

To: Finance and Performance Panel
Date: 26 January 2023
Report of: Head of Corporate Property
Title of Report: Car parking update

Summary and recommendations	
Purpose of report:	To update the Finance and Performance Panel on car parking revenue
Cabinet Member:	Cllr Ed Turner, Deputy Leader (Statutory) Cabinet Member for Finance and Asset Management
Recommendation: That the Panel notes the report and considers any recommendations it may wish to make.	

Introduction

1. The Car Park gross income in 19/20 (i.e. pre pandemic) was £7m pa. As a result of Covid this has reduced to £5.5m in 22/23 and is projected to be £6m in 23/24.
2. The annual maintenance cost of the Car Parks is £400,000 and ODS manage this on behalf of the Council via a delegated budget. ODS also manage the day to day operations of the Car Park in line with the policy decisions taken by the Council. In addition to this, there is a £700k Capital Budget car park resurfacing.

City Centre

3. The Council has an interest in Gloucester Green, Worcester Street and Oxpens Road Car Parks. 19/20 income from the city centre was £3.2m, 22/23 and 23/24 income is forecast to be £2.7m.
4. The Council has a lease on both Worcester Street and Oxpens Car Parks and it is expected that the income will fall away in 2024 due to proposed redevelopment of each of these sites by the freeholders.
5. The reduction in City Centre income from Car Parks is aligned with the Council's ambition to reduce traffic movements within the in City Centre and encourage the use of Park and Ride sites. It also helps to support the regeneration of the City Centre through the redevelopment of brownfield land, to help to improve the efficiency of land use.
6. The current tariffs for the City Centre car parks is shown in appendix 1. It is proposed that within the budget the tariffs will be increased by 10%, when modelled with a 10% resistance factor it shows an increase in income. The

increasing tariff will also help to support the initiative to encourage greater use of the P&R.

Westgate

7. While the Council does hold the Freehold interest of the Westgate site, including the Car Park, there is a long lease in place to the Westgate Alliance. Under the lease, the Council has no direct control over the tariff in place. The lease does however have an obligation on the Tenant to have regard to the charges in place in Worcester St and Gloucester Green car park. The Council meets with the tenant annually to discuss the parking charges and how the Westgate can continue to support the Park and Ride as the most convenient way to access the centre.
8. The Westgate Car Park does include a significant EV parking provision along with the shop mobility for the wider City.

Park and Ride

9. The Council has an interest in Seacourt, Redbridge and Peartree car parks. 19/20 income from the Park and Ride sites was £1.7m, 22/23 and 23/24 income is forecast to be £1.1m. Due to the fluctuating levels of usage of the P&R it is challenging to forecast the income for these sites, we have also had to consider potential change in use patterns should the planned works by Network Rail go ahead and result in a closure of the Botley Road.
10. The Council are undertaking a number of initiatives to encourage a more consistent use (further detail in Paragraph 10-13), particularly on weekdays. The usage on weekends is similar to pre pandemic levels. ODS have strongly recommended that it would not be sensible to assume less than a 10% resistance factor when modelling any increase in the tariff, particularly when considering the levels of usage during the week. A summary of the impact of this is set out below. The resistance factor is the assumed reduction in users as a result of any increase in tariff.
 - 1% increase – would see £37,840 increase with no resistance. If we see 10% resistance at P&Rs there would be a £87,096 loss.
 - 2% increase – would see £46,173 increase with no resistance. If we see 10% resistance at P&Rs there would be a £79,596 loss.
 - 3% increase – would see £56,184 increase with no resistance. If we see 10% resistance at P&Rs there would be a £70,586 loss.
11. The only way to accurately test the resistance factor is to implement the increase, which is not recommended at this point. As the council ambition is to reduce traffic movement in the city it does not seem prudent to increase the tariff.
12. In July 2022 ,Cabinet agreed to establish a permanent change to parking tariffs (1-11 hour became 1-16 hours; 11-24 hours became 16-24 hours) along with a trial in reduced pricing for combined parking and return-journey bus tickets (£4 for 1 adult, £5 for 2 adults).

13. It is thought that combined ticketing is essential for ease of use in general; and the reduced price alongside combined ticketing should increase utilisation of both parking and buses and minimise financial losses compared to "do nothing".
14. An open book review meeting between City, ODS, County and both bus operators took place on 17 January 2023. The conclusions of this review are still in development and will form the basis for a recommended approach by City after the trial ends on 31 March 2023.
15. There is still a commitment from both councils to undertake a wider P&R feasibility review. This hasn't yet received dedicated officer resource to progress the work, which needs to coordinate with wider transport and movement strategies for the City.
16. The Council has a lease of the Peartree P&R site, the lease is due to expire towards the end of 24. A decision will need to be taken as to whether we look to renew this lease as Peartree is not recovering as well as the other P&R sites.

Urban and Suburban

17. The Council has an interest in a number of Car Parks across the city that do not form part of the city centre portfolio, they are primarily located in more residential areas, parks and near community buildings. This also includes the Summertown Car Park, and Union Street. 19/20 income from the urban and suburban was £2.2m, 22/23 is forecast to be £1.7m and 23/24 forecast is £1.5m.
18. While the Council is not proposing an increase in tariff in the urban or suburban car parks, proposals have been made to introduce charging at both Florence Park, and Godstow Road, where the parking is currently free, the proposed tariff is as follows

1. 0-1 Hour	2. £1
3. 1-3 Hours	4. £2
5. 3-5 Hours	6. £4
7. 5-25 Hours	8. £15

19. The proposed tariff is designed to enable users of the local facilities, such as the NHS trust unit at Florence Park to still be able to access, but to also reduce the risk of commuters using either car park to then commute into the city centre. It is acknowledged that users of the NHS trust may not be in agreement with the introduction of charges, however, the NHS will have the option to purchase permits should they wish. This is in line with all of the Council's other car parks, it would be challenging to justify an exception on this car park and to this user group. It would become challenging to enforce.
20. The recommendation not to increase tariffs across this section of the portfolio has been made in order to reduce the risk of users parking on adjacent streets. There is traditionally a high resistance factor to increases on these car parks and

the Council has in the past received complaints due to increased parking on streets.

21. The Council should consider alternative income producing uses to these car parks where appropriate and , for example ,will be reviewing the future use of Union Street within the next MTFP period. This review will consider potential alternative uses of the site. In order to inform this work it will be necessary to balance parking need and income against alternate use benefits.

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