

Cabinet report

Report of Head of HR, IT & Technical Services

Author: Ben Coleman

Telephone: 01235 422158

Textphone: 18001 01235 422158

E-mail: ben.coleman@southandvale.gov.uk

Wards affected: all

Cabinet member responsible: Eric Batts

Tel: 01865 728775

E-mail: eric.batts@gmail.com

To: Cabinet

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Review of car park fees and charges for 2017/18

Recommendation

That cabinet reviews the current car park fees and charges and considers the options put forward by officers, along with any other options it wishes to consider, and decides what, if any, changes it wishes to make to the current car park fees and charges.

Purpose of report

1. The purpose of this report is to provide cabinet with information to consider so that it can determine the appropriate car park fees and charges from 1 April 2017.
2. Reviewing the car park fees and charges each year is in line with the Vale of White Horse District Council's car park pricing policy.

Strategic objectives

3. The provision of public car parks contributes to the achievement of our strategic objective "building an even stronger economy" by giving access to shops, businesses and services within the towns and some villages. It also contributes towards our strategic objective of "sustainable communities and wellbeing" by providing car parking that is value for money and meets the needs of the users.

Background

4. The council's existing parking policy is:

B (1) – removed in 2011 following introduction of free two hours parking

B (2) Differential pricing may apply between areas in the Vale, including between car parks in the same town

B (3) Pricing may be used to regulate and influence usage to achieve a balance between sustainability and environmental objectives, and town centre vitality and viability; hence, short- term and long-term public parking should be differentially priced and located to encourage edge of town parking for commuters, thus freeing town centre parking for shoppers and visitors

B (4) Parking will be provided free of charge for disabled badge holders

B (5) Parking fees and charges will be reviewed annually.

5. In December 2011 the cabinet agreed to introduce a free period of two hours in the council's car parks. In December 2013 the cabinet agreed to reduce the cost of excess charges (parking fines) from £50 to £40 and to introduce a cashless payment system in car parks (pay by mobile phone). Last year the cabinet resolved to make no changes.
6. The car park service was included as part of the corporate services 5 councils project and since 1 August 2016 has been managed by Vinci's car parks partner Indigo. The contract specifies that the contractor must at least maintain the income to the council and reduce costs.
7. The current fees and charges and permits for the Vale Council are attached as appendix 1 to this report. As a comparison, fees and charges for other local car parks are attached as appendix 2 to this report. The cost of permits is shown in appendix 3 to this report.
8. Officers are required to review the car park fees and charges in accordance with the car park pricing policy B (5) as listed in paragraph 4 above, which is undertaken below.

Future income uncertainties

Abingdon Charter

9. The Charter multi-storey car park is due to undergo an extensive refurbishment. The timescales for when this work will begin or the impact it will have on income are not yet known in detail, but there is likely to be some loss of income. During the refurbishment work the impact on the use of the car park will be minimised wherever possible. In 2015/16 the car park generated approximately £84,000 of income (£50,000 of pay and display, £18,000 in excess charge notices and £16,000 in permit sales).
10. The contractor undertaking the tendering and supervision process for the works expects it to take approximately three months to complete, during which time approximately 30 percent of car park capacity will not be available. It is estimated that the loss of income will be approximately £7,000.

Free parking in December

11. In December 2016 each major town in the district (Abingdon, Wantage and Faringdon) has been given four free days parking in the lead up to Christmas. Abingdon has been given five days as the Abingdon extravaganza at the end of November is also included. In December 2015 year one free day's parking was given in the run up to Christmas.

12. Calculating the impact on income of this policy is difficult due to the lack of precise usage data. However it is anticipated that the loss of income will be approximately £7,000 (£5,250 for Abingdon, £1,400 Wantage and £350 for Faringdon).

Review of car park fees and charges

13. As part of the review, officers first looked at the financial situation and the expected income and expenditure if no changes are made.

CAR PARK SERVICE OVER FIVE YEARS

14. Table 1 below estimates how the net cost of car parks will change over the five-year period 2015/16 to 2019/20 assuming no changes are made. It should be noted that depreciation or support costs are not budgeted for – the table is purely a paper exercise - but these elements need to be included to give a full picture.

15. The detailed effect of outsourcing in terms of running expenses and also support costs is not clear although officers expect an overall small reduction.

16. In the past we have added inflation of two percent to the cost projections. However, this year future costs have not been increased as the overall effect of the corporate services contract target to reduce costs, combined with the directly incurred expenses for national non domestic rates (NNDR) and electricity which are likely to increase with inflation, are considered likely to produce a small cost reduction.

17. In 2015/16, if considering just the income and the running costs, then the service showed a small income of £57,674. However, taking into account other costs associated with parking like depreciation and corporate support costs, the table shows that there will be an estimated deficit on the service at the end of 2016/17 of £136,543. The deficit is expected to decrease to £86,540 in 2017/18. This is due to a one off cost of £50,000 for 2016/17 work to review the car parking capacity in the district. The projected cumulative deficit in 2019/20 will be £511,731.

Table 1 Car park service over five years

	2015/16	2016/17	2016/17 Projected outturn (based on actual to 30 Sept 2016)	2017/18	2018/19	2019/20
Car Parks net income (expenditure) updated November 2016	Actual	Budget		Base budget	Base budget	Base budget
Total Income	448,935	415,300	415,300	415,300	415,300	415,300
Less: Projected loss of income due to Abingdon Charter refurbishment				7,000		
Corrected income due to loss of Charter income				408,300		
less Running costs	391,261	428,443	428,443	378,440	378,440	378,440
Outturn actual / budgeted	57,674	(13,143)	(13,143)	36,860	36,860	36,860
Depreciation for use of asset	105,220	57,400	57,400	57,400	57,400	57,400
Support costs	68,021	66,000	66,000	66,000	66,000	66,000
Total Costs	564,503	551,843	551,843	501,840	501,840	501,840
Projected net income (deficit) corrected for loss of income at the Charter				(93,540)	(86,540)	(86,540)
Projected net income (deficit) corrected for loss of income at charter cumulative				(359,651)	(446,191)	(532,731)
Actual / Projected net income (deficit) without correction	(115,568)	(136,543)	(136,543)	(86,540)	(86,540)	(86,540)
Actual / Projected net income (deficit) cumulative without correction	(115,568)		(252,111)	(338,651)	(425,191)	(511,731)

Options

18. The current financial position of the car park service does not warrant any further planned reductions in income. Officers have considered the following options to increase income.
19. Any change in fees will have a significant cost impact due to the need to recalibrate all the pay and display machines, update the software on the cashless payment system and update the tariff boards at each car park. The cost of undertaking the above changes is likely to be in the region of £16,000.

Fee variation options

A. INCREASE ALL FEES

20. An increase of 10p is the smallest increase that is reasonable as fees are normally given to the nearest 10p as this is the lowest denomination accepted by the machines. However, this increase would only have a small impact on the income and an increase of 20p would be more significant in reducing the deficits forecast over the next few years.
21. An increase of all fees would mean that the current differential that exists between the cost of short stay parking in the town centre and the cost of edge of town parking would remain the same.
22. Officers estimate that a 20p increase for all tariffs would increase income by up to £25,000 per year which would still mean that the car park service would be subsidised by other council income.
23. Officers estimate that an increase of all fees of at least 60p is required, plus an increase in permits of 20 percent for the service to breakeven.

B. INCREASE THE PRICE OF PERMITS

24. The table in appendix 3 lists the cost of permits currently available. Permits provided an income of approximately £80,000 in 2015/16.
25. An increase in the cost of permits of 20 per cent would increase the income by £16,000 per year.
26. An increase in the price of permits would reduce the support to town centre businesses and to those businesses who rely on their staff paying for permits themselves.

C. CHARGE ON SUNDAYS

27. Currently only three car parks in Abingdon charge on a Sunday (those adjacent to the river Thames i.e. Rye Farm, Hales Meadow and Abbey Close). The current tariffs in all other car parks, including the free two hours, could be extended to cover all days of the week.
28. This would require some enforcement on a Sunday which would be at a cost but the increase in income is likely to outweigh this cost.
29. As a comparison, some town centre car parks to the north in Cherwell district do charge on a Sunday whereas car parks in South Oxfordshire do not. Traditionally people, particularly those attending religious services have strongly opposed any introduction of charges on a Sunday.

Financial Implications

30. In 2015/16, the Vale Council collected £259,420 from 'pay and display' income, £79,566 from parking permit income, £98,780 from excess charges (fines) and £11,169 from other miscellaneous income. The financial implication for each of the options is summarised in the table 2 below.

Table 2 – Estimated changes to car park income from increasing fees

Option	Title	Offer	Estimated increase in income per year
A	Increase all fees	Increase by 20p	£25,000
		Increase by 60p	£75,000
B	Increase price of permits	20 percent increase	£16,000
C	Charge on Sundays	Similar fees to other days of the week	£11,250

31. Any financial implications of the decisions made as a result of this report will be included in the budget for 2017/18 and the medium term financial plan, which will be agreed by full council in February 2017.

32. The options A and C will have associated initial one off set up costs for changing signs and adapting software and is likely to be a one off cost of £16,000.

Legal Implications

33. There are no implications to maintaining fees at charges at current levels. Changes to the price of permits or to the fees would not require any changes to the car parking order itself, but would require the revised schedules to be published.

34. These changes can be introduced by way of notice under section 35C of the Act, given and published in compliance with regulation 25 of the Local Authorities Traffic Orders (Procedure) (England and Wales) Regulations 1996.

Other implications

35. In line with our duties under the Equality Act 2010, officers have considered the equality impact associated with option A, B and C. Option 'A' increase all fees by 20p is unlikely to have a negative impact to users who share a protected characteristic. Increasing fees by 60p could deter people on a lower income from using the car parks. Option 'B' increase price of permits by 20 per cent could impact on people working in the district who are on a low income. Option C could disadvantage people attending religious services. For all options, users who display a disabled badge will be unaffected by the changes, as they will continue to get free parking.

Conclusion

36. Officers have reviewed the current fees and charges in line with the council's car parking policy. The service currently operates at a loss and the detailed effect of outsourcing in terms of running expenses and also support costs is not clear although officers expect an overall small reduction. Also, there will be some loss of income resulting from the refurbishment of the Abingdon Charter car park. Cabinet are invited to consider the options put forward, and any others it may wish to consider.

Background Papers

- None

Appendix 1 Vale Council - summary of car park fees and charges 2015

1	5	7 SCHEDULE OF CHARGES	
		7a	7b
NAME OF PARKING PLACE	CHARGING/ NON-CHARGING PERIODS AND MAXIMUM PERIOD FOR WHICH VEHICLES MAY WAIT	CHARGES FOR PARKING TICKETS Footnote 2 Footnote 3	PERMITS (INC. VAT) Footnote 1 Footnote 3
ABINGDON Audlett Drive Charter Multi Storey West St Helen Street Abbey Close	Monday to Saturday, except Abbey Close Monday to Sunday 8am to 6pm 10 hours	Not exceeding: - up to 2 hours no charge - up to 3 hours £1.50 - up to 4 hours £3.40 - up to 6 hours £4.30 - over 6 hours £5.30	£5.80 per day £65 per month (5 day) £78 per month (6 or 7 day) £194 per quarter (5 day) £233 per quarter (6 or 7 day) £650 per annum (5 day) £779 per annum (6 or 7 day) Resident permit: £287 per annum
Charter Service Area & all external areas	Monday to Sunday 7 days - Permit Holders only Maximum stay 24 hours	N/A	£5.80 per day £65 per month (5 day) £78 per month (6 or 7 day) £194 per quarter (5 day) £233 per quarter (6 or 7 day) £650 per annum (5 day) £779 per annum (6 or 7 day)
Civic Cattlemarket	Monday to Saturday 8am to 6pm 10 hours	Not exceeding: - up to 2 hours no charge - up to 3 hours £1.50 - up to 4 hours £3.40 - up to 6 hours £4.30 - over 6 hours £5.30	No permits Resident permit for Cattlemarket only: £287 per annum

□ 1 NAME OF PARKING PLACE	□ 5 CHARGING/ NON-CHARGING PERIODS AND MAXIMUM PERIOD FOR WHICH VEHICLES MAY WAIT	□ 7 SCHEDULE OF CHARGES	
		□ 7a CHARGES FOR PARKING TICKETS Footnote 2 Footnote 3	□ 7b PERMITS (INC. VAT) Footnote 1 Footnote 3
Rye Farm including the lorry park Hales Meadow	Monday to Sunday 8am to 6pm 10 hours	Not exceeding: - up to 2 hours no charge - up to 3 hours £1.50 - up to 4 hours £3.10 - up to 6 hours £3.80 - over 6 hours £4.30 Lorry park only £7.40 for 24 hours or part thereof	£52 per month (5 day) £61 per month (6 or 7 day) £157 per quarter (5 day) £190 per quarter (6 or 7 day) £520 per annum (5 day) £622 per annum (6 or 7 day) Resident permit: £287 per annum or £144 six months Market trader permits, one day/week per year £82
WANTAGE Portway	Monday o Saturday 8am to 6pm 10 hours	Not exceeding: - up to 2 hours no charge - up to 3 hours £1.30 - up to 4 hours £3.30 - up to 6 hours £4.30 - over 6 hours £5.30	Resident permit: £119 per annum School Term Permit (10 mins) £free
Limborough Road 1 and 2 Mill Street Undercroft	Monday to Saturday 8am to 6pm 10 hours	Not exceeding: - up to 2 hours no charge - up to 3 hours £1.30 - up to 4 hours £2.90 - up to 6 hours £3.00 - over 6 hours £3.50	£46 per month (6 or 7 day) £136 per quarter (6 or 7 day) £455 per annum (6 or 7 day) Resident permit: £72 per half year £143 per annum Market Traders Permit: 1 day a week £67 per annum
FARINGDON Southampton Street	Monday to Saturday 8am to 6pm 10 hours	Not exceeding: - up to 2 hours no charge - up to 3 hours £1.10	School Term Permit (10 mins) £free

□ 1	□ 5	□ 7 SCHEDULE OF CHARGES	
		□ 7a	□ 7b
NAME OF PARKING PLACE	CHARGING/ NON-CHARGING PERIODS AND MAXIMUM PERIOD FOR WHICH VEHICLES MAY WAIT	CHARGES FOR PARKING TICKETS Footnote 2 Footnote 3	PERMITS (INC. VAT) Footnote 1 Footnote 3
Gloucester Street	Monday to Saturday 8am to 6pm 10 hours	Not exceeding: - up to 2 hours no charge - up to 3 hours £1.00 - up to 4 hours £2.40 - up to 6 hours £2.60 - over 6 hours £2.80	£33 per month (6 or 7 day) £98 per quarter (6 or 7 day) £324 per annum (6 or 7 day) Resident permit: £119 per annum Market Traders Permit: One day per week £36 per annum School Term Permit (10 mins) £free
BOTLEY West Way Shoppers Car Park, (Church Way, Chapel Way, Elms Parade)	Monday to Sunday Maximum stay 3 hours	No charge	No charge
Service Area 1 & 2	Monday to Sunday 7 days – Permit Holders only Maximum stay 24 hours	N/A	No charge

Footnote 1: The Council will charge £12 when asked to issue replacement permits.

Footnote 2: No charges apply to motorcycles or vehicles displaying a disabled person's badge at all car parks.

Footnote 3: A valid ticket or parking permit will be required to be displayed during a charging period at those car parks where charges are payable, including those periods when a charge is not payable

All car parks have a 'No Return' period of two hours except the service areas in Botley and the Charter.

1	8 EXCESS CHARGES AND CONCESSIONARY EXCESS CHARGES (not subject to VAT)
NAME OF PARKING PLACE	EXPIRED TICKET; EXPIRED PERMIT; NO PERMIT DISPLAYED; NO VALID TICKET OR PERMIT DISPLAYED; PERMIT OR TICKET NOT VALID FOR PARKING PLACE; WRONG REGISTRATION NUMBER ON TICKET; EXCEEDED MAX 3 HOUR STAY; EXCEEDED MAX STAY; RETURNED WITHIN 2 HOUR TIME LIMIT; NO VALID DISABLED BADGE DISPLAYED; PARKED IN AN UNAUTHORISED AREA; NOT PARKED WITHIN A MARKED BAY; EXCEEDED WEIGHT RESTRICTION; NO OVERNIGHT CAMPING
All car parks	Excess Charge £80 payable within 28 days of the excess charge notice otherwise concessionary excess charge £40 if paid within 10 days.

Appendix 2

Comparison of pay and display car park charges, November 2016

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 7 hours	up to 8 hours	up to 10 hours	up to 12 hours	ECN
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	Max £80
South Oxfordshire District Council	9am to 5pm 8am to 6pm (in Henley on Saturdays)	Free or 60p	80p	1.60		2.0 to 2.30			1.80 to 3.40			Max £70
Train Station, Henley (discounts apply if pay by 'phone)	All day			1.00	1.50		2.50		4.50			Max £80
Dry Leas (Henley rugby club)	9am-5pm Mon to Friday										3.00	unknown
Mill Meadows (Henley Town Council) Mon-Fri		1.30	2.70		5.60						7.70	Max £70
Sat and Sun and BHs		1.70	3.30		6.60						8.80	
Wycombe DC (High Wycombe Easton Street)	7am – 6pm Mon - Sat	1.00	1.50	2.00	2.50	3.00	3.50				5.00	Max £80
Wycombe DC (High Wycombe) Baker St	7am - 7pm Mon - Sat		1.50				3.00				3.00	Max £80
Wycombe DC (Marlow) Riley Rd	7am - 7pm Mon – Sat (£1.00 Sunday and Bank Holidays)	60p (40p for up to 30 mins)	1.20	1.50	2.00		3.00				5.50	Max £80
Woking Borough Council (Victoria Way, Brewery Road & Heathside Crescent)	6am - 7pm Mon – Sat (also charges Sunday at reduced rate)	1.30	2.60	3.90	5.20	6.00	6.00	9.00			£10 up to 24 hrs	Max £80
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

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 7 hours	up to 8 hours	up to 10 hours	up to 12 hours	ECN
West Berkshire Council (Newbury central library)	8am - 6pm Mon - Sat (*£1 after 6pm)	1.30	2.50	3.70	5.00		7.00		8.50		12.00	Max £70
Aylesbury Vale DC (Upper Hundreds Town centre – short stay)	8am - 6.30pm Mon - Sat	1.00		2.00	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 overnight)	Max £70
Aylesbury Vale DC (Friarscroft – outer long stay)	8am - 6.30pm Mon - Sat										3.00 up to 24 hrs (1.00 overnight)	Max £70
Banbury (Market Pl, ultra short stay)	8am - 6pm Mon – Sun	£1.20 (80p up to 30 mins)										Max £80
West Oxfordshire DC (Marriotts Walk multi-storey, Witney)	8am - 6pm Mon -Sat	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Max £70
West Oxfordshire DC (Woodford Way)	8am - 6pm Mon -Sat	Free	Free	Free	Free	Free	Free	Free	Free	Free	Free	Max £70
Cherwell DC (Claremont)	8am - 7pm Mon - Sun	60p	1.20 or Sunday £1 over 1hr	1.70								Max £80
Cherwell DC (Cattle Market)	8am - 7pm Mon - Sun	60p	1.20 or Sunday £1 over 1hr	1.70	2.20					2.50		Max £80
OCC (Redbridge Park & Ride)	5am - 6:30pm									2.00 or by RingGo 2.20		Max £100
OCC (Oxpens)	8am -8pm Sun -Fri 8am -8pm Sat	2.50 3.10	4.00 5.20	6.00 8.00	8.00 10.00		12.00 15.00		18.00 22.50	23.00 28.60 up to 24hr		Max £100
OCC (Worcester Street)	8am -8pm Sun -Fri 8am -8pm Sat	3.30 4.00	5.50 6.70	7.50 9.50	9.00 11.30		14.00 17.30		21.00 26.30	25.00 31.50		Max £100

Appendix 3 Vale Council - car park permit prices 2016/17

CAR PARK	DAY PERMIT	ANNUAL 6/7 day	QUARTERLY 6/7 day	MONTHLY 6/7 day	ANNUAL 5 day	QUARTERLY 5 day	MONTHLY 5 day	RESIDENTIAL 12 Month	RESIDENTIAL 6 Month
Abbey Close	£5.80	£779.00	£233.00	£78.00	£650.00	£194.00	£65.00	£287.00	£144.00
Audlett Drive	N/A	£779.00	£233.00	£78.00	£650.00	£194.00	£65.00	£287.00	£144.00
West St Helen Street	N/A	£779.00	£233.00	£78.00	£650.00	£194.00	£65.00	£287.00	£144.00
The Charter	N/A	£779.00	£233.00	£78.00	£650.00	£194.00	£65.00	£287.00	£144.00
		Annual AM/PM £390.00			Annual AM/PM £325.00				
Civic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cattle Market	N/A	N/A	N/A	N/A	N/A	N/A	N/A	£287.00	£144.00
Hales Meadow	N/A	£622.00	£190.00	£61.00	£520.00	£157.00	£52.00	£287.00	£144.00
Rye Farm	N/A	£622.00	£190.00	£61.00	£520.00	£157.00	£52.00	£287.00	£144.00
Portway	£5.80	N/A	N/A	N/A	N/A	N/A	N/A	£119.00	N/A
Limborough Road	N/A	£455.00	£136.00	£46.00	N/A	N/A	N/A	£143.00	£72.00
Mill Street	N/A	£455.00	£136.00	£46.00	N/A	N/A	N/A	£143.00	£72.00

Southampton Street	N/A		N/A	N/A	N/A		N/A	N/A		N/A	N/A
Gloucester Street	N/A		£324.00	£98.00	£33.00		N/A	N/A		£119.00	N/A

The HGV charges for the Rye Farm car park are:

£77 for one day/week per year

£7.30 for 24 hours

£636 for five days/week per year

£159 for one day/week per year