Executive Committee

4 December 2009

Report of **Head of Commercial Services**

REPORT NO 76/09

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Wards affected
All

Review of Car Parking Pricing Policy

Recommendations

1. *The Executive consider the options set out in this report and recommends to council any changes to car parking fees and charges as part of the council's budget setting process, in order to improve town centre vitality as well as providing a value for money service for its users. Any changes to car parking fees and charges will be implemented from 1 April 2010*

Purpose of report

2. The council's car parking pricing policy was last revisited in July 2005. The policy sets out how the council will regulate its prices to meet various objectives including covering the cost of providing the service, influencing usage patterns and supporting town centre vitality.

3. The policy allows for fees and charges to be reviewed annually. Councillors are reminded that the council has increased any parking charges since April 2006

4. The purpose of this report is to set out a number of various options for changes to fees and charges which councillors may wish to consider as part of the 2010/11 budget setting process.

Relationship with corporate plan

5. The proposals in this report support the council's corporate priorities in, supporting the local economy by working in partnership to sustain vibrant market towns and managing our business effectively by providing value for money services. Increasing a selection of charges will support the objectives of the car parking policy insomuch that income from the service must cover the operating, maintenance and management costs of the car park provision.

6. The risk associated with this review of car parking fees and charges relates to the need to ensure that parking prices are competitive in relation to other market towns in the region, whilst ensuring that the income received is sufficient to meet the running costs in accordance with the council's medium term financial plan.

7. Any changes in fees and charges risk a change in customer numbers which therefore has an impact on income. Parking charges in the Vale do compare well against the other benchmarked authorities and furthermore charges have remained unchanged in the Vale for the last three years. The risk of losing customers is therefore considered to be low/medium

Background

Existing Car Park Pricing Policy Objectives

8. The council's existing parking policy was last revised in July 2005 and says:

B(1) That income from the service as a whole must at least cover the operating, maintenance and management costs of the car park provision.

B(2) That 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

9. In considering any changes to the existing policy and the current structure of fees and charges, councillors will need to ensure that parking policies are aligned so that they fit into the council's strategic objectives and corporate priorities

Changes in Customers Numbers

10. The council collects monthly customer usage data through its pay and display ticket sales. Table 1 shows the change in the total number of customers using Vale car parks in Abingdon, Wantage and Faringdon over the last seven years. The decline from 1,042,650 in 2002/03 to 617,726 in 2008/09 represents a reduction of 40 per cent over the last six years. The council also manages the shopping car parks at Botley

however; there is no customer usage data collected for these as they operate free of charge.

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Abingdon			551,741	538,106	462,084	417,717	405,570
Wantage			192,884	183,827	145,179	113,957	95,564
Faringdon			116,163	146,549	135,559	123,209	116,592
Total	1,042,650	977,814	910,829	868,482	742,822	654,883	617,726
% Change from previous year		-6.2%	-6.8%	-4.6%	-14.5%	-11.8%	-5.7%

Table 1

11. Tables 2, 3 and 4 provide more details of the changes in the customer profiles in relation to short, medium and long-stay customers. In general this shows that, in Abingdon medium and long-stay customers have been retained, whilst there has been a significant loss of short-stay. In Wantage only medium-stay customers have remained steady, whilst both short and long-stay have suffered significant losses. In Faringdon, there has been a small reduction in short-stay customers which has been off-set by an increase in medium-term; long-stay has suffered a significant loss.

ABINGDON	2004/05	2005/06	2006/07	2007/08	2008/09
Short-stay	295,399	270,383	223,201	161,708	151,246
Medium-stay	189,238	214,916	186,626	203,482	199,793
Long-stay	67,104	52,807	52,257	52,527	54,531
Total	551,741	538,106	462,084	417,717	405,570
% Change from previous year		-2.5%	-14.1%	-9.6%	-2.9%

Table 2

WANTAGE	2004/05	2005/06	2006/07	2007/08	2008/09
Short-stay	118,310	87,589	61,331	41,887	33,414
Medium-stay	36,764	54,965	47,456	47,447	44,317
Long-stay	37,810	41,273	36,392	24,623	17,833
Total	192,884	183,827	145,179	113,957	95,564
% Change from previous year		-4.7%	-21%	-21.5%	-16.1%

Table3

FARINGDON	2004/05	2005/06	2006/07	2007/08	2008/09
Short-stay	120,221	91,198	98,745	86,488	80,784
Medium-stay	27,543	26,487	23,715	29,480	28,556
Long-stay	18,399	28,864	13,099	7,241	7,252
Total	166,163	146,549	135,559	123,209	116,592
% Change from previous year		-11.8%	-7.5%	-9.1%	-5.4%

Table 4

12. There may be a number of factors which could have contributed to the decline in pay and display parking over this period:

In General:

- Increases in out of town shopping.
- Increase in the use of on-line shopping, banking, etc.

- Free parking in Witney.
- Opening of the Orchard shopping centre at Didcot.
- The mix of town centre shops in the Vale's market towns, which may have not changed in comparison to other market towns.
- Free OAP bus passes.
- Attractiveness of premium route bus service to Oxford.
- Loss of offices/businesses in town centres.
- The Vale's rigorous enforcement policy which results in a high level of excess charge notices.

In Abingdon:
- Disruption caused by the AbITS scheme
- Increased parking at Waitrose
- Closure of the Old Gaol leisure centre
- Changes in parking areas within the multi-storey car park

In Wantage:
- Disruption caused by the Limborough Road development
- Free parking at the new Sainsburys

13 Customer figures for the first five months of this year (2009/10) show little or no change in parking numbers in Abingdon or Faringdon however, numbers in Wantage continue to show a significant fall. Accordingly, table 5 forecasts the total number of parking customers for 2009/10; this represents a 3.3 per cent reduction from the previous year. The option calculations for 2010/11 have included a further 3 per cent reduction in customers.

Location	Predicted 2009/10 Short-stay	Predicted 2009/10 Medium-stay	Predicted 2009/10 Long-stay	% change from previous year	Predicted 2009/10 total customers
Abingdon	149,730	197,790	53,980	-1%	401,500
Wantage	27,800	36,800	14,800	-17%	79,400
Faringdon	80,800	28,550	7,250	0%	116,600
Total					597,500

Table 5

14. Permit sales, which include five and six day long-stay and residents' permits are also monitored. Table 6 shows that since 2004/05 numbers have declined by some 30 per cent

Year	Permit Sales
2004/05	583
2005/06	562
2006/07	484
2007/08	479
2008/09	404
2009/10	152 (to date)

Table 6

<u>Changes in Parking Income</u>

15. There are three principal sources of income which contribute to the total parking account, pay and display, excess charges and permits. Other smaller amounts come through miscellaneous income from things such as day permits and court fines.

16. Table 7 shows the total parking income over recent years and highlights when tariff changes were implemented, which may have affected income and customer numbers. Appendices A and B show more clearly when these changes and other events occurred in relation to both customer numbers and parking income.

Year	Total Income	Tariff Changes
2003/04	£757,603	
2004/05	£881,968	April 04 - tariff increases to short, medium and long-stay
2005/06	£983,180	April 05 - tariff increases to medium and long-stay
2006/07	£955,853	April 06 - tariff increase to short and medium-stay
2007/08	£844,161	April 07 - new 1-3 hour tariff
2008/09	£867,167	

Table 7

17 Fees and charges throughout the Vale have remained unchanged for the last three years; the last increase was in April 2006. Furthermore, in April 2007 the new one to three hour tariff was introduced offering parking up to three hours at the previous one to two hour tariff, effectively a reduction in overall charges.

18. This shows that up to 2006/07, against a trend of falling customer numbers, parking income either increased, or was generally maintained as a result of increasing fees and charges. Since 2006/07 income has reduced as a result of falling customer numbers and the one to three hours tariff.

19 Despite making permanent budget adjustments in 2009/10 to reflect a likely fall in fees, income this year has continued to fall with a resultant predicted under achievement of:

Pay and display	£50,500
Excess charges	£25,200
Permits	£8,600
Total	£84,300

In considering the various options, the council will need to address this reduction in income.

Benchmarking

20. The Vale's current pay and display parking charges are shown in table 8. Appendix C shows a map of the surrounding market towns which have been considered for benchmarking.

	Abingdon	Wantage	Faringdon
0 – 1	60p	50p	40p
1 – 3 hours	£1.00	80p	60p
3 – 4 hours	£2.60	£2.60	£1.60
4 – 6 hours	£3.50	£3.50	£1.80
Over 6 hours	£4.50	£4.50	£2.00

Table 8

21. Table 9 shows the comparison of short-stay, "up to one hour", parking charges in the benchmarked authorities. After those councils which provide free parking, the Vale's market towns offer competitive levels of charging.

	0–1 hour
Witney	free
Chipping Norton	free
Burford	free
Didcot	free
Wallingford	free
Thame	free
Faringdon	***40p***
Wantage	***50p***
Henley	50p
Hungerford	50p
Pangbourne	50p
Abingdon	***60p***
Bicester	60p
Banbury	70p
Newbury	£1.00
Cirencester	£1.20
Bourton ot Water	£1.20
Morton in Marsh	£1.20
Stow in the Wold	£1.20

Table 9

22. Table 10 shows the comparison of medium-stay, one to two hours and one to three hours, parking costs in the benchmarked authorities. (Note: the Vale is the only authority to have a single one to three hours charging period). After the towns in West Oxfordshire which provide free parking, the Vale's charges for medium-term parking are then the lowest.

<table>
<tr><th></th><th>1–2 hours</th><th>2–3 hours</th></tr>
<tr><td>Witney</td><td>free</td><td>free</td></tr>
<tr><td>Chipping Norton</td><td>free</td><td>free</td></tr>
<tr><td>Burford</td><td>free</td><td>free</td></tr>
<tr><td>Faringdon</td><td colspan="2">60p</td></tr>
<tr><td>Wantage</td><td colspan="2">80p</td></tr>
<tr><td>Abingdon</td><td colspan="2">£1.00</td></tr>
<tr><td>Hungerford</td><td>90p</td><td>£1.10</td></tr>
<tr><td>Pangbourne</td><td>90p</td><td>£1.10</td></tr>
<tr><td>Didcot</td><td>80p</td><td>£1.50</td></tr>
<tr><td>Wallingford</td><td>80p</td><td>£1.50</td></tr>
<tr><td>Thame</td><td>80p</td><td>£1.50</td></tr>
<tr><td>Henley</td><td>80p</td><td>£1.50</td></tr>
<tr><td>Bicester</td><td>£1.20</td><td>£1.70</td></tr>
<tr><td>Banbury</td><td>£1.40</td><td>£1.90</td></tr>
<tr><td>Cirencester</td><td>£2.10</td><td>£2.60</td></tr>
<tr><td>Bourton ot Water</td><td>£2.10</td><td>£2.60</td></tr>
<tr><td>Morton in Marsh</td><td>£2.10</td><td>£2.60</td></tr>
<tr><td>Stow on the Wold</td><td>£2.10</td><td>£2.60</td></tr>
<tr><td>Newbury</td><td>£2.00</td><td>£3.00</td></tr>
</table>

Table 10

23. Table 11 gives a comparison of long-stay parking charges in the benchmarked authorities. For the purpose of comparison four hour and eight hour stay periods have been considered; it is however more difficult to be precise about long-stay charges for each town as the charges start to vary between car parks in the same town for these periods. Whilst charges in Faringdon compare favourably, the charges at both Abingdon and Wantage are in the middle/high range.

	4 hours	8 hours
Witney	free	free
Chipping Norton	free	free
Burford	free	free
Hungerford	£1.20	£2.40
Pangbourne	£1.20	£2.40
Faringdon	***£1.80***	***£2.00***
Wallingford	£1.80	£2.30
Thame	£1.80	£2.30
Bicester	£2.20	£2.50
Didcot	£1.80	£3.30
Henley	£2.10	£3.10
Banbury	£2.40	£3.00
Abingdon	***£3.50***	***£4.50***
Wantage	***£3.50***	***£4.50***
Cirencester	£3.50	£6.30
Bourton ot Water	£3.50	£6.30
Morton in Marsh	£3.50	£6.30
Stow on the Wold	£3.50	£6.30
Newbury	£4.00	£10.00

Table 11

24. Table 12 gives a comparison of the excess charge parking fines in the benchmarked authorities. This shows that the Vale's current charge is the highest amongst these councils and accordingly, the options for change do not include any proposals to increase the level of parking fines in the Vale

Authority	Level of fine	Reduction due to early payment	
Cotswold	£50	£25	£70/35 parking in disabled bay
West Berks	£70	£35	£50/25 for some lesser offences
Cherwell	£70	none	£50/40 for expired ticket offence
South Oxfordshire	£70	£35	
West Oxfordshire	£70	£35	
Vale of White Horse	£80	£50	

Table 12

Customer Satisfaction Survey

25. In September 2009 the council undertook a number of car parking customer satisfaction surveys. The surveys were conducted over two days in each of the market towns. The survey was also posted on the internet and questionnaires were sent to a sample of permit holders. The full survey results are not yet available however; the question which relates to value for money has been evaluated in isolation in order to inform member's considerations in relation to future pricing.

26. Customers were asked if they felt that the council's parking charges represented good value for money. The results are given in table 13 and show that in Abingdon, Wantage and Faringdon, customers agreed that car parking prices do represent good value for money with, across the Vale, 70 per cent saying that they either mostly or entirely agreed.

Town	Disagree Entirely	Mostly Disagree	Neither Agree nor Disagree	Mostly Agree	Agree Entirely	Total
Abingdon	15	15	14	45	51	140
Wantage	7	9	9	25	56	106
Faringdon	9	9	16	18	50	102
Totals	31 (9%)	33 (10%)	39 (11%)	88 (25%)	157 (45%)	348

Table 13

Options

27. Provision of free first hour parking.

It is inevitable that customers and local businesses will draw comparisons with other areas where parking is said to be free, specifically at Witney, Didcot and the new Orchard Centre in Didcot (which is not controlled by South Oxfordshire District Council). The issue which needs to be acknowledged is that, whether provided by a local authority or by the private sector, parking spaces can not be delivered without cost/charge, clearly, they can be provided free at the point of delivery to the customer (for example, as is the case with most supermarket parking) but this requires the cost to be met from other sources.

- Loss of parking fees £136,100
- Loss of one to three hour fees (say 5 per cent) due to customers returning to obtain a second free ticket £12,200
- Loss of excess charge income eg. very short stay customers who chance parking without paying £31,200

Total cost (loss of income) £179,500/annum

Councillors may not wish to consider this option due the budget implications of meeting the cost of providing free first hour parking which cannot be off-set by possible increases in other parking charges.

28. Provision of free parking after 4pm

Parking charges currently operate until 6.30 pm (Monday – Saturday). From survey figures obtained in 2007, the estimated number of customers arriving to park after 4pm amounts to only 4 per cent of our total customers. Therefore the loss of income would be relatively small. One cautionary note would be that if this free period were to generate new town centre visits, these visits would coincide with the peak hour commuter traffic which in some cases may compound town centre congestion.

- Loss of parking fees £15,200
- Loss of excess charge income £15,600

Total cost (loss of income) £30,800/annum

Councillors may wish to consider this option as it might be a positive move to provide a period of free parking when the car parks are underused. This period may be attractive to customers who may, for example, choose to combine a town centre visit with a school pick-up journey. The cost of this option could be off set by a possible increase in other parking charges.

29. Increase medium-stay parking charges

This relates to the one to three hour parking period. Increasing these charges by say 20p would still keep the Vale's charges in the low range of the benchmarked authorities.

	Existing	Proposed
Abingdon	£1.00	£1.20
Wantage	80p	£1.00
Faringdon	60p	80p

Total increase in income £52,600/annum

Councillors may wish to consider this option as there has been no increase in medium-stay charges since April 2006, moreover, this band of charge was reduced in April 2007 with the introduction of the one to three hour period. An increase of 20p will still keep the Vale's charges the lower range, in relation to the other benchmarked authorities

30. Increase long-stay parking charges

Whilst the Vale's long-stay charges are in the middle to high range of benchmarked authorities, the charges have nevertheless remained unchanged since April 2006 therefore an increase may be justified.

a) an increase of 30p on all long-stay tariffs:

Total increase in income £22,800/annum

b) an increase of 50p on all long-stay tariffs:

Total increase in income £38,000/annum

Councillors may wish to consider this option as there has been no increase in long-stay charges since April 2006

31. Increase permit parking charges

The Vale's permit charges are principally targeted at its regular, long-stay customers and are set so as to provide a 50 per cent discount to a customer parking over six hours, for five days a week, over 48 weeks of the year. Therefore if long-stay tariffs are increased then so too should permit prices.

a) for an increase of 30p on long-stay permits, the value of a five day permit, for example in Abingdon, would rise from £540/annum to £575/annum

Total increase in income £5,900/annum

b) for an increase of 50p on long-stay permits, the value of a five day permit, for example in Abingdon, would rise from £540/annum to £600/annum

Total increase in income £10,000/annum

Councillors may wish to consider this option as there has been no increase in permit charges since April 2006 and because permit charges are directly tied to long-stay charges.

32 Civic Car Park

The Civic car park in Abingdon is seen as a convenient central location where, in the past, customers have been willing to pay a premium fee. When the adjacent Cattle Market car park was exclusively used as a staff permit area (up to 2005/06) the charges in the Civic car park where: up to one hour 70p, one to two hours (max stay) £2.40. Annually 10,000 customers paid at the higher premium.

When to Cattle Market was changed to pay and display it was felt that the premium charges would not be able to compete with the adjacent lower charges. Accordingly the car park has been operating as a short-stay area with a maximum one hour stay.

Officers suggest that the area should now operate with the same tariff structure as the Cattle Market which will increase parking choice around this busy area of the town centre and in addition, free-up space in the Cattle Market car park which becomes extremely busy at times, particularly during school summer holidays.

Total increase in income £1,200/annum

33. Further Organisational Options

Whilst this report has focused pricing policy and has set out a number of options for changing parking fees, which have both positive and negative impacts on revenue income, there are clearly a number of more radical operational options which officers will explored. These will include:

- Reducing the level of enforcement i.e. only providing enforcement that maintains a visual presence in town centres to ensure that pay and display payment levels are maintained. In this scenario both the cost of providing enforcement and parking fine income would fall.
- Out-sourcing the parking service.

Financial, legal and any other implications

Financial.

34. The financial implication regarding changes to the car parking fees and charges are as set out in the body of this report and in particular the need to address the under achievement in income for 2009/10. Other financial implication will need to come forward as a result of both the current service and fit for the future reviews.

Legal.

35. There are no significant legal implications in changing fees and charges as these changes do not require amendment of the council's formal parking orders. There is no statutory consultation required to implement any changes to the increase or decrease of parking charges or parking periods which can be done by a simple notice in the local newspaper. The local newspaper notice is however prepared by the council's legal section.

Other.

36. Whilst no formal consultation is required, parking charges is known to be sensitive issue and therefore it would be a good idea to seek views on the proposals, and this could be achieved as part of the council's 2010/11 budget consultation.

37. In order to implement any changes to fees and charges, as well as advertising the proposals, it will be necessary to purchase and install new software and change the signage at each location. This process will normally take six weeks and therefore needs to start as soon as the council has set its 2010/11 budget so that the new charges can commence in early April 2010, to avoid any loss of income.

Conclusion

38. The options set out in this report give councillors a range of alternative to consider, for revise the council's car parking fees and charges, which will meet the council's strategic objectives.

Background papers:

Council's Car Parking Policy, July 2005.
Fees and charges benchmarking data.