

Cherwell District Council

Executive

3 July 2023

Implementation of Car Parking Pricing

Report of Assistant Director Environmental Services

This report is public

Purpose of report

To inform Members of the changes proposed to the implementation of car park price increases during summer 2023 and provides the rationale for the revised implementation.

The new scheme does not raise prices beyond those approved by Council. It sets out an implementation plan which ensures the Council's car park charges strike a balance between the Medium Term Financial Plan (MTFP) priorities and being responsive to the current economic climate.

1.0 Recommendations

The meeting is recommended:

1.1 To note the proposed changes below:

- Increase the 1st hour from £1.10 to £1.20. This will increase income broadly in line with inflation.
- Keep the 2nd and 3rd hour unchanged as parking usage has demonstrated that use has declined and is not competitive with alternative car parking offers.
- Increase the daily charge from £5.00 to £5.50 – an increase of 10p per hour - in line with inflation and as long stay car parks are showing increasing demand from increasing numbers of workers returning to office.
- Increase the ultra short stay from £1.10 to £1.20 for ½ hour. Increase the hour rate from £1.60 to £1.70 in ultra short stay car parks, where it is evidenced that there is increasing demand.

1.2 To approve the publishing of the revised charges.

2.0 Introduction

2.1 The current Medium Term Financial Plan (MTFP) for the Council assumes an up to 10p fee increase in 2023/23 and makes an assumption of income increase in line with fee increase. However, since the pandemic, footfall in the urban centres has

reduced significantly and this has had a direct impact on parking income and usage. The current cost of living crisis and the sustained period of high inflation has had a significant impact on disposal income. In recent months, there has been evidence from the weakened car parking income figures reported.

- 2.2 In 2020 Bicester charges rose to align with Banbury, at 80p/hour. In 2021 the charges in both Banbury and Bicester rose from 80p/hour to a £1/hour. The £1/hour charge represented a 25% rise and brought this Council's charges into line with other competition within the district and in surrounding towns. However, the 25% rise only produced a rise of 15-17% in income. This was an indication that price changes should be handled carefully.
- 2.3 Last year prices rose by a further 10p/hour in July 2022. Financial monitoring over the 2022/23 financial period has reflected reduction in use and it is evident that the 10p increase in parking fees has not produced the budget income. Car Parking charges are due to rise in 2023 by up to 10p per hour as per the consulted MTFP and use trends demonstrate it is unlikely that this will increase income. The wrong increase will make the Council's charges uncompetitive and will likely receive a negative reaction from the public and from businesses in the town centres who are all struggling with increased cost rises and a reduction in disposable income.

3.0 Report Details

- 3.1 Car parking charges are benchmarked against competition provision in Banbury and Bicester as well as nearby towns surrounding Cherwell. In surrounding towns this Council is cheaper than tourist towns such as Stratford on Avon, Leamington & Warwick. However, it is more expensive than Aylesbury, Northampton and Witney (which does not charge).
- 3.2 The comparative charges for surrounding towns are set out below. This Council is more expensive than Aylesbury & Northampton but cheaper than tourist destinations such as Oxford, Stratford and Warwick.

| | 1 hour | 2 hours | 3 hours | All day | Notes |
|----------------|--------------|--------------|-----------|-----------|---------|
| Aylesbury | £1 | £2 | £3 | £8 | |
| Ban/Bic | £1.10 | £2.20 | £3 | £5 | |
| Leamington | 1.30 | £2.50 | £3.80 | | No cash |
| Northampton | £1 | £2 | £3 | £6 | |
| Oxford | £4.50 | £6.50 | £9.50 | £28.50 | |
| Stratford | £1.20 | £2.40 | £3.50 | £8 | No cash |
| Warwick | £1.30 | £2.50 | £3.80 | £7 | No cash |
| Witney | Free | Free | Free | | |

3.3 The current prices in Banbury & Bicester with the main local competitors are set out below.

| Banbury | 1 hour | 2 hour | 3 hour | All day | |
|------------------|---------------------|--------------|-----------|-----------|-------------------------------|
| Lidl | Free for 90 mins | | | | |
| Castle Quay | £1.10 | £1.80 | £2.30 | £6.60 | |
| CDC | £1.10 | £2.20 | £3 | £5 | |
| NCP X 2 | £1.95 95p on App | £3.90 | £5.85 | £8.95 | But 95p/hour on NCP App |
| Parsons St | £1 | £2 | £2.80 | £4.50 | |
| Chiltern Rail | £5.50 | £5.50 | £5.50 | £5.50 | |
| | | | | | |
| Bicester | 1 hour | 2 hour | 3 hour | All day | |
| CDC | £1.10 | £2.20 | £3 | £6 | |
| Sainsbury | Free | Free | £1.70 | | |
| Bicester Village | Free | Free | Free | | |

3.4 There is concern that unless prices are raised cautiously, users will park elsewhere. Hence, raising prices across the board as per the MTFP could lead to lower income levels.

4.0 Conclusion and Reasons for Recommendations

4.1 It is recommended to make the changes as proposed in the recommendations at the front of this report to protect against inflation pressures of car parking operational costs and income, and to reflect market forces and changes in use.

5.0 Consultation

N/A

6.0 Alternative Options and Reasons for Rejection

6.1 Two options were considered:

Option 1. To raise charges in line with the MTFP. This is anticipated to have an adverse impact on use and therefore income due to competing offers from other car park providers in Banbury and Bicester, and to a lesser extent from competing towns outside of Cherwell.

Option 2. To make the changes as proposed in the recommendations at the front

of this report to protect against inflation pressures of car parking operational costs and income, and to reflect market forces and changes in use.

Option 1 is not recommended due to the likely adverse impact on parking use and income.

7.0 Implications

7.1 Financial and Resource Implications

The latest 2023/24 financial forecast (elsewhere on the agenda) was completed by the Assistant Director Environmental Services and has assumed these changes will be approved in arriving at that forecast.

Comments checked by
Michael Furness, Assistant Director of Finance, 01295 221845
michael.furness@cherwell-dc.gov.uk

7.2 Legal Implications

The changes proposed are within the limits approved by Full Council on xx February 2023 and therefore no further decision is required as the limits are not being exceeded. The implementation of car park charges is within the general delegation of the Director, but as this report has potential income implications, it is reported to Executive for information and transparency.

Comments checked by
Shahin Ismail, Interim Head of Legal Services, 01295 221556
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7.3 Risk Implications

Car Parking charges can be sensitive and large changes could impact users and town centre footfall. By adopting the recommendation and a lower increase than the maximum provisioned in the MTFP then this risk is mitigated in balance with the need to protect against increasing car park management costs and income.

Comments checked by:
Celia Prado-Teeling, Performance & Insight Team Leader 01295221556 Celia.prado-teeling@cherwell-dc.gov.uk

7.4 Equalities Implications

There are no direct impacts on equalities. The change in charges do not impact blue badge holders

Comments checked by
Celia Prado-Teeling, Performance & Insight Team Leader 01295 221556
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7.5 Climate implications

There are no direct impacts on climate change from a small variation in car parking charges

Comments checked by
Jo Miskin, Climate Action Manager, Jo.miskin@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: Yes

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

Supporting environmental sustainability

Lead Councillor

Councillor Andrew McHugh Lead Member for Clean & Green

Document Information

Appendix number and title

- Appendix 1 – Car Parking Fee Scheduled

Background papers

None

Report Author and contact details.

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