

SUBJECT:	Car Park Charges
REPORT OF:	Officer Management Team - Director of Services Prepared by - Head of Environment

1. Purpose of Report

- 1.1 The purpose of this report is to review the Council's pay and display car parks and related matters and seek Members' views on whether to consult on any proposed changes for 2014/15.

2. Links to Council Policy Objectives

- 2.1 The annual review of car park charges contributes to the Council's medium term aim of planning for a thriving and sustainable South Bucks, with vibrant towns and villages.
- 2.2 This matter also contributes to the Council's aim to deliver value for money services that are driven by customer and community needs.

3. Background

- 3.1 The Council has ten pay and display car parks located in Beaconsfield, Burnham, Gerrards Cross and Farnham Common. They are regulated by the South Bucks Council Off Street Parking Places (Amendment No.2) Order 2013.
- 3.2 The ten car parks provide a total of 789 spaces for public use as well as a number of disabled bays. During 2013 all the Council's car parks have once again been awarded the safe and secure parking award.
- 3.3 Charges are currently payable between 0800 and 1800 Monday to Sunday. We have two full-time car park attendants who ensure that the car parks are fully operational and check that cars are parked correctly and have valid tickets. In addition we have one attendant employed on a casual basis, working approximately ten hours a week.
- 3.4 Members have previously considered and agreed overall aims for the Council car parks as follows:
- Provide parking for both short and long stay users.
 - Provide a balance between short and long stay users in some car parks using a structured payment system.

- Provide a number of car parks for short stay only to ensure parking is available for shoppers / visitors.
- To dissuade commuter parking in order to accommodate users of our towns and villages.
- To offer a percentage discount for season ticket users to aid local businesses.
- Provide the appropriate number of disabled car parking spaces free of charge.
- To ensure the sustainability of certain local retail centres.

3.5 The table below indicates budget against income for the last 5 years together with other details:

Year	Budget	Growth built into budget over the previous year (%)	Income	(Surplus) / shortfall	P & D tickets sold
08/09	£777,460	£48,230 (6.6%)	£823,386	(£45,926)	754,456
09/10	£825,910	£48,450 (6.2%)	£874,199	(£48,289)	726,764
10/11	£875,170	£49,260 (6.0%)	£881,329	(£6,159)	720,835
11/12	£936,570	£61,400 (7.0%)	£844,479	£92,091	627,187
12/13	£953,300	£16,730 (1.8%)	£877,752	£75,548	604,869
13/14	£916,000	-£37,300 (-3.9%)	£887,654*	£28,346*	610,000*

* Current estimate of full year effect based upon 3 months income

The budget for 2013/14 was realigned and based upon 2011/12 actual ticket sales. While sales are improving slightly we are unlikely to match the number of tickets sold in 2011/12 in the current financial year.

3.6 The last changes to charges were introduced in April 2013:

- The introduction of discounted permits for residents to use car parks outside of peak hours;
- The inclusion of the golf courses and playing fields within the Order to enable the control of parking in e.g. disabled bays;
- The introduction of a 4 hour charge in certain car parks in Beaconsfield and Gerrards Cross to aid part time workers.

3.7 The current and previous charges over the last ten years are detailed in the table at Appendix A. Members will note that increases in charges in recent years have concentrated on short term rates, and there has been no general increase in charges since 2008.

3.8 For comparison the car park charges for neighbouring local authorities are detailed in the table at Appendix B. Most councils do not seem to be increasing their charges.

- 3.9 The most recent current average use data are shown in the table at Appendix C.

4. Discussion

Financial Year 2012-13

- 4.1 In terms of ticket revenue (including Parkmobile) sales were up 7% year-on-year, despite the number of transactions being 4% down. This is a reflection of the rise in the minimum charge for using the car parks in Beaconsfield and Gerrards Cross: fewer transactions but higher revenue. At the same time income from season tickets increased year-on-year by 13%. This resulted in an overall increase of sales revenue of 8%. Excess charge income however decreased by 18%, which is an indication that more customers are complying with the rules. The net result was that total net income was up 4% year-on-year but was 8% below budget (that is to say £76k less than budget). See appendix D.

Financial year 2013-14 First Quarter

- 4.2 In terms of ticket revenue the trends highlighted above have continued into the first quarter of this new financial year. Year-on-year sales have increased by 5%. Overall season ticket revenue has increased by 11% but income from excess charges is still declining, down by 15%. The result for the first three months of the year is an increase of 3% year-on-year in total net income. In budget terms, ticket sales are on budget. Season tickets sales are 44% down, however most season ticket renewals take place in July/August and January/February so this figure should improve. Overall we are down 8% against budget for the quarter (=£18k down). See appendix E.

Beaconsfield

- 4.3 There was a decrease in business at these three car parks during 2012-13. There was year-on-year a 16% fall in ticket issuance resulting in a 3% decrease in revenue. The revenue decrease in the first quarter of the current year has been 1%, so the trend is slowing. Penncroft and Altons remain the Council's highest yielding car parks.

Burnham

- 4.4 For 2012-13 there was no change in sales revenue for the Burnham car parks. (A small decline in ticket sales was cancelled out by an increase in season tickets issued.) However the first quarter of the present financial year has seen an 8% increase year-on-year in ticket income.

Gerrards Cross

- 4.5 The situation has been quite different to that in other parts of the District since the opening of the Waitrose store in Gerrards Cross. For 2012-13 the year-on-year increase in single ticket sales has been 36%, and season ticket sales have also increased. More specifically revenue from Bulstrode Way and Packhorse Road declined slightly but sales at Station Road car park increased by 124%. This trend has continued into the present first quarter, that is to say there is a large increase in car

park usage generally in Gerrards Cross together with a movement of business towards Station Road at the expense of the two other car parks.

Farnham Common

- 4.6 In 2012-13 the Broadway car park showed a decline of 2% in revenue and that trend has continued into the first quarter.

Pay by Phone

- 4.7 The pay by phone scheme is being provided by Parkmobile. Customers tend to use this method for long term parking: the average charge for such customers in 2012-13 was £3.07. The number of transactions was 13,553 which is 2.3% of the total, but the total income was £41,585 which was 6% of total ticket sales, up from 4.5% the previous year.

Christmas

- 4.8 Members may wish to consider allowing free parking in all our car parks for one or two Saturdays in December in order to encourage the use of local shops. The cost per Saturday in loss of revenue would be approximately £3,000.

5. Review of charges and related matters

Review timetable

- 5.1 The timetable for introducing any changes to the charges is as follows:

- Report to Environment PAG 4th September prior to consultation
- Report back all comments following consultation (advertising / letters) to the Environment PAG - 4th December
- Portfolio Holder recommendations to Cabinet - 10th February 2014
- Full Council to consider proposals - 25th February 2014
- If charges only are altered, then they can come into effect in early April 2014.
- If a change to the Parking Order is required (e.g. for new areas or times of operation) then there is a more legal lengthy procedure to follow, so the changes would come into effect in early May 2014. (Changes to the Order also incur costs for legal notices.)

Review options

- 5.2 Members are asked to consider four different options regarding charges for 2014-15:

- Make no changes to car park charges
- Increase charges to realise an additional 2% plus increases to compensate for the predicted shortfall in the current year
- Increase charges generally in order to make up for inflation in recent years
- Reduce charges with a view to increasing use of the car parks.

Option 1

- 5.3 If charges are kept as they are at present, then it is likely there will be a continued shortfall against budget.

Option 2

- 5.3 Officers would suggest that the budget for 14/15 should be increased by 2% in line with the Council's general increase in charges. The income target would therefore be £934,300 i.e. an increase of £18,300. Allowing for the projected shortfall in 2013-14 of £28,346, an increase in revenue of approximately £46,600 will be required to meet the increased budget.
- 5.4 As a suggestion of how that target might be met, we could (a) raise all charges for 2 or more hours by 20p (= £38,000), *plus* (b) increase all season ticket charges by 10% (= £9,000), that is to say raising season ticket charges by a roughly equivalent amount.

Option 3

- 5.5 An increase of 10p on each charging band would produce additional income of approximately £61,000. This would cover the predicted shortfall and a 2% budget increase plus some contingency in case ticket sales fall. An increase of 20p on all charges would produce £122,000 pa which would go some way to compensating for inflation in previous years.

Option 4

- 5.6 Members may wish to consider reducing car park charges on the basis that such reductions may encourage more use of the car parks and thus greater revenue. Further information on this option will be provided at the meeting.

Considerations

- 5.7 The following are matters for Members to consider when deciding which option to consult on:
- Ticket sales have been in decline for several years
 - Neighbouring councils' charges tend to be lower (see appendix B)
 - The future income requirements of SBDC
 - The economic vitality of the towns and villages
 - Most charges have not been altered for five years and inflation over this period has been 12.9%.
- 5.8 At this stage Members are being asked what potential changes we should consult on. Recommendations for actual changes in car park charges will be made at the December meeting of the PAG.

6. Financial and other implications

- 6.1 The predicted car park income for 13/14 is £887,654 against a budget of £916,000 i.e. a shortfall for 13/14 of £28,346. The shortfall is due to lower ticket sales than anticipated and fewer excess charge notices being issued.

7. Risks

- 7.1 Following any increase in charges, some customers may seek to park elsewhere, at least for a few months after the event. There is therefore a risk that not all the anticipated increase in revenue may be achieved. Ticket sales are the lowest they have been for five years, so clearly any increase in price could reduce numbers further.
- 7.2 The economic situation remains uncertain and this may also affect predicted revenue.

8. Summary

- 8.1 Members of the PAG are therefore asked to note the contents of this report and advise the Portfolio Holder as to which option to pursue for consultation:

1 - Whether car parking charges should remain the same, or

2 - Whether the budget for 14/15 should be increased as Officers suggest and charges increased to cover that plus the predicted shortfall in the current year, or

3 - Whether there should be a general increase of either 10p or 20p per transaction, or

4 - Whether car parking charges should be reduced.

- 8.2 Members are also asked to recommend whether or not to have free parking in the Council's car parks on one or two Saturdays in December 2013 at an approximate cost of £3,000 per Saturday.

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Background Papers:	None