

To: Cabinet
Date: 13 September 2023
Report of: Executive Director (Development)
Title of Report: Park and Ride Combined Parking-and-Bus Ticket Charges

Summary and recommendations	
Purpose of report:	To seek approval for permanent changes to the combined parking-and-bus ticket charges at Oxford City Council Park and Ride sites after the completion of a twelve-month trial period.
Key decision:	Yes
Cabinet Member:	Cllr Louise Upton (Cabinet Member for Planning and Healthier Communities) and Cllr Ed Turner (Deputy Leader and Cabinet Member for Finance and Asset Management)
Corporate Priority:	All Council strategy priorities
Policy Framework:	Council Strategy 2020-2024

Recommendation:	That Cabinet resolves to:
1.	Recommend to Council the continued use of combined parking and bus tickets at Oxford City Council Park and Ride sites at the current prices until April 2024, as per Option 1 in this report.

Appendices	
A	Park and Ride charges monitoring framework, including all information from the City Council, as well as the information from Oxford Bus Company, Stagecoach and Oxfordshire County Council which is not exempt
B (Confidential)	Exempt appendix containing commercially sensitive information from Oxford Bus Company, Stagecoach and Oxfordshire County Council
C	External factors affecting Park & Rides and more information on pricing options
D	Equalities Impact Assessment
E	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. The service from Oxford Parkway to Oxford city transferred from Oxford Bus Company to Stagecoach operation in January 2022, following an Oxfordshire-wide bus network review.
3. In the context of car parking and bus patronage at all P&R sites being significantly reduced in comparison to pre-pandemic levels and the risk of some dedicated services being cancelled/de-registered by Oxford Bus Company, on [13 July 2022, Cabinet resolved](#) to amongst other things: 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);
4. Based on the signs of success during this trial period, on [8 March 2023, the Executive Director \(Development\) decided](#) to extend the trial period for a further six months, the maximum of the delegated authority.
5. The pre-pandemic baseline of utilisation and financial performance of P&Rs is relevant (and has been the basis for the council's budget assumptions), however it is no longer a meaningful guide for the current period or the future. The performance of P&Rs since the July 2022 decision has been affected by wider trends (such as hybrid working), evolving Government policy (such as capped bus fares), other car park charges (including an increase in 30p on tariffs up to 5 hours at Westgate shopping centre), and local transport strategy and projects (such as major roadworks on the Botley Road, low traffic neighbourhoods in east Oxford). These factors external to P&R charges have broadly presented challenges for the P&Rs and will continue to have an impact after the trial completes, however new external factors are also anticipated which should support a rebound or increase in P&R use. The two most significant examples are the County Council's planned introduction of 'trial traffic filters' in autumn / winter 2024 and the introduction of 159 electric buses in 2023 and 2024.
6. Combining parking and bus fare in to one ticket was agreed as part of July 2022 Cabinet decision (link above) and the evidence since the implementation started in October 2022 indicates no reason to revert from that, so long as the approach to pricing can be agreed. Therefore, all options presented only relate to the pricing level.
 - Option 1 is the "do nothing", which assumes that the current price level is retained until the end of the current financial year.
 - Option 2 is the most radical current option which has been explored, as it assumes a 50p price increase in line with the imminent change to the Government price cap.

- And then, given the potential risks arising from the price increase soon, Option 3 assumes that a 50p price increase is delayed until April 2024, but it is committed to in this Cabinet paper.
7. It is recommended that Option 1 “do nothing” is taken forward, with the current price level retained until the end of the 2023-24 financial year. This will enable any change in prices from April 2024 to follow on from the Government bus price cap increase (expected in November 2023) and to be synchronised with an identical approach to pricing at the County Council, so that P&R pricing and the availability of combined parking-and-bus tickets remains uniform across Oxford.
 8. The County Council has a different governance process for P&R changes, however County officers are collaborating with the City and bus operators to inform this City decision-making process. Due to the need for a consistent customer experience across P&Rs in Oxford, it is understood that the County is minded to adopt the same decision as City.

Performance of P&R car parking and bus services during combined ticket trial

9. It should be noted that due to the not-exhaustive list of external factors summarised in paragraph 5, it is not possible to draw an explicit causal link between the combined ticket price trial and the performance of parking and bus services. However, given the significant price saving offered by the combined ticket (£1 or 20% saving for an individual, £1.80 or 26% saving for two people travelling together), it is assumed that the price meaningfully contributes to the level of demand.
10. Headline performance information is summarised in the following paragraphs. For the City Council, Oxford Bus Company, County Council and Stagecoach there is more information in Appendix A. For the third parties, some information is only available in Exempt Appendix B, as it is commercially sensitive and not owned by the City Council.

City Council and Oxford Bus Company (OBC) utilisation and income trend

11. City P&R sites have benefited in terms of usage and income since the trial period started:

City Council P&R utilisation and income from P&R sites	Seacourt		Pear Tree		Redbridge		Total	
	Vehicles	£	Vehicles	£	Vehicles	£	Vehicles	£
	Percentage changes							
Oct 2022 to June 2023 compared to October 2021 to June 2022	+2%	-11%	+24%	+17%	+24%	+14%	+16%	+7%

12. However, it should be noted that the City Council’s income from these park and ride sites is still 22% down overall when comparing the 2022-23 financial year to the income received pre-Covid in 2019-20.

13. OBC have a similar story to the City Council's:

OBC P&R utilisation and income from P&R sites	Seacourt		Pear Tree		Redbridge		City P&R Total	
	Percentage changes							
Period	Passengers	£	Passengers	£	Passengers	£	Passengers	£
Oct 2022 to June 2023 compared to October 2021 to June 2022	+22%	+12%	+34%	+23%	+30%	+20%	+30%	+19%

14. However, overall income for OBC is still down by around 15% when comparing income for the financial year 2022-23 to the pre pandemic year of 2019-20. Income for all car parks served by OBC, both City and County-operated (i.e. including Parkway and Thornhill) indicates that income is down by around 24% overall for 2022-23 compared to 2019-20, though this includes a 100% drop in figures for Oxford Parkway caused by the transfer of operations to Stagecoach from January 2022, as noted in paragraph 2.

County Council and Stagecoach utilisation and income trend, for context

15. County P&R sites have seen greater increases in utilisation and income than City sites. The specific causes of this noticeable difference are unclear, however.

County Council P&R utilisation and income from P&R sites	Thornhill		Parkway		Total	
	Percentage changes					
Period	Vehicles	£	Vehicles	£	Vehicles	£
Oct 2022 to June 2023 compared to October 2021 to June 2022	+39%	+82%	+37%	+51%	+39%	+70%

16. However, overall County P&R income for 2022-23 is down by 13% compared to 2021-22.

17. Stagecoach has had a mixed experience, with the before and after comparison hindered due to the introduction of new Stagecoach services at Parkway in January 2022.

Stagecoach/OBC P&R utilisation and income from county P&R sites		Thornhill OBC and Stagecoach (SG)		Parkway		Total	
		Percentage changes					
Period		Passengers	£	Passengers	£	Passengers	£
Oct 2022 to June 2023 compared to October 2021 to June 2022	SG	-4.3%	-15%	+86%	+58%	+73%	+45%
	OBC	+22%	+12%	n/a	n/a	+22%	+12%

18. However, overall Stagecoach income for 2022-23 is down by 15% compared to 2021-22.

Overall conclusions drawn from trial to date

19. Consensus between councils and bus operators is that the trial hasn't worsened the situation and has in fact been a source of optimism with regards to utilisation and income. Overall income is still down for all parties compared to the pre pandemic year of 2019-20 but this is more likely to be from changing patterns of working where many organisations continue to work from home on at least some days per week, impacting peak time commuter usage of the P&R sites. Feedback from bus operators indicates that the post-pandemic recovery of P&Rs in Oxford is better than at other cities' P&Rs (e.g. in Norwich some sites have never reopened), and the new joint ticketing approach is felt to be a contributing factor.

More detail on external factors which should be considered

20. As summarised in paragraph 5, external factors are expected to evolve and to continue to influence the performance of P&Rs from both car parking and bus journey perspectives over the coming months and years. These include: the Government's capped bus fares (£2 to date and then £2.50 from 1 November 2023); Westgate and wider city centre car park charges; hybrid working; Botley Road bridge closure; city centre developments; trial traffic filters; a fleet of electric buses; and customer service improvements at P&Rs. These are outlined in more detail in Appendix C part 1.

Proposals under consideration and expected impact on utilisation

Rationale for the options being offered at this stage

21. The combined parking-and-bus ticket was agreed as part of [July 2022 Cabinet decision](#) and the evidence since the implementation started in October 2022 indicates no reason to revert from that, as long as an ongoing approach to pricing can be agreed. Therefore, all options presented only relate to the pricing level. More detail on different tariffs in Option 1 versus 2 & 3 in Appendix C part 2.

Option 1 – “do nothing”, which assumes that the current price level is retained during the current financial year.

22. Reasons to pursue this option:

- it allows time to consider the impact of the combined tickets and to have more clarity regarding the Government's approach to maximum bus ticket prices, before making changes due to inflationary pressure or any other factor; and
- it brings the combined ticket charging approach into sync with the wider P&R and car parking budget setting process, which begins in autumn each year and sets changes for the start of the next financial year (April 2024 in this case).

23. Reasons not to pursue this option:

- it ignores the recent increase in car parking charges at Westgate (referenced in para 5);
- it risks undercutting the more sustainable bus-from-source option for customers with the Government cap expected to increase to £2.50 per journey, which would have the ~~op~~verse incentive of encouraging people to

drive to the P&Rs who would otherwise use the bus for the whole journey;
and

- it could be perceived as a commitment to an unaffordable price level for councils and bus operators, which doesn't take into account the inflationary cost pressures faced in running P&Rs and their bus services – with it being quite likely that the increase to £4.50 and £5.50 (option 2) would be required in April 2024.

24. Assumed impact on utilisation:

- Given the overall shift towards more positive external factors anticipated from autumn / winter 2023, the assumption would be that this option would result in current trends broadly improving, although sensitivity analysis is required.

Option 2 – “do something as soon as possible” i.e. increase combined ticket prices to £4.50 and £5.50 i.e a 50p increase (12.5% and 8% respectively), to coincide with change in Government price cap, and then fix prices until April 2025

25. Reasons to pursue this option:

- it responds to the Government's 50p increase in capped bus fares to £2.50 per journey, to avoid under-cutting the more sustainable option of bus-from-source;
- it decreases the price difference between P&R and regular bus services which are used by most Oxford residents;
- it responds to the recent Westgate price increase;
- it increases the relative incentive for people to car-share to the P&Rs; and
- it goes further than Option 1 in terms of starting on a more sustainable position, so it will not need to be reviewed as quickly.

26. Reasons not to pursue this option:

- At time of writing, there remains uncertainty about how the Government's change in the price cap will be applied locally by bus operators;
- While collaboration with the County Council is ongoing, there is no ability for a City Council decision to bind the County Council, therefore there remains a risk of a disjointed approach to P&R pricing; and
- With Oxford's transport network in general and the bus network in particular in a fragile situation, there is the risk that any increase in price at this stage will incentivise people to return to private car use at a time where this will be particularly damaging to congestion levels.

27. Practicalities of this option:

- City would keep £1.35 of each £4.50 or £5.50 combined ticket, with the £3.15 and £4.15 passed to OBC for one or two passengers respectively. The net income increase for City would be 15p per joint ticket. (This retains the “30% of the one adult return fare” arrangement, which currently applies to the £4 and £5 combined tickets – with £1.20 income collected by City.)
- In this option City would also apply the 15p increase (7.5%) in the previous bullet to the £2 1-16 hour tariff.

28. Assumed impact on utilisation:

- Given the overall shift towards more positive external factors anticipated from autumn / winter 2023, the assumption would be that this option would result in current trends broadly continuing, although sensitivity analysis is required.

Option 3 - “do something in April 2024” i.e. increase combined ticket prices to £4.50 and £5.50 i.e a 50p increase (12.5% and 8% respectively) for implementation in April 2024.

29. Reasons to pursue this option:

- Albeit slower than in Option 2,
 - i. it responds to the Government’s 50p increase in capped bus fares to £2.50 per journey, to avoid under-cutting the more sustainable option of bus-from-source;
 - ii. it decreases the price difference between P&R and regular bus services which are used by most Oxford residents;
 - iii. it responds to the recent Westgate price increase;
 - iv. it increases the relative incentive for people to car-share to the P&Rs;
- More than Option 2,
 - i. it brings the combined ticket charging approach into synch with the wider P&R and car parking budget setting process, which begins in autumn each year – and it goes further than Option 1 in terms of starting on a more sustainable position, so it will not need to be reviewed as quickly; and
 - ii. it commits to an increase while decreasing the risk of turning off customers as it gives people more time to prepare for the change.

30. Reasons not to pursue this option:

- While collaboration with the County Council is ongoing, there is no ability for a City Council decision to bind the County Council, therefore there remains a risk of a disjointed approach to P&R pricing; and
- There will be several months where P&R will potentially undercut bus from source and resisting other financial pressures to increase prices.

31. Practicalities of this option:

- City would keep £1.35 of each £4.50 or £5.50 combined ticket (with the £3.15 and £4.15 passed to OBC for one or two passengers respectively). The net income increase for City would be 15p per joint ticket. This retains the “30% of the one adult return fare” arrangement, which currently applies to the £4 and £5 combined tickets – with £1.20 income collected by City.
- In this option City would also apply the 15p increase (7.5%) in the previous bullet to the £2 1-16 hour tariff.

32. Assumed impact on utilisation:

- Given the overall shift towards more positive external factors anticipated from autumn / winter 2023, the assumption would be that this option would result in current trends broadly continuing, although sensitivity analysis is required.

Recommended option

33. Option 1 is therefore recommended taking into account policy rationale, expected impact on utilisation and the importance of creating as much time as possible for the City and County councils to arrive at a synchronised approach to joint ticketing.

Financial Implications

Financial Implication of options considered

34. As per paragraph 11, Appendix A and paragraph 5, the combined parking-and-bus ticket at the current price point is part of the wider story of City's P&R sites trending positively in terms of income for the council. For the first nine months since the ticketing change (Oct 2022 to June 2023), the income to the council is 7% higher than in the comparable period Oct 2021 to June 2022.

35. All options in this paper retain joint ticketing, presenting different scenarios regarding the price. As stated in paras 24, 28 and 32, the officer assessment is that there is confidence in broadly positive financial outcomes from each option, but sensitivity analysis is required in order to understand the plausible range of financial outturns. This analysis will most usefully be undertaken as part of the 2024-25 financial year budget-setting process, which will be informed by twelve months of combined ticketing data and increased confidence of a joint approach between City and County councils.

36. On a purely financial basis, however, it could be expected that Option 2 would be most beneficial to the Council, followed by Option 3 and then Option 1, because the latter option does not commit to any price change. Nevertheless, optimism around income in options 2 and 3 could be undermined if it transpires that County does not follow suit with the same price change as City. The financial implications of a disjointed approach to P&R across Oxford would require a bespoke model as part of the 2024-25 budget-setting process.

37. Should the recommendation to pursue Option 1 (no change to the pricing structure for Park and Ride services during the current financial year) be confirmed, members will want to be in discussion with the County Council and bus companies for bus fares and indeed car parking charges during the Medium Term Financial Plan review which is currently in progress.

38. Whichever option is pursued, it is recommended that a process for twice-yearly open book reviews is sustained with County, OBC and Stagecoach to monitor the impact on utilisation and income for all parties.

Legal Implications

39. Cabinet is advised to make recommendations to Council regarding ticket pricing, as the setting of fees and charges is a Council decision under 18.8 of the Constitution.

40. In the event Council agree a recommendation from Cabinet to alter the price of car parking charges the variation of charges for off-street parking places is allowed under the Road Traffic Regulation Act 1984 section 35C and Schedule 9. The requirements of the Traffic Orders (Procedures) (England and Wales) Regulations 1996 relating to Notices of Variation will need to be complied with.

Equalities Impact

41. See Appendix D – the EIA Full assessment. Key points include:

- 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. Since the changed tariffs came into effect in October 2022, the extension of the 11 hour tariff to 16 hours is a significant leveller towards people with disabilities as they are people who often take longer to make journeys.
- All options seek to retain provision of affordable and accessible transport, albeit Options 2 & 3 both propose an 12.5% increase for individuals (and 8% for two adults together) on the current trial price.
- Options 2 and 3 could negatively impact those on the lowest incomes, as well as some people with disabilities and asylum seekers – people who are dependent on public transport and potentially not eligible for concessions. Option 3, would reduce the negative impact compared to Option 2, because it would give more time for people to find out about and prepare for the change.
- In Options 2 and 3 (or any future price change if Option 1 is pursued), mitigations will be in place, such as extensive communications about any price change, to ensure that people who may be negatively affected will be fully aware of any changes and sign-posted to a full range of options (which may include taxi services); an ongoing periodic review of the impact of any price change on people with disabilities through the Council’s Inclusive Transport & Movement Focus Group; and officers to seek all opportunities to include a review of this change in the context of work around “the City of Sanctuary”, which addresses the needs of migrants, asylum seekers and refugees. Feedback from these groups could lead to a future Cabinet decision in order to make further amendments.
- The recommended Option 1 has a net positive impact on equalities because it means the Council will continue to promote the bus as a convenient and affordable transport option for people travelling to Oxford (whether P&R or bus from source where it is available), and it keeps P&R competitively priced compared to city centre car parking alternatives. Even if a price increase ends up being agreed as part of the budget-setting process for April 2024, this would still result in reduced overall costs to customers compared to before the combined parking-and-bus ticket change was introduced.

Level of risk

42. See Appendix E – the risk register. There are risks around dependency on Government and County decisions, beyond the City Council’s control; public sentiment relating to any increase in the cost of living crisis; the potential for a price increase to lead to a significant drop in utilisation and income; and the reliance on relationships with bus operators. There are no red risks. All risks have mitigation plans and owners.

Environmental Impact Assessment

43. Supporting P&R services is part of the Council’s green transport and sustainable development agenda, as P&Rs 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. Option 1 continues to support the P&R service without any immediate changes to pricing which could have a negative effect on utilisation. Option 3 is proportionate, in that it seeks to avoid undercutting bus-from-source, while ensuring that P&Rs remain competitively priced compared to city centre car parking.

Summary and next steps

- 44. The combined parking-and-bus tickets have been a success (paras 9-19) since implementation on 1 October 2022. P&R will continue to be affected by numerous factors over the coming period (para 20). There are strengths and weaknesses to leaving the prices as they are (Option 1) versus a 12.5% increase for individuals and 8% increase for two adults together, either ASAP (Option 2) or in April 2024 (Option 3), with the conclusion being that Option 1 is preferable from a policy perspective, estimated impact on utilisation and in order to increase likelihood of a coordinated approach with County (paras 21-33). The financial implications have been assessed (paras 34-38) and this reaffirms the officer recommendation to pursue Option 1.
- 45. If the officer recommendation is approved, then an urgent Chief Executive’s decision will be required in order to ensure the parking-and-bus combined ticket charges are valid in between 30 September 2023 (the end of the trial charge period) and 3 October 2023 (the day after the full council meeting which is required in order to establish the combined ticket as a permanent option).

Report author	Ted Maxwell
Job title	Economy, City Centre and Green Transport Lead
Service area or department	Regeneration and Economy
Telephone	01865 335704
e-mail	tmaxwell@oxford.gov.uk

Background Papers: None