

To: Cabinet
Date: 13 July 2022
Report of: Executive Director (Development)
Title of Report: Park and Ride Charges

Summary and recommendations	
Purpose of report:	To agree changes to the charging period at Oxford City Council Park and Ride sites, and for a trial period offer combined parking and bus tickets
Key decision:	No
Cabinet Member:	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
Corporate Priority:	All Council priorities
Policy Framework:	Council Strategy 2020-2024

Recommendations: That Cabinet resolves to:

1. **Agree** the use of combined parking and bus tickets at Oxford City Council Park and Ride sites at a reduced price for a six-month trial period from 30 September 2022 (subject to a review after three months);
2. **Delegate** authority to the Executive Director (Development) in consultation with the Head of Financial Services/S151 Officer and the Deputy Leader (Statutory) – Finance and Asset Management to negotiate and finalise the terms of any agreement associated with this trial;
3. **Agree** that ability to purchase combined parking and bus tickets at Oxford City Council Park and Ride will continue as a permanent change beyond the trial. This relates to the types of ticket not the price paid;
4. **Agree** to amend the 1-11 hour parking period to become 1-16 hours and the 11-24 hour period to become 16-24 hours. This would commence on the same date as the trial, but be a permanent change; and
5. **Delegate authority** to the Executive Director (Development) in consultation with the Head of Financial Services/S151 Officer, the Deputy Leader (Statutory) – Finance and Asset Management and the Cabinet Member for Health and Transport to continue or amend the trial based on a review of the trial feedback and income generated.

Appendices	
Appendix 1	Confidential - commercially sensitive financial information from Oxford Bus Company and Oxford City Council and a monitoring and measuring plan
Appendix 2	Risk register

Introduction and background

1. Park & Rides (P&Rs) are central to the present and future city bus network and overall transport policy. They reduce vehicles driving into the city centre and as such reduce congestion.
2. P&R services are managed at Seacourt, Pear Tree and Redbridge by the City Council; and at Water Eaton (Oxford Parkway) and Thornhill by Oxfordshire County Council. Thornhill and Water Eaton (Oxford Parkway) are serviced by Stagecoach, with Redbridge, Seacourt, Pear Tree and Thornhill being serviced by Oxford Bus Company.
3. Both car parking and bus patronage has been dramatically reduced at all P&R sites in comparison to pre-pandemic levels, and whilst bus patronage levels are now actually better than pre-pandemic over the weekends, they have still not recovered on weekdays (especially for morning peak journeys).
4. The City Council income from parking at the P&R has dramatically reduced during the pandemic, and while it is bouncing back at weekends, it remains low during the week.
5. Oxford Bus Company (OBC) is concerned about the deteriorating financial position that they have been experiencing on the P&R operations, which will increase in the light of Government support (Bus Revenue Grant) ending on 4 October.
6. In this context, the Oxford Bus Company has informed both the County and City Councils that it plans to de-register P&R services from the summer of 2022, unless some movement on parking charges can be achieved in order to make the services more commercially competitive against other parking options in the city.
7. For Stagecoach, who only operate services from P&R sites to the city centre from Water Eaton, this is less of an issue, as there has been no dedicated P&R bus service at this site since the end of last year, when the 500 service ceased to operate. The Stagecoach S7 service has instead called at this P&R site since 2 January.
8. The situation regarding P&R service provision to the city is currently fast moving. For example, while this Cabinet paper has been in development, OBC and Oxford Brookes University have announced a new merged service called the “400 BrookesBus U1” which will connect Seacourt and Thornhill to the city centre. It is important to note, however, that this arrangement is time-limited, as the contract between OBC and Oxford Brookes University expires in June 2023. There are also due to be major roadworks on the Botley Road during 2023, which may further challenge bus services from that direction and could lead to a situation where OBC is required to prioritise the University’s movement needs over the Park & Ride provision, due to the University playing a major role in service funding.

P&R utilisation

Current parking utilisation

9. Due to the pandemic and subsequent changing user patterns, usage has significantly reduced on City Council P&R operations over the last three-year period from 1 April 2019 as shown below:

Seacourt, Peartree & Redbridge	Tickets Sold				
			April		Est 2022-23
	2019/20	2020/21	2021/22	2022/23	
0-1 hour	7,790	1,522	4,597	433	5,050
1-11 hours	449,253	55,339	233,382	25,943	277,761
11-24 hours	21,936	3,055	15,049	1,500	13,535
24-48 hours	6,380	1,124	6,903	758	3,869
48-72 hours	3,243	719	3,292	263	2,002
Family Ticket	58,437	6,369	48,233	4,505	35,482
	547,039	68,128	311,456	33,402	337,699
%age reduction on 2019-20	-	87.55	-	43.07	-25.88
					-25.88

10. Usage on all P&Rs has improved, but still lags behind the 2019-2020 pre-pandemic levels. It is noticeable however, that use during April 2022 is only 26% down on the April 2019 position; a significant improvement on the position for the annual figures for 2021-2022 and 2020-2021 - when compared to the annual usage for 2019-2020, which may indicate some upturn in use.

11. A comparison between April 2019 and April 2022 on a daily basis would indicate that usage is closer to pre-pandemic levels on a weekend whilst usage during the week is significantly down:

Comparison	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Total
0-1 hour	78%	78%	100%	83%	55%	122%	44%	78%
1-11 hours	29%	38%	48%	39%	49%	51%	47%	42%
11-24 hours	28%	11%	8%	44%	44%	54%	23%	18%
24-48 hours	33%	39%	40%	81%	82%	67%	81%	60%
48-72 hours	33%	35%	38%	110%	132%	100%	57%	73%
Family Ticket	85%	77%	174%	63%	114%	125%	159%	111%
	37%	37%	43%	42%	59%	70%	62%	.

12. More people are working in a hybrid way due to the pandemic, which is a contributing factor for changing patterns over which the councils and the bus operators are not fully in control. However, many people still commute to Oxford by private car, so it is believed that a significant proportion of city workers could be encouraged to use P&Rs during the week if the P&Rs are made easier to use and financially more attractive.

Current bus utilisation

13. The P&R bus patronage has not recovered to pre-pandemic levels. Comparing the OBC P&R bus patronage levels 10-16 April 2022 against their pre-pandemic equivalents, explains the financial pressures they are facing (see confidential appendix for more info). Although leisure visits are strong at the weekends, this does not adequately offset the significant reduction in weekday use, as costs of operation are higher at weekends, when premium pay rates apply and there are five weekday days in each week, compared to just two weekend days. Therefore historically the business model for P&R buses has been reliant on commuter journeys. E.g. pre-Covid patronage on a Sunday was half that of a Tuesday. These figures below merge data from the 300 (serving Redbridge and Pear Tree) and 400 (serving Seacourt and Thornhill) routes.

Day	Mon	Tue	Wed	Thu	Fri	Sat	Sun
% pre-Covid	84.8%	79.8%	75.3%	78.7%	82.6%	109.1%	109.7%

Proposal

14. It is clear that action is needed to increase utilisation of the P&R to support the sustainability in both the near and long-term. This is both to support this key pillar of the city's transport policy, and to support income into the Council and to the bus companies if they are to keep operating the dedicated services without other sources of subsidy.

Current car parking charges and bus fares

15. Other than a combined £6.80 family ticket, currently users pay separately for both parking and bus travel. The existing charges for all park and rides is as follows:

Car Parking Tariffs 2022-23		
Period	Amount	
0-1 hour	£	0
1-11 hours	£	2.00
11-24 hours	£	4.00
24-48 hours	£	8.00
48-72 hours	£	12.00
Family Ticket	£	6.80

The family ticket is inclusive of the bus travel cost with a £2 payment made in relation to car parking. The bus company is reimbursed by the City Council for the bus travel. Current charges for bus travel are shown below and with the exception of the family ticket are all paid on boarding the bus. OBC also offers off-bus payment methods via its app and Key card scheme, which are primarily used by regular commuters.

Bus Fares						
Ticket Type	Cost	Travel				
	£					
Family ticket including parking	6.8	Parking for 1 car up to 11 hours and return journey for 2 adults and up to 3 children				
Adult single	2	Single journey				
Child single	1	Single journey				
Adult same day return	3	Same day return				
Child same day return	1.5	Same day return				
Adult period return (72 hours)	3.5	Return ticket allowing return within 72 hours				
2 to go	5	Same day return for 2 adults travelling together				
2 to go period return(72 hours)	6	Return ticket for 2 adults travelling allowing return within 72 hours				

16. The current system is not attractive for several reasons:

- the Westgate car park tariff works out cheaper for many shopping trips;
- customers frequently give feedback that the separate charges for parking and bus are complex and overall gives the sense of being charged twice for the same service;
- and it is not set up for shift workers due to the 11-hour cut-off.

Option 1 – Combined ticketing and extended time periods (the preferred option)

17. Working with OBC, the City and Council Councils have developed a set of recommended proposals to make the P&Rs more attractive to customers with the aim of increasing utilisation. The following proposals are now being put forward for decision to both the City and County Councils:

- A new combined parking and return bus charge for all users, at £4.00 for one and £5.00 for two or more users (currently comparable to the family ticket of £6.80) up to 16 hours. This charge would be made at the parking machine, or via our parking app.
- The City Council would retain £1.20 of this income, with £2.80/3.80 passed to OBC for one or two or more users respectively. This is a reduction in income to the City Council of 80p for every car park user that also uses the bus. Currently it is estimated that on average for city council car parks around 80% of users of the park and ride car park use the bus.
- All other car parking charges proposed to remain the same, aside from the time period for the £2 charge extending from 1-11 hours to 1-16 hours to better correspond with shift patterns for workers.
- In terms of other bus charges
 - Adult single charges - £2 no change
 - Child single - £1 no change
 - Adult same day return £3 reduces to £2.80
 - Child same day £1.50 reduces to £1.40
 - Adult period return 72 hours - £3.50 no change
 - 2 to go £5 reduces to £3.80
 - 2 to go 72 hour £6 no change
- This will mean that those using the car park, but not the bus, or using the car park and the bus but needing longer than 16 hours of parking, will see no change from the current arrangements. There would be a reduction in income to the bus operator on a “per user” basis of £0.20 per adult return and £1.20 per “2 to go” return, with these being the two most popular tickets.

18. The combined ticket trial period at a reduced price would be from 30 September 2022 to 31 March 2023 with a review after 3 months. OBC has confirmed that this would ensure the continued operation of current direct P&R bus services for that period. OBC has committed that even if Botley Road roadworks in 2023 leads to changes to "400 Brookes Bus U1" in order to prioritise University travel needs, OBC will re-introduce the 400 service connecting Seacourt to the city centre if it can be feasibly run.
19. Ongoing discussion with major employers, including city centre retailers has identified a real issue with the current 11-hour time charge, effectively creating a 'cliff-edge' for shift workers. Amending this, with appropriate communications regarding the change would be expected to increase utilisation.
20. A high-profile promotion of P&R would also be delivered, funded by the bus companies and Oxfordshire County Council from September 2022. This would help address the current issue in communicating a simple offer for Park & Ride, caused by the separate bus and parking products. It has been agreed that the September 2022 focus of the marketing budget would be the new P&R charging trial, the combined tickets and the 16-hour stay. Taken together with the above proposals, it is expected this should deliver an increase in P&R usage.
21. Working with the County Council and OBC, an open book review on the trial will be conducted after the first three months, to inform a future cabinet paper recommending next steps and also a planned joint City/County feasibility study on medium and long-term options for P&R. It is anticipated that all parties would seek to retain a combined ticketing approach if practicable, even if not at a reduced price.
22. It is also worth noting that the potential implementation of 'Core Transport Schemes' across Oxford by Oxfordshire County Council (traffic filters; an expanded ZEZ and a citywide Workplace Parking Levy) are likely to help make P&R use a much more attractive proposition. However, their implementation, if approved, will be outside of this initial trial period.
23. This City Council report is focused on the P&Rs operated by the City Council at Seacourt, Redbridge and Pear Tree. The County Council is proposing to adopt the same approach as the City Council in charging at Thornhill and Oxford Parkway. This proposal will also be presented as a variation to fees and charges as part of the quarterly Business Management report to the County Council Cabinet on 19 July 2022.
24. The approach to be taken at Oxford Parkway (Water Eaton) P&R will though depend on what, if any, combined approach the County Council agree with Stagecoach and the views of Chiltern Railways as the railway station car park operators. The most likely outcome is that the County Council would introduce the same revised pricing and length of stay regime, but maybe not a combined ticket. This is less of an issue, as Park & Ride bus services from this site serve a slightly different role from the other sites. There has been no dedicated P&R bus service to the city centre at this site since the end of last year, when the 500 service ceased to operate. The Stagecoach S7 service has instead called at this P&R site since 2 January, with the Stagecoach 700 service also providing a service from the site to Headington hospitals.

Option 2 - Do-nothing

25. A do-nothing option would almost certainly lead to the withdrawal of the OBC dedicated P&R bus services.

26. Pear Tree P&R (currently served by the 300 OBC service, providing a circular route between Pear Tree and Redbridge), would be particularly threatened as there are no realistic alternative services (the Stagecoach S3 service does pass the site, but only twice per hour, which is insufficiently frequent to be feasible as a P&R service, e.g. Westgate now refers to only four Park & Ride sites on its website and no longer refers to Water Eaton due to this site only being served directly every 30 minutes). This would likely lead to the closure of Pear Tree P&R. The City Council has a lease on the facility until 2024 and pays business rates. Taken together these are circa £200,000 per annum (the rent is subject to an annual RPI indexed uplift).

27. Whilst both Seacourt and Redbridge are served by other bus services that travel down the main Botley and Abingdon Roads, It is considered that without dedicated bus services, these P&Rs would be very unattractive to users and there would be an inevitable reduction in use. This is because:

- Redbridge - site would be served by X2, X3 and X1 services. These currently operate seven buses per hour Monday-Saturday, with five buses per hour on Sundays. Journey times from the P&R into town would increase compared with dedicated P&R services, as these buses serve all stops into town (unlike the 300 which is non-stop from Redbridge). In addition there would likely be capacity issues at busy times, with buses coming in from Abingdon heavily loaded and leaving people at the P&R waiting for the next bus. The likely extended boarding times at the P&R site would make the bus services to and from Abingdon less attractive due to the extension in journey time that would need to be scheduled as a result.
- Seacourt - services 4/4A/4B, ST2, 63, U1, S1, S6 and S9 currently pass the site on the main road and would provide adequate service frequency to and from the site, although they do not enter the P&R itself. The “400 BrookesBus U1” is to begin serving the P&R directly from September 2022 onwards and therefore this site is likely still to be served due to its independent funding even if other services need to be de-registered. With this arrangement, as at Redbridge, there will likely be capacity issues at peak times as the service will also be carrying through passengers from Wheatley and Harcourt. In the medium term, if a service calling into the site cannot be maintained, there would likely be a need to upgrade crossing facilities for pedestrians alighting at the outbound stop opposite Johnson’s garage in order to enable these to cross back to the car park safely. Also, not all local services calling at Seacourt serve the Westgate centre which would be likely to cause confusion and poor customer experience for visitors to the city.

28. In reality we have no way of predicting accurately the pattern of user behaviour but for financial modelling purposes the ‘do nothing’ option is assumed to see the closure of Pear Tree P&R, and that the cessation of dedicated bus services to all Park and Ride services would see a 30% or 50% drop in car park utilisation as users seek alternative forms of travel into the city rather than using alternative bus services which pass outside of the remaining park and rides.

Financial Implications

29. All options (including doing-nothing) inevitably mean the Council taking a reduction on income from P&R operation. Moreover, operating costs (business rates, leases, repairs and maintenance) are unlikely to be fully mitigated in the short term.

Current financial situation

30. The MTFP budgeted income from Park and Rides sites for 2022-23 is £1.058 million.
31. Overall income (net of VAT) is shown below. As expected, income has lagged significantly below the 2019-20 level for both 2020-21 and 2021-22, although it is noticeable that the April 2022-23 figures have improved, comparing April 2022 to April 2019, i.e. a 19% shortfall in April 2022 compared to April 2019. In the absence of a 'base' year this assumption of a 19% shortfall compared to 2019-20 has been used in costing the options although since this is based on only one month this may lead to inaccurate results. On 8 June 2022, a review was also undertaken of May 2022 figures. The figures for that month are broadly consistent with April 2022, therefore this report retains April 2022 figures.
32. Income from park and ride operations over the 3 year period ending 31-3-2022 is shown below with the revised estimate for 2022-23 based on an extrapolation of the 19% referred to above would indicate a potential shortfall on the 2022-23 budget figure of £1.058 million of around £103k before any changes in bus fares or parking tariffs as referred to in this report. In reality without actions to change the pricing structure as referred to in this paper, the subsequent withdrawal of dedicated bus services make this scenario unachievable.

Summary Income 2019-20 to 2022-23		2019/20	2020/21	2021/22	April 2022/23	2022/23 Estimate
Net of VAT						
Peartree	£ 398,995	£ 36,181	£ 227,145	£ 22,579	£ 323,186	
Seacourt	£ 316,528	£ 51,226	£ 238,372	£ 25,228	£ 256,387	
Redbridge	£ 463,340	£ 59,655	£ 294,221	£ 30,385	£ 375,305	
	£ 1,178,862	£ 147,062	£ 759,738	£ 78,192	£ 954,878	
%variation to 2019-20	n/a	-88	-36	-19	-19	

33. The variation in income of 19% is consistent with the variation in usage (26% reduction, comparing April 2022 with April 2019), as the trend has been towards longer stays at the car park. April 2022 shows improvement compared to April 2020 and April 2021, which show 88% and 36% reduction in income compared to 2019-20 pre-pandemic levels respectively.
34. Expenditure on the park and rides comprises of electricity; business rates, water and a rental charge in respect of Pear Tree (since the land is leased from St Johns College). In addition there is a charge from ODS for undertaking the car park management service for all car parks.

	21/22 Actual	22/23 Original Budget
	£	£
Peartree	153,208	216,376
Seacourt	120,307	100,000
Redbridge	171,319	150,000
	444,834	466,376

35. Charges for business rates of £68k per annum are relatively fixed.
36. The Oxford Bus Company has provided information on why it can no longer continue without the proposed changes to P&R pricing. As this is commercially

sensitive it is set out in the confidential appendix to this report. As part of the agreed approach, OBC will operate an open book approach so that should the trial be successful, further consideration can be given to pricing of, and the future apportionment of income from the proposed combined ticket

Financial Implication of options considered

37. Given variations in income during the pandemic noted above, the options below are measured against the pre pandemic base year of 2019-20 and the 2022-23 budget.
38. On a purely financial basis, the officer recommendation is in the best interests of the Council, even without optimistic trends in usage. Paragraphs 39 and 40 lead to a better financial outturn for the Council than 43 a) and b).

Option 1 – Combined ticketing and extended time periods (the preferred option)

39. Assuming a worst case scenario i.e. **usage continues based on existing levels** i.e. 19% less than 2019-2020, then the proposed changes to the P&R tickets would lead to a total income across all car parks of around £768,000, compared to the total income budget of £1,058,000, i.e. an adverse variation of £290,000 per annum (approx. £145,000 for the 6 month trial).
40. Assuming **usage increases by 25%** as a result of the proposed recommendations (based on an uplift from existing levels i.e. 19% less than 2019-2020), then this would result in income of £927,000, compared to the existing budget of £1,058,000, i.e. an adverse variation of £131,318 per annum (approx. £66,000 for the 6 month trial).

41. This will require temporary signage on each site, adjustment to ticket machines and RingGo. ODS has advised that those costs are in the region of £10,000 which will be netted off the income referred to above.

Option 2 - Do-nothing

42. Doing nothing would almost certainly lead to the closure of Pear Tree since there would be no realistically attractive bus service to the car park.
43. The amount of overall decline in car park usage at the other sites is an unknown quantity, but it is reasonable to expect it to be significant. We therefore set out two plausible scenarios:
 - a) Assuming that the loss of direct P&R bus services leads to a **30% reduction** in current car park usage generally (itself based on existing levels i.e. 19% less than 2019-2020) total income across all car parks would be £668,000, compared to the total income budget of £1,058,000 i.e. an adverse variation of £389,585 per annum (approx. £195,000 for the 6 month trial).
 - b) Assuming that the loss of direct P&R bus services leads to a **50% reduction** in current car park usage generally (itself based on existing levels i.e. 19% less than 2019-2020) total income across all car parks would be £477,000, compared to the total income budget of £1,058,000 i.e. an adverse variation of £581,000 per annum (approx. £290,000 for the 6 month trial).
44. In relation to both a) and b) above, closing Pear Tree P&R may give rise to business rates savings of £68k per annum and limited over-running cost in terms of electricity and car park management. Any variation to the lease agreement would need to be negotiated and may not lead to any saving in the short term of the £140k per annum rental.
45. OBC has provided the information on how the trial impacts on their income shortfalls. If the trial is not successful in increasing patronage on the 300 and 400

services, their losses are expected to increase, due to the additional discount being provided on certain bus tickets. If patronage increases by 25%, as modelled by the council for its car parking income, losses would be reduced by approximately half, but the service would be expected to remain loss making. The bus operator is hopeful that in the medium term, the impact of the County Council's proposed core schemes, ZEZ and workplace parking levy should help increase patronage further and allow the service to return to a position where it can cover its costs of operation. The figures are set out in the confidential appendix as they are commercially sensitive.

Legal Implications

46. The variation of charges for off-street parking places is allowed under the Road Traffic Regulation Act 1984 section 35C and Schedule 9. However, the requirements of the Traffic Orders (Procedures) (England and Wales) Regulations 1986 relating to Notices of Variation must be complied with. Therefore, subject to necessary Cabinet approval of the trial, notice of the variation to fees and charges will be advertised in a local newspaper and displayed in the parking place at least 21 days before they are due to come in to force. There is no need for an amending order.

Equalities Impact

47. All buses used on the dedicated P&R services meet the current Public Service Vehicle Accessibility Regulations standards and are fully accessible for mobility and sight-impaired passengers. The proposal is seeking to retain provision of affordable and accessible transport, whereas the "do nothing" scenario increases the risk of a more challenging and less equitable transport network. The recommended option has a positive impact on equalities because it promotes affordable and accessible transport. In contrast, there is a possible negative impact on equality if nothing is done because this affordable and accessible transport is at risk and may no longer be available.

Level of risk

48. See appended risk assessment. The review point at 3 months is to enable a review of the trials impact to be undertaken and a decision to taken by the Director for Development before the 6 month expiry to decide whether to continue the trial in the current form, to amend elements and continue for longer or cease to offer the discounts beyond the 6 month period. This decision would be taken in consultation with the Head of Financial Services and the Cabinet Members for Finance and Transport.

Environmental Impact Assessment

49. Preserving P&R services is part of the Council's green transport agenda, as it will contribute to fewer private vehicle journeys within and across Oxford. Ideally people will travel sustainably from origin to destination, however P&Rs are essential in order to make at least last-mile modal shift attractive and useful, and to recognise the fact that it is not commercially viable to provide bus services from every possible origin in Oxfordshire to Oxford city centre.
50. The "do nothing" scenario where bus services are cut would therefore have negative environmental impact, as it would increase pollution and congestion, with people changing to drive to all the way to their destination. And this challenge is set to worsen, given the anticipated growth in commercial floor space in the city centre. So even if hybrid working patterns continue, there will be many more journeys into

the city centre every day, so it is even more important that people leave their car at the ring road before completing their journey more sustainably.

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Background Papers: None

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