

To: Cabinet

Date: 8 July 2026

Report of: Carolyn Ploszynski, Director of Regeneration, Economy and Sustainability

Title of Report: Temporary reduction in advertised fees and charges at Park and Rides for combined parking and bus tickets

Summary and recommendations	
Decision being taken:	Introduce temporary discounted combined ticket charge funded by Oxfordshire County Council
Key decision:	Yes
Cabinet Member:	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management.
Corporate Priority:	Strong, fair economy, A well run council
Policy Framework:	Council Strategy 2024-2028

Recommendation(s): That Cabinet resolves to:
1. Approve amending the fees and charges schedule as it relates to the Park and Ride 16 hour combined bus and parking tickets as set out in Appendix 1 to be implemented as soon after this decision as practicable and to run until 31 March 2027.

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1	Changes to the Fees and Charges for Park and Ride Combined Tickets	No

Introduction and background

1. In 2023 the City Council brought in a permanent combined ticket to its fees and charges for Park and Rides alongside the County Council. This followed a trial period and was aimed at increasing patronage at the park and rides, which had struggled to recover following the pandemic. The charge was set at:
 - £4 - 16 hours combined parking & bus ticket - car plus 1 adult
 - £5 - 16 hours combined parking & bus ticket - car plus 2 adults
2. The City Council retain circa 30% of the ticket income for parking under the combined ticket. The rest goes to the bus operators. It was made clear in the 2023 report that these charges would be reviewed and set through the budget process annually alongside other fees and charges.
3. The 2025/26 consultation budget report, set out that work was being undertaken between the City Council, County Council and bus companies to look at the impact on viability of the combined ticket price, taking account of the government's decision to increase the national bus fare cap from £2 to £3. As a result, the P&R combined bus and parking ticket needed to increase by up to £1. This increase was agreed to be covered by funding that the County Council had available as highway authority and so the County Council paid the City Council and bus operators the difference which meant the increase was never passed to the consumer. It therefore did not need to be reflected in the fees and charge schedule. This continued into the 2026/27 budget period.
4. In October 2025, Oxfordshire County Council brought in a temporary congestion charge. Using income generated from that, they introduced free return bus travel for up to two adults and three children with consumers only having to pay the existing £2.50 parking charge. This did not require a City Council Cabinet decision as parking charges reverted to the existing 16 hour parking only charge and the County Council made arrangements directly with the bus operators to pay for the bus tickets.

Proposal

5. At its May 2026 meeting, the County Council Cabinet agreed that the free bus travel will continue to be funded from congestion charge income until 15 August. After that a £3 combined ticket covering 16 hours parking and return bus travel for up to five people will be funded from their income from the temporary congestion charge until 31 March 2027. This is instead of reverting to the combined ticket charges within both councils' fees and charges schedule. Pricing from 1 April 2027 will then be set through the City and County Councils' 2027/28 budgets. Unless other funding becomes available beyond the end date of this offer, the price for the consumer will need to revert to a level that is financially sustainable for the City Council and that may mean increases beyond the permanent advertised fees of £4 and £5.

6. As set out in the County Council Cabinet report, they want this to apply to all park and ride sites, which requires a City Council Cabinet decision to make the amendments at City Council operated sites.
7. Officers are working with County Council officers to prepare for the new £3 combined ticket so that if the recommendation is approved the decision can be enacted as quickly as possible. There is an 8-10 week lead time for ticket machine, signage and parking app changes, so to meet the target date of mid-August preparations started at risk before the City Council decision. However, as made clear in the County Cabinet report if the City Council do not approve the recommendation the County Council will cover any abortive costs (expected to be under £10,000).
8. Notwithstanding the City Council's proposal in this paper to charge £3, with appropriate financial contribution from Oxfordshire County Council, this does not constitute an endorsement of the wider policy framework on bus fares. In particular, the City Council will continue to press for similar levels of discount for bus passengers within the city, as the £3 fare (which includes parking) contrasts unfavourably with the £9 price without parking for a group ticket within the city.

Alternative Options Considered

No alternative options were considered by the City Council as this is a request from Oxfordshire County Council who are seeking to use surplus income from their temporary congestion charge. The option is to accept or reject this at our sites. Given there are benefits from the base position for the City Council and customers the recommendation is to accept the proposal from the County Council.

Implications of Local Government Reorganisation

9. Local Government Reorganisation will mean the need to align decisions on park and rides within the Oxford ring road across different local government ownerships will no longer be necessary in future years as they will sit with a single unitary in all scenarios.

Financial implications

10. Although the temporary £3 combined parking and bus ticket charge being paid for by the consumer will be less than the current advertised charges the County Council will cover the cost of the temporary scheme. It will not leave the council financially worse off. Under this temporary scheme the City Council will retain the same amount as it does under its parking only tariff¹ from rather than 30% as under the existing parking and bus combined ticket charges (see paragraph 1 and 2 for the existing combined ticketing arrangements).

¹ The parking only tariff is £2.50, of which £0.42 is paid in VAT to HMRC leaving £2.08 income per ticket.

11. In summary, the City Council will receive £3 per ticket, the City Council will pay £0.50 VAT to HMRC² and £0.42 to the County Council. City Council will then have £2.08 income per ticket to retain. Since the County Council will take on all responsibility for bus operator payments under the temporary scheme, the City Council will therefore effectively be collecting the extra money towards bus travel on the County Council's behalf at its sites, which is why the City Council will need to transfer £0.42 to the County Council per combined ticket sold at its three Park and Ride sites.
12. This is the same level it retains under its parking only tariff after VAT is paid, which is more than it retains under the existing combined tickets. This betterment will help offset some of the adverse impacts seen in the parking portfolio elsewhere since the introduction of the congestion charge in Oxford.

Legal issues

13. Although the fees and charges schedule will be amended the City Council parking order remains unamended, the parking fees apply as stated, however the decision is to set a combined fee for travel and parking, which is not a parking fee in terms of setting parking charges and the need to follow the statutory process under the Road Traffic Act 1984 and associated legislation.
14. Whilst the travel element of the combined ticket is zero rated for VAT, the parking element is, however, subject to the standard rate of VAT. In light of the judgment in the case of *The Purple Parking C-117/11*; [2012] STC 1680, HMRC takes the view that where the transport service is ancillary to the parking service, there is a single standard-rated supply.
15. Under 4.5 of the constitution the setting of fees and charges outside of the budget process is reserved to Cabinet.

Level of risk

16. The only identified risk is that there is a larger jump in price for consumers in April 2027 when the permanent arrangements revert with any inflation increases reflected as part of 2027/28 budget setting. If there is no other funding available to prevent passing the full increase onto consumers this may receive some negative feedback or affect patronage. This will all be considered as part of budget setting as it is each year and it is not considered that this risk outweighs the benefit of offering a reduction for the period proposed using funding that is available.

Equalities impact

² HMRC's internal manual states that park and ride car parking is subject to VAT at the standard rate of 20%, and that combined tickets are also subject to the same (scenario 5 in the manual). For a £3 combined ticket, the VAT payable is £0.50

17. An Equalities Impact Assessment is not considered necessary. The implication of this decision is making the park and rides cheaper for a period of time, and this is considered beneficial and imposes no new barriers or discriminatory impacts.

Carbon and Environmental Considerations

Officers anticipate this promotion to have a positive impact on usage at Park and Rides. Officers understand this to be supported by bus operators and there has been no indication from them that it would have a negative impact on bus patronage from source. Therefore, this is anticipated to have some environmental benefits from getting private car users onto public transport at the city's edge. The benefit will be limited to the capacity of Redbridge Park and Ride, which we understand from enforcement officers to be busy most days already.

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Background Papers:

- 1 [Park and Ride Combined Parking-and-Bus Ticket Charges Oxford City Council Cabinet Report, 2023](#)
- 2 [Medium Term Financial Strategy 2026-27 to 2028-29 and 2025-26 Budget for Consultation](#)
- 3 [Oxford congestion charge investment plan, Oxfordshire County Council Cabinet Report, May 2026](#)