

MAIDSTONE BOROUGH COUNCIL

CABINET

10 DECEMBER 2008

**REPORT OF ASSISTANT DIRECTOR OF DEVELOPMENT AND
COMMUNITY SERVICES**

Report prepared by Brian Morgan

1. CURRENT AND FUTURE POSITION OF PARK AND RIDE

1.1 Issues for Decision

1.1.1 To examine the future provision of Park and Ride sites.

1.1.2 To approve an increase in fares for the Park and Ride bus service.

1.1.3 To determine whether to continue to pursue a potential site on the A229.

1.2 Recommendation of the Assistant Director of Development and
Community Services

1.2.1 That the future provision and financing of Park and Ride sites be pursued as part of the Local Development Framework.

1.2.2 That the previous decision of Council to increase charges on Park and Ride be implemented from 1 January 2009, with fares being amended as follows:-

- Mon – Fri peak fare increased from £2.00 to £2.50
- Replace the weekly ticket (£8.00) with a ten (single) trip ticket at £10.00, the 12 weekly ticket from £80.00 to £100.00, and the annual season ticket from £320.00 to £400.00
- Off peak fare – Monday to Friday unaltered at £1.50
- Off peak fare – Saturday £1.50 – in addition more than one adult travelling together £1.00 each (between February and the end of October)

1.2.3 That the further provision of the site on the A229 should not be pursued because of the cost of providing safe access.

1.3 Reasons for Recommendation

Provision of Sites

- 1.3.1 Maidstone in common with other towns and cities has suffered from traffic congestion particularly in the morning and evening peaks for a good many years because of changing land use and commuter patterns, increased car usage and the decline in the use of public transport. This has led to increased traffic in towns and consequently congestion and the environmental effects of traffic. The increasing levels of traffic have led to the need to reduce traffic and congestion and improve the environment.
- 1.3.2 Recognising the traffic congestion issues and the need to reduce long stay spaces in the town centre, the Council used the parking standards to provide 'commuted parking charges'. Through this method the developer of commercial premises paid a sum of money instead of providing long stay spaces on site. The money was used to provide and subsequently operate Park and Ride. Whilst Park and Ride was originally aimed at the long stay office worker, it also proved attractive to shoppers. In addition, because of the location of some of the sites it was used as a bus service by residents local to the site. Park and Ride has become an integral part of the vitality of Maidstone town centre.
- 1.3.3 In addition negotiation on Planning gain on specific developments resulted in the provision of sites. Two of the sites, Sittingbourne Road and London Road, were subsequently expanded. Two sites, Mote Park and Coombe Quarry, were provided on Council owned land. Parking standards were subsequently changed by the Government and Kent County Council, which removed the ability to take commuted payments to replenish the 'parking pot'. As the parking pot diminished and subsequently dried up, the Council's contribution increased substantially.
- 1.3.4 Since Park and Ride was introduced, the Town and the Borough has continued to accommodate development and seen increasing congestion particularly in peak hours, and it has been projected that the Town will be grid locked by 2011.
- 1.3.5 The Borough, through the draft S.E. Plan is identified to accommodate at least 10,080 houses, and potentially 11,080 houses as well as commercial development in the period 2006-2026. The initial traffic modelling work shows that the town's roads will be under severe pressure and the Local Development Framework will need to investigate all means of encouraging drivers to avoid bringing their cars into the town centre, thereby increasing congestion and pollution.

- 1.3.6 There is a tool box of measures to tackle traffic that seeks to either terminate in the town, e.g. parking charges, or through traffic, e.g. road charging. However, if the town is to remain competitive economically and attractive to businesses and residents, it is unlikely that tools such as 'road pricing' would be used in isolation from other towns. Maidstone would cease to be competitive. Park and Ride therefore remains one of the few tools that is available to bite on traffic terminating in the Town and it is therefore important to maintain the existing three sites and, if feasible, extend Sittingbourne Road in the short term.
- 1.3.7 The Council has recently tendered the Park and Ride service and the result of that process, which is being considered by the Cabinet Member, will result in a substantial saving to the Council from February 2009 onwards. There may be additional areas where savings can be made in the operation of the service at present.
- 1.3.8 In this light, it is felt that the existing Park and Ride service structure can be endorsed but opportunities to enlarge car parks, to enhance the service and improve viability, especially on Sittingbourne Road, should continue to be explored.
- 1.3.9 The appropriate way of approaching the future provision of Park and Ride sites is through the Local Development Framework (LDF). This would identify the locations where Park and Ride sites of an optimum economic size could be provided. Importantly, it would also identify the mechanism through S106 Agreements as to how they should be provided and financed. Through the LDF the issue of managing traffic can be considered in a holistic and planned manner. Appropriate transportation studies which include the assessment of Park and Ride sites are already under way and it is recommended that the future provision of Park and Ride sites should be pursued by this route. Subject to the Council determining its position on the KIG proposal it is likely to have submitted the Core Strategy to the Secretary of State in the early part of 2010.

Budget Requirement

- 1.3.10 However, the previous Cabinet agreed that savings should be incorporated into the 2008/09 budget. This includes a requirement to meet a £61,000 budget reduction in the 2008/09 financial year that would be met through the application of a fares increase. In addition, there will be a budget deficit, post January, if fares are not increased. The following section of the report considers options for achieving this financial need through an increase in bus fares, the possibility of a multiple ticket purchase option and a

selected fare reduction to promote business at quieter times when spare capacity is available.

Fares and Method of Payment

Current Charges and Characteristics

- 1.3.11 At present customers are charged a bus fare for use of the service. Providing such a fee is paid, parking is free. The current charges are:-

Peak (before 0900 Mondays to Fridays)	£2.00
Off Peak	£1.50
Weekly	£8.00
12 Weekly	£80.00
Annual	£320.00

- 1.3.12 In the off peak, two children may travel with an adult free of charge. Children under the age of five travel free. Single journeys from the town are charged at the Peak rate. Fares were last increased in June 2006.

- 1.3.13 Some 10% to 15% of customers at London Road and Willington Street (est. 25-30,000), walk or are given lifts and do not park at the sites.

- 1.3.14 In addition holders of concessionary bus passes (national pass from 1 April 2008) are carried on park and ride buses. Use of such passes rose by 80% in 2006/7 and a further 25% in 2007/8. These currently represent some 40% – 45% of our off peak customers. With the service being operated as a revenue guarantee contract, the reimbursement that is due to the operator from the scheme is paid to Maidstone Borough Council instead. This amount represents an income of 70p instead of the full adult off peak fare of £1.50. Such payments from the scheme are funded by the local Councils, and from April 2008 Maidstone is required to pay the cost of all pass holders who board at Park and Ride stops irrespective of where they live.

Fares Increase

- 1.3.15 The last fares increase was implemented in June 2006.
- 1.3.16 The Budget Strategy proposal for 2008/09 indicated that additional income in the region of £61,000 could be obtained by:-
- a) Increasing the cost of the peak ticket at Sittingbourne Road from £2.00 to £2.50.

- b) Increasing the cost of a weekly ticket at Sittingbourne Road from £8.00 to £10.00.
- c) Decreasing the discount on 12 weekly and annual season tickets.
- d) Introducing a small system wide charge for children of 50p.

- 1.3.17 It had been assumed that selective changes in price at Sittingbourne Road would displace some peak customers to spare capacity which then existed at Willington Street. In the event, this capacity is now often occupied by those who previously used Coombe Quarry. As a result, such selective increases are unlikely to generate sufficient revenue to meet the £61,000 target.
- 1.3.18 In addition the rental cost of Sittingbourne Road was increased from May 2008 from £51,000 a year to £60,000 a year. This leaves a projected shortfall this year of £9,000 subject to any further change of rental. The rental for the period November to January is an additional £3,750 with the need to negotiate a further lease from February 2009.
- 1.3.19 The budget forecast for Park and Ride indicates that there will be an income shortfall from January 2009 in addition to the £61,000 saving.
- 1.3.20 Alternative scenarios for fares increases that might be considered are set out in **Appendix A**.
- 1.3.21 In summary, only option (c) peak fares would appear to deliver the required additional revenue to meet the required Budget Strategy for this financial year. However, the level of increase proposed is likely based on past experience to drive down usage. It is therefore unlikely that the projected fare increase would be achieved. It is therefore recommended that option (b) i.e. a 25% increase should be adopted.
- 1.3.22 The potential shortfall has also been alleviated by the re-allocation of budgets within the Park and Ride cost centre.
- 1.3.23 In the light of the response to the Tendering of the Park and Ride service, the option of Pay to Park is not being pursued at present.

Fares promotions

- 1.3.24 The sale of weekly tickets has reduced by some 5 to 10% in each of the last two years. Passengers have indicated that this is because they either are uncertain about their working patterns or only have to come into Maidstone for a few days each week. There have been requests for a more flexible system that would enable

them to benefit from being a regular user without having to travel for a minimum of four days in the week to match the purchase price. The current on bus system can print a ten (single) trip ticket which can be placed in a wallet and punched each time a single trip is made. Not only would this provide such flexibility it could also be made available for use by more than one passenger at a time (car sharers). It is therefore recommended that this initially replaces the current weekly ticket. This would encourage the purchase of advance travel and reduce the overall number on bus transactions. Given the recommended fare increase of 25% for individual day tickets it will assist in encouraging less regular users to continue using the service and encourage car sharing. If this ticket is successful, the introduction of tickets for more journeys can be considered in conjunction with the potential operators of the new Park and Ride contract from January 2009. The introduction of such a ticket is expected to have a neutral financial effect.

- 1.3.25 One of the lowest periods of demand on Park and Ride is Saturdays between February and late October. This is however a time when there is often traffic congestion in the town and motorists would have been expected to use the Park and Ride service. This may be because people are more likely to travel in family groups at weekends and the cost of using the service for multiple groups of adults may be considered as expensive compared with town centre parking. It is therefore recommended that a reduced fare is offered at this time for such groups – if more than one adult £1.00 each – and that this should be appropriately marketed. This would be expected to have little impact on revenue but would assist in helping to address traffic congestion and related issues. It is not recommended that such a reduction be issued on Saturdays between November and January as the sites are usually full at such times.

Provision of a Site on the A229

- 1.3.26 Following the construction of the Channel Tunnel Rail Link, Union Rail is disposing of surplus land adjacent to the A229. The Council expressed an interest in this site and carried out a preliminary investigation of the feasibility of providing a Park and Ride site at this location. The main issue is whether it is possible to gain safe access / egress to and from it. It is possible to create an access but the likely cost of doing this is in excess of £2-3 million. It is unlikely that the Council would be able to finance the cost of providing a safe access to this site.
- 1.3.27 It is possible that the Council could seek to finance this form of infrastructure provision through future S106 payments, but there is no certainty that such payments will cover the full cost of

infrastructure provision. The Council would still be in the position of funding the gap. It is therefore recommended that the Council ceases to explore this site as an option.

1.4 Alternative Action and why not Recommended

1.4.1 It is possible for the Council to cease to provide a Park and Ride service, but such an approach would just add to the existing congestion and pollution to the detriment of the vitality of the Town and the health of the population and such an approach is not recommended. Additionally an ad hoc approach could be taken to the provision of sites, which could lead to the provision of sites in locations which are not ideal, or too small, and are not economic.

1.4.2 It is possible to increase fares to cover the full amount of the shortfall. This on paper would cover the requirement to find £72,000. Practically this is likely to drive down usage and the income would not be achieved. It is therefore recommended that a balance is struck. Fares are increased by 25%, and the deficit offset by the reallocation of funds within the budget. This approach should not have a substantial adverse effect on the usage of the service.

1.4.3 It would be possible for the Council to pursue the purchase of this land but the costs of constructing an access to this site make it prohibitive, and therefore as an opportunity, purchase unrealistic.

1.5 Impact on Corporate Objectives

1.5.1 The provision of the Park and ride service absorbs some of the parking demand from vehicles who would normally terminate their journey in the town centre. By offering an alternative on the periphery of the town they help to reduce traffic levels and therefore pollution in the Town Centre.

1.6 Risk Management

1.6.1 There is a risk that too high a fare may discourage current and/or potential customers from using the service leading to a reduction in the revenue received.

1.7 Other Implications

1.7.1

- 1. Financial
- 2 Staffing

X

3	Legal	
4	Social Inclusion	
5	Environmental/Sustainable Development	X
6	Community Safety	
7	Human Rights Act	
8	Procurement	

1.7.2 The financial and sustainable development implications are considered in the body of the report.

1.8 Background Documents

1.8.1 Paras 1.4 & 1.5, Park & Ride Discussion Paper

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes No

If yes, when did it appear in the Forward Plan? March 2008

Is this an Urgent Key Decision? Yes No

Reason for Urgency