cabinet to make no changes to the current car park fees and charges, to continue the periods of free parking and half-price season tickets, and to support improvements to the furniture, signage and public conveniences within

* Option A maintains access

our car parks. Officers consider this would align well with the council's objectives to encourage people to shop locally and support local shops and businesses. It also supports the council's equality objective to provide equality of access to services.

Background papers

- none

Appendix 1 Car park pricing policy 2006

- a) Car park fees and charges shall be set so that over a five-year rolling period they at least meet the costs of car parks calculated in accordance with proper accounting practice. Costs will include charges for capital expenditure.
 - b) Pricing may be used to regulate and influence usage to support town centre vitality and viability. Therefore, short term and long term parking to be differentially priced and located to encourage workers to park on the edge of towns to free up town centre parking for shoppers and visitors.
 - c) Car park fees and charges to be benchmarked against
 - i. car parks provided in towns and villages in the district by other bodies
 - ii. on-street parking charges
 - iii. car parks in neighbouring authorities:
 - Cherwell DC
 - Aylesbury Vale DC
 - Wokingham DC
 - Wycombe DC
 - Vale of White Horse DC
 - d) Parking is provided free of charge for disabled badge holders
 - e) No fees and charges to apply on Sundays
 - f) Parking fees and charges to be reviewed annually
1. Season tickets and permits
- g) Season tickets are available for purchase in advance by residents, tourists and businesses for all long stay car parks but do not guarantee a place. They are available for one year, a quarter or one week at a discounted rate.
 - h) Permits are available for market traders which give discounted rates for all day parking in long stay car parks for one particular day of the week over a quarter or a year. They also do not guarantee a place.
 - i) Discounts will be determined each year when fees and charges are reviewed.

Appendix 2

Comparison of pay and display car park charges, November 2012

Place	Average Charging periods	up to 1 hour	up to 2 hours	up to 3 hours	up to 4 hours	up to 5 hours	up to 6 hours	up to 8 hours	up to 10 hours	up to 12 hours	ECN
South Oxfordshire District Council	9am to 5pm 8am to 6pm (in Henley on Saturdays)	Free or 50p	80p	1.50		1.80 to 2.10		1.60 to 3.10			Max £70
Train Station, Henley (discounts apply if pay by 'phone)	All day			1.00			1.50			3.90	
Mill Meadows (Henley Town Council) Mon-Fri Sat and Sun and BHs		1.20 1.50	2.50 3.00		5.00 6.00					7.00 8.00	
Wycombe DC (High Wycomb) Easton Street	7am – 6pm Mon - Sat	1.00	1.50	2.00	2.50					5.00	Max £70
Wycombe DC (High Wycomb) Baker St	7am - 7pm Mon - Sat		1.50				3.50			3.50	Max £70
Wycombe DC (Marlow) Dean St	7am - 7pm Mon - Sat	60p (40p for up to 30 mins)	1.20	1.50	2.00		3.00			5.50	Max £70
Woking Borough Council (Victoria Way, Brewery Road & Heathside Crescent)	6am - 7pm Mon – Sat (also charges Sunday at reduced rate)	1.10/70/50	2.20	3.30	4.40	5.00	5.00	7.70			Max £70
Wargrave, School Lane (short stay)	8am - 6pm Mon - Sat	40p	60p		2.00				4.00		Max £80
Wokingham town centre, Easthampstead Rd (long stay)	8am - 6pm Mon - Sat	70p	1.20	2.00	2.00		3.00		4.00		Max £80
West Berkshire Council (Newbury central library)	8am - 6pm Mon - Sat (*£1 after 6pm)	1.00	2.20	3.40	4.50		6.50	8.50		12.00	Max £80
Aylesbury Vale DC (Upper Hundreds Town centre – short stay)	8am - 6.30pm Mon - Sat	90p	1.50	2.50	3.50	5.00				8.00 up to 24 hrs	Max £70
Aylesbury Vale DC (Hampden House – inner long stay)	8am - 6.30pm Mon - Sat					2.50				4.00 up to 24 hrs (1.00 overnight)	
Aylesbury Vale DC (Friarscroft – outer long stay)	8am - 6.30pm Mon - Sat									4.00 up to 24 hrs (1.00 overnight)	

Banbury (Market Pl, ultra short stay)	8am - 6pm Mon –Sun	£1.20 (80p up to 30 mins)									Max £70
Bicester (Cattlemarket)	as above	60p	1.20	1.70	2.20			2.50			
* Vale of White Horse DC (Portway, Wantage)	8am - 6pm Mon - Sat		Up to 2 hrs no charge	1.30	3.30		4.30			5.30	Max £80
* Vale of White Horse DC (Gloucester St, Faringdon)	8am - 6pm Mon - Sat		Up to 2 hrs no charge	1.00	2.40		2.60			2.80	Max £80
* Vale of White Horse DC (Cattlemarket, Abingdon)	8am - 6pm Mon - Sat		Up to 2 hrs no charge	1.50	3.40		4.30			5.30	

* From December 2011

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