

HIGHWAYS, TRANSPORT AND ENVIRONMENT OVERVIEW AND SCRUTINY PANEL

MONDAY, 19TH NOVEMBER, 2018

At 5.00 pm

in the

ASCOT AND BRAY - TOWN HALL,

SUPPLEMENTARY AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
i	Appendix H - Parking Income Pressure <i>In accordance with Section 100B (4) (b) of the Local Government Act 1972, the Chairman has agreed to the addition of a Part I urgent item, Appendix H – Parking Income Pressure. The item is considered urgent as it is a specific appendix relating to Parking which is going to Cabinet on 22 November 2018.</i>	3 - 8

This page is intentionally left blank

Subject:	Parking income pressure (Update 29 th October 2018)
Reason for briefing note:	To provide further detailed analysis and data with respect to parking income where a likely in-year pressure of £800k has been identified.
Responsible officer(s):	Ben Smith, Head of Commissioning – Communities
Senior leader sponsor:	Hilary Hall – Deputy Director, Strategy and Commissioning
Date:	29 October 2018

www.rbwm.gov.uk



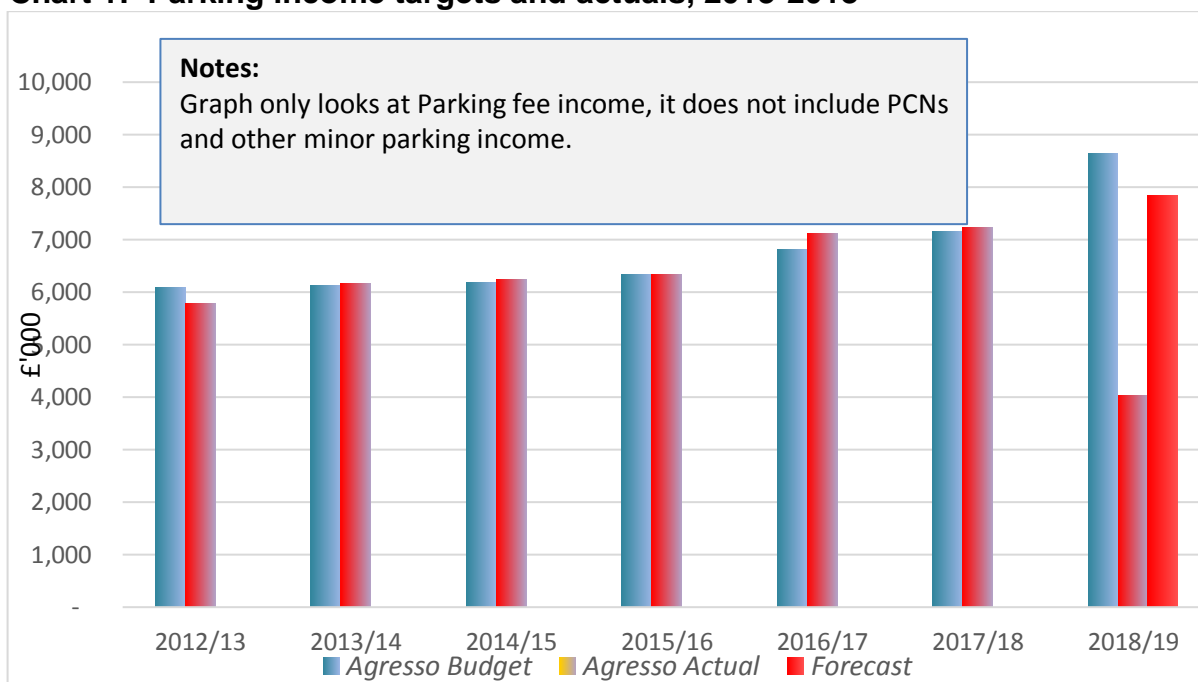
SUMMARY:

1. An in-year pressure of £800k is projected comprising a range of one-off items (£231k) and underachievement of parking revenue (£569k)
2. Analysis has been undertaken to understand the reasons for underachievement of income which relate to:
 - Increased use of discounted tariffs and a reduction in standard tariff use.
 - A reduction in usage in Maidenhead.
 - Increased season ticket sales on certain car parks which detrimentally impact on daily charge income.
3. In-year mitigations equating to £240k have been agreed reducing the pressure to £560k.
4. A range of further in-year mitigations have been proposed based around removing fraudulent activity and releasing additional season tickets for sale as spare capacity exists in Maidenhead

1. INTRODUCTION

- 1.1 The Royal Borough operates 52 car parks across the borough, 25 of which are income generating. A briefing note (dated 18 October 2018) identified a projected in-year pressure of £800k.
- 1.2 Analysis of the period 2012/19 indicates that parking income has broadly met target each year, see chart 1 and Appendix PK-1 for analysis by car park. It was, therefore, realistic to assume that a reasonable increase in car park charges would not have a detrimental impact on usage. However, this is not the projected position for 2018/19 and analysis has been conducted to understand the reasons for the variance.

Chart 1: Parking income targets and actuals, 2013-2018



- 1.3 For 2018-2019, the actuals shown on the chart are to the end of September 2018 (Quarter 2). The red, third, bar in 2018/19 illustrates the projected income to year end which leaves a shortfall in income of £569k. The projected income for the year, £7.85m, is based on income received to date up to the end of Quarter 2. Whilst it is clear that income is projected to increase, it is not in line with the new target of £8.65m.
- 1.4 The pressure of £800k comprises a range of one-off items amounting to £231k and underachieved income of £569k.

2. ANALYSIS

- 2.1 Analysis of the projected unachieved income is attributable to the following factors:
- 2.2 **Factor 1:** There has been a significant increase in the take up of the Advantage Card rates since 1 April 2018 - around 5%.
- 2.3 Based on the corresponding period last year, there has been a 2% shift in Maidenhead (28% of overall usage compared to 26%) and in Windsor a 6% shift (22% of overall usage compared to 16%).
- 2.4 The differential between discounted (Advantage Card) tariffs and the standard tariffs range from an average discount in Victoria Street, Windsor of 67% to an average at the Magnet Leisure Centre of 18%. In addition, new discounted tariffs were introduced from April 2018.
- 2.5 Table 2 sets out example tariffs and volumes of usage to assist in understanding the differential. Appendix PK-1 sets out activity and cost analysis.
- 2.6 The uplift in usage of Advantage Card tariffs between 2017/18 and 2018/19 has contributed towards reduced income of between £150k and £200k.

Table 2: Example Tariffs and Volumes

Car Park	Tariff Band	Tariff (Core)	Core Tariff Usage	Tariff (Discounted)	Discounted Tariff Usage	% Increase in Discounted Tariff Usage	Reduced Revenue
Victoria Street, Windsor	Up to 2 hours	£ 3.20	34,000	£ 1.00	30,000	8%	£6k
Victoria Street, Windsor	Up to 3 hours	£ 5.00	25,000	£ 1.50	29,000	6%	£5k
Nicholsons, Maidenhead	Up to 4 hours	£ 4.10	58,000	£ 2.00	40,000	4%	£6k

2.7 **Factor 2:** Overall usage in car parks in Maidenhead is down by 17% on the same period last year. There is also a far more modest decline in the footfall figure of 2.6%. Appendix A sets out the activity and cost analysis which highlights where income has reduced.

Examples include:

- Nicholsons: usage down by 22% / income reduced by 10%
- Hines Meadow: usage down by 13% / income reduced by 3.5%

2.8 In addition, Windsor is experiencing an average reduction in usage of 15% with an increase in income of 2%.

2.9 **Factor 3:** The financial benefits of purchasing a season ticket against paying the daily charge are now significant (for example: a season ticket at Romney Lock, Windsor is £1075 per annum (£4.80 per day – based on 225 days usage per year) against the daily charge of £8.00).

2.10 There has been an overall shift from daily charges to season ticket sales, primarily in Windsor, of 6%.

2.11 The most advantageous financial position is for the car park to be full and predominantly used by motorists paying the daily charge. If this is not the case it is preferable to encourage use by any users (for example: season ticket holders) rather than retain empty spaces. This is reflected in the in-year mitigations (section 3. below) by recommending the release of additional season tickets where spare capacity exists.

3. IN-YEAR MITIGATIONS

3.1 The following mitigations have previously been agreed reducing the in-year pressure to £560k.

Item	Mitigations	Value
1	Invoice rental income for radio equipment at Victoria Street car park (excluded from projections)	£30k
2	Capitalise car park improvement works	£50k
3	Release highway bonds from balance sheet	£100k
4	Utilise capital funding from Communities budget for energy savings to offset the scheduled debtors for 2017/18	£60k
	Total	£240k

3.2 In addition, the following are highlighted for consideration.

- 3.3 Fraudulent activity is taking place at River Street car park relating to abuse of the discounted (Advantage Card) tariff. Measures have been taken to curtail this practice with immediate effect on an interim basis.
- 3.4 There is a 'cap' on the number of season tickets which are sold in each car park which is in place to ensure that customers purchasing season tickets are able to be guaranteed a parking space. The maximum quota for Stafferton Way and Hines Meadow have been sold and a waiting list is in held should season tickets become available.
- 3.5 There is spare capacity at both of these car parks and it is recommended that a further 30 season tickets be released at Hines Meadow and a further 50 season tickets be released at Stafferton Way. Those on the waiting list will be contacted and advised accordingly. Additional revenue of approximately £50k is projected based a mix of annual, 6-month and 3-month sales.
- 3.6 The primary risk of this approach is that space for daily users will be unavailable in the future should demand for daily parkers increase in the future.
- 3.7 'Maersk' currently purchase 250 season tickets in Hines Meadow car park and have requested that a single floor in Hines Meadow car park be dedicated for their exclusive use. If this request is approved, a premium charge will be applied which is projected to realise additional net income of £50k (subject to negotiation).

Appendix H

Appendix PK-1 – analysis by car park

Maidenhead:

	2017/18 Q1- Q2	2017/18 Q1- Q2	2017/18 Q1- Q2	2017/18 Q1- Q2	2017/18 Q1- Q2	2017/18 Q1- Q2	2018/19 Q1- Q2	2018/19 Q1- Q2	2018/19 Q1- Q2	2018/19 Q1- Q2	2018/19 Q1- Q2	2018/19 Q1- Q2
	Adv. Card Tariff	Normal Tariff	TOTAL Tariff	Adv. Card Tariff £	Normal Tariff £	TOTAL Tariff £	Adv. Card Tariff	Normal Tariff	TOTAL Tariff	Adv. Card Tariff £	Normal Tariff £	TOTAL Tariff £
	Volumes	Volumes	Volumes	Income	Income	Income	Volumes	Volumes	Volumes	Income	Income	Income
Nicholsons	88,000	268,100	356,100	101,920	488,200	590,120	66,900	210,710	277,610	69,790	461,428	531,218
Hines Meadow	59,310	124,100	183,410	58,358	269,265	327,623	58,300	100,100	158,400	55,630	260,880	316,510
Town Hall	-	-	-	-	-	-	6,315	6,896	13,211	2,378	14,156	16,533
Stafferton Way	-	41,831	41,831	-	218,730	218,730	100	30,826	30,926	-	222,497	222,497
Grove Road	31,230	33,462	64,692	23,369	45,422	68,791	18,570	21,580	40,150	12,855	34,887	47,742
Magnet LC	-	95,000	95,000	-	138,030	138,030	12,100	59,800	71,900	14,400	108,290	122,690
West Street	30,410	45,590	76,000	22,722	63,540	86,262	23,240	32,625	55,865	16,625	50,959	67,584
Boulsters Lock	-	-	-	-	-	-	7,200	19,800	27,000	-	12,150	12,150
Braywick	-	-	-	-	-	-	-	3,480	3,480	-	2,500	2,500
Season Tickets	-	550	550	-	428,930	428,930	-	473	473	-	447,805	447,805
Maidenhead Total	208,950	608,633	817,583	206,369	1,652,117	1,858,486	192,725	486,290	679,015	171,678	1,615,552	1,787,229

Windsor:

	2017/18 Q1- Q2	2017/18 Q1- Q2	2017/18 Q1- Q2	2017/18 Q1- Q2	2017/18 Q1- Q2	2017/18 Q1- Q2	2018/19 Q1- Q2	2018/19 Q1- Q2	2018/19 Q1- Q2	2018/19 Q1- Q2	2018/19 Q1- Q2	2018/19 Q1- Q2
	Adv. Card Tariff	Normal Tariff	TOTAL Tariff	Adv. Card Tariff £	Normal Tariff £	TOTAL Tariff £	Adv. Card Tariff	Normal Tariff	TOTAL Tariff	Adv. Card Tariff £	Normal Tariff £	TOTAL Tariff £
	Volumes	Volumes	Volumes	Income	Income	Income	Volumes	Volumes	Volumes	Income	Income	Income
River Street	12,060	76,103	88,163	36,400	571,057	607,457	10,510	66,070	76,580	32,500	568,580	601,080
Victoria Street	44,000	72,970	116,970	48,435	296,655	345,090	40,300	62,050	102,350	40,750	329,360	370,110
East Berkshire College	608	34,550	35,158	169	70,355	70,524	4,808	17,770	22,578	7,319	50,298	57,617
Eton Court	2,620	8,000	10,620	2,680	19,980	22,660	4,600	9,339	13,939	4,550	26,862	31,412
Windsor LC	-	120,850	120,850	-	198,575	198,575	19,500	76,649	96,149	25,280	169,010	194,290
Coach Park	3,260	7,800	11,060	45,640	149,000	194,640	2,620	3,650	6,270	52,400	63,600	116,000
Meadow Lane	5,360	32,020	37,380	6,046	92,520	98,566	5,800	44,450	50,250	6,750	154,300	161,050
Alma Road (including Windsor Dials)	18,900	45,770	64,670	17,910	162,425	180,335	12,460	29,323	41,783	11,630	138,052	149,682
Alexandra	15,460	76,080	91,540	16,610	265,260	281,870	12,290	59,560	71,850	13,185	292,502	305,687
King Edward VII	778	47,800	48,578	309	160,820	161,129	7,924	36,416	44,340	16,651	159,693	176,344
Romney Lock	950	31,080	32,030	250	104,995	105,245	3,315	14,960	18,275	5,905	79,030	84,935
York House	-	-	-	-	-	-	600	7,300	7,900	-	27,450	27,450
Home Park	-	8,120	8,120	-	29,742	29,742	-	7,980	7,980	-	31,110	31,110
Season Tickets	-	204	204	-	181,050	181,050	-	215	215	-	224,590	224,590
Windsor Total	103,996	561,347	665,343	174,449	2,302,434	2,476,883	124,727	435,732	560,459	216,920	2,314,437	2,531,357
Windsor & Maidenhead Combined	312,946	1,169,979	1,482,925	380,818	3,954,551	4,335,369	317,452	922,022	1,239,474	388,598	3,929,988	4,318,586

This page is intentionally left blank