

STRATEGIC PLANNING, SUSTAINABILITY AND TRANSPORTATION COMMITTEE

6 October 2015

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

PARK AND RIDE SITE SITTINGBOURNE ROAD

Final Decision-Maker	Strategic Planning, Sustainability and Transportation Committee
Lead Head of Service	David Edwards Director of Environment and Shared Services
Lead Officer and Report Author	Jeff Kitson Parking Services Manager
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. That a new short term lease of three months is agreed with Gallagher Properties Limited based on the current lease arrangements.
2. That Arriva Kent and Surrey are issued with a contract variation to amend the service provision from three sites to two from 8 February 2016.

This report relates to the following corporate priorities:

- Securing a successful economy for Maidstone Borough –The proposals are intended to improve efficiency and to improve the resilience of the Park and Ride service.

Timetable

Meeting	Date
Strategic Planning, Sustainability and Transportation Committee	6 October 2015

PARK AND RIDE SITE SITTINGBOURNE ROAD

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To consider the recommendation to agree a three month lease with the landowner of the Sittingbourne Road Park and Ride site located at Eclipse Business Park from 8 November 2016 in order that the Council can properly manage vacating the site and modify service arrangements by 8 February 2016.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The current Park and Ride service operates from three sites:
- East and west between Maidstone town centre and the London Road site.
 - East and west between Maidstone town centre and the Willington Street site.
 - North & South between Maidstone town centre and the Sittingbourne Road site (located at Eclipse Business Park).
- 2.2 The Sittingbourne Road site located at Eclipse Business Park is owned by Gallagher Properties Limited. This site has been occupied under lease for a number of years allowing the Park and Ride service to operate.
- 2.3 The Sittingbourne Road site is currently operating under a 12 month legal agreement with Gallagher Properties Limited which expires on 8 November 2015. Gallagher did initially request an increase in the lease fee to reflect their value of the site; however the short term agreement to maintain the current lease with a two month notice period was negotiated last year to enable a long term strategy to emerge in relation to the future of junction 7 and the Park & Ride site.
- 2.4 On Tuesday 8th September the Strategic Planning, Sustainability and Transportation Committee agreed that the Sittingbourne Road Park and Ride site should not feature in the Local Plan and that the Park & Ride service should in the future continue from the London Road and Willington Street sites and that improvements would be sought in other sustainable transport options. This is subject to Regulation 18 consultation.
- 2.5 Gallagher Properties Limited confirmed in a letter to the Chief Executive in August that the site is no longer available at the current rate and has once again referred to their valuation or a pro-rata reduction in parking spaces.
- 2.6 The current service from three sites requires a significant subsidy of £554,390 in 2015/16 to operate and so the significant increase in lease costs proposed is not considered to be a viable offer from the landowner.

- 2.7 To pro-rata the number of available parking spaces within the Sittingbourne Road Park and Ride site is also not considered to be viable as this will reduce the number of bays from 547 to 219 (206 bays / 13 Blue Badge holder bays). Although occupancy levels have reduced in recent years, this level of bay provision will not be adequate at peak demand times.
- 2.8 Recent discussions with the landowner have determined that they will agree to a three month lease with effect from the expiry of the current Lease on 8 November 2015 in order that the Council can properly manage vacating the site by 8 February 2016 if necessary. It has been agreed that this lease can replicate the current lease arrangement on a pro-rata basis.
- 2.9 There is no provision in the current lease to extend the period of agreement and therefore a separate lease will need to be signed by both parties.
- 2.10 Continued negotiation has not resulted in an improvement in the period of occupancy on offer or the rate of rent applied. Officers have attempted to secure a longer term lease arrangement but to date this has not been agreed by Gallagher Properties Limited.

Arriva Kent and Surrey Contract

- 2.11 The contract with Arriva provides for two options:
 Option 1 – Operating from all three sites
 Option 2 – Operating from Willington Street & London Road
 The service is one year into a three year agreement and is currently being delivered under Option 1 and requires a 60 day notice period of any variation to Arriva to enable the Traffic Commissioner to be notified (56 days) and for service arrangements to be modified.

Financial position

- 2.12 Year to date position (cumulative to August 2015).

As reported to the Policy and Resources Committee meeting on 23 September 2015, Park and Ride income across all three sites continues to be lower than the budgeted target despite a number of service improvements and continued promotion of the service:

	Amount	Variance against budget
Willington Street	33,089	-12,641
London Road	35,930	-6,490
Sittingbourne Road	66,792	-5,098
Total	135,811	-24,229

This is 6.42% lower than actual income in August 2014.

On bus transactions at the end of Q1 were recorded at 83,157 (-9.1% variance against target) (-7.45% when compared to 2014/15)

2.13 Financial Position 2014/2015 (Year end)

	Amount	Variance against budget
Willington Street	94,432	-20,399
London Road	94,319	-9,110
Sittingbourne Road	174,828	11,298
Total	363,579	-18,211

This was 2.89% lower than actual income year end 2013/2014.

2.14 Financial projections assume that no migration of customers to other sites will occur. However although difficult to estimate, it is likely that many customers will make alternative arrangements and transfer to one of the other Park and Ride locations or town centre long stay parking under season ticket arrangements. Improved signage funded from the current Parking Services budget will be placed on A249 will highlight the Councils long stay car parks at Sittingbourne Road and Union Street.

2.15 Savings would result from the Sittingbourne Road site, lease, Arriva contract and maintenance etc result in an estimated saving of £298,808 per annum (2016/17). Site closure from February 2016 would deliver estimated savings at approx £40,000 (2015/16) assuming no additional revenue contribution to other sustainable transport initiatives.

2.16 If the Sittingbourne Road site is closed, a revised Park and Ride service can continue to operate from two sites:

- East and west between Maidstone town centre and the London Road P&R site.
- East and west between Maidstone town centre and the Willington Street P&R site.

2.17 The budgeted subsidy for the financial year 2015/2016 is £554,390. It is estimated that if the service was provided from two sites the resulting savings in lease, bus service contract costs, maintenance and lighting will reduce the projected subsidy to £255,582.

3. AVAILABLE OPTIONS

3.1 Option 1

Allow the Sittingbourne Road Park and Ride site to close on the 8 November 2015 when the current lease expires.

- This would not provide adequate time to vary the Park and Ride contract with Arriva Kent and Surrey which in turn will not allow the required 56 days in which to inform the Traffic Commissioner of service changes. Closure in November 2015 will also not provide adequate time to raise public awareness and may lead to reputation risk. The site would also close before the completion of the Regulation 18 consultation and the results are reported to the Committee.

3.2 Option 2

To seek a longer term lease based on the current arrangements.

- This would provide more certainty for Park and Ride at the site in the medium term; however continued negotiation has not resulted in an agreement between the Council and Gallagher Properties Limited. It is therefore very unlikely that we will reach an agreement to provide the site at the current lease value.

3.3 Option 3

Agree to the higher lease costs put forward by the landowner reflecting their estimated value of the land.

- This is not considered to be a viable offer from the landowner. The current service requires a significant subsidy of £554,390 2015/16 to operate and so the proposed increase in lease costs would require growth to fund the increase.

3.4 Option 4

Agree a new short term lease of three months based on the current arrangements.

- This will allow adequate time to manage the transition, vary the Arriva contract, and inform our customers that the site will no longer be available from 8 February 2016. It will also allow Park and Ride services to remain available during the Christmas period. Savings for 2016/17 would be achieved but would be limited for the current year.

3.5 Option 5

Pro-rata the number of available parking spaces within the Sittingbourne Road Park and Ride site to allow the lease value to remain at the current level per annum.

- This option is not considered to be viable as this will reduce the number of bays from 547 to 219 (206 bays / 13 Blue Badge holder bays). Although occupancy levels have reduced in recent years, this level of bay provision will not be adequate at peak demand times.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 It is recommended that the Committee agree Option 4, a new short term lease of three months with Gallagher Properties Limited based on the current arrangements.

4.2 This will allow significant savings to be realised for 2016/17 estimated at £298,808 per annum.

4.3 A new short term lease of three months will provide adequate time to manage the transition and vary the Arriva contract to enable the Transport Commissioner to be informed.

4.4 This will also enable time to inform our customers that the site will no longer be available from 8 February 2016 and to provide information on the alternative travel/parking options available.

4.5 Gallagher Properties Limited have indicated that if available a site within the Eclipse Business Park may be mutually agreed to enable a temporary Park and Ride service to run from the site to support shoppers in November and

December 2016 and January 2017 during the peak demand period next year if required.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Strategic Planning, Sustainability and Transportation Committee agreed on 8 September 2015 that the current Sittingbourne Road Park & Ride site should not feature in the Local Plan and that the Park & Ride service should in the future continue from the London Road and Willington Street sites. This is subject to Regulation 18 consultation.
- 5.2 The Strategic Planning, Sustainability and Transportation Committee also agreed that given the deletion of the previously proposed Park and Ride sites at Linton Crossroads and at Old Sittingbourne Road, the Council will work with the service operators to procure express/limited stop bus services on the radial routes into Maidstone (particularly from the north including the Newnham Park Area and from the south on the A229 and A274) to the Town Centre and railway stations in the morning and evening peaks to encourage modal shift together with the revision of bus priority measures to seek to secure the reliability and speed of such services.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 If the recommendations are agreed, Gallagher Properties Limited will be advised of the decision to enable a new lease to be made available from 8 November 2015.
 - 6.2 Consideration is given to the impact on Park and Ride customers. It is anticipated that advanced notice signage and on-bus information, and managed site attendance within existing budgets will enable us to inform our customers and to provide information on the alternative travel/parking options available.
 - 6.3 The Council will be required to issue a contract variation to Arriva Kent and Surrey in line with the contractual agreement. This will allow the Traffic Commissioner to be informed in accordance with the legal process.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Securing a successful economy for Maidstone Borough – The proposals are intended to improve efficiency and to improve the resilience of the Park and Ride service.	Director of Environment and Shared Services
Risk Management	The reduction in park and ride facilities requires close management to ensure that customers are informed of the alternative travel and parking options.	Parking Services Manager
Financial	Budget revision 2015/16 and 2016/17	Section 151 Officer & Finance Team
Staffing	None	
Legal	Any changes to the published bus timetable will require a contract variation to be agreed with Arriva. The Traffic Commissioner must also be notified 56 days in advance of the revised arrangements in line with the legal process.	Legal Team
Equality Impact Needs Assessment	None	
Environmental/Sustainable Development	Park and Ride is effective in removing vehicles from primary routes into Maidstone. The Integrated Transport Strategy will develop other options for the public and passengers will be able to transfer to the other two Park and Ride sites available.	Head of Planning and Development
Community Safety	None	
Human Rights Act	None	
Procurement	None	
Asset Management	The Sittingbourne Road site located at Eclipse Business Park is owned by Gallagher Properties Limited. This site has	

	been occupied under lease for a number of years to allow the Park and Ride service to operate.	
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8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

None.

9. BACKGROUND PAPERS

None