

Agenda item: **Decision maker:** Cabinet Member for Traffic and Transportation**Subject:** Park and ride 9 month review**Report by:** Head of Transport and Environment**Wards affected:** All**Key decision (over £250k):** No

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**1. Purpose of report**

1.1 On 27 November 2014 the Traffic and Transportation Meeting accepted a recommendation that a paper to be brought to the February 2015 meeting which would review the progress of park and ride, Tipner since its opening in April 2014. The purpose of this paper is for the Cabinet Member for Traffic and Transportation to recognise the review paper outlining progress to date and;

1.2 Accept the recommendations outlined below resulting from the review.

**2. Recommendations**

2.1 **The Cabinet Member acknowledges the review paper outlining the progress of park and ride since its opening in April 2014**

2.2 **That the price of a 1 day ticket remains at £3 to be reviewed within six months.**

2.3 **That a new school holiday timetable as outlined in Appendix 11 of the attached monitoring report is registered with the Traffic Commissioner who requires 56 days' notice and, subject to his approval, to be in place by Easter 2015.**

2.4 **That the Friday and Saturday evening services are withdrawn and the last bus is moved to 19:30 as per the Monday to Thursday timetable.**

2.5 **It is recommended that the proposed six week seasonal trial to Southsea is taken forward.**

2.6 **It is recommended that a new bus is not purchased at this stage and a non-branded bus is used for all special events and trials. If trials are successful then purchase can be reconsidered.**

- 2.7** It is recommended that the Brompton dock remains at the park and ride site during the interim period whilst the new Hard Interchange is constructed. Once construction is complete the dock should be relocated to The Hard Interchange.
- 2.10** It is recommended that a multi-storey extension for the park and ride is progressed as soon as funding is available to ensure that the car park capacity keeps up with demand.
- 2.11** That a review paper is brought back to the Cabinet member for operation for the nine month period from January 2015 to September 2015.

### **3. Background**

- 3.1** Portsmouth's new Park & Ride service started operation on 5 April 2014. It provides a frequent, quick, high-quality bus link between the newly-built Park & Ride site adjacent to the M275 at Tipner and the city, with stops for Portsmouth International Port; Charles Dickens birthplace; the city centre; and The Hard for Portsmouth Historic Dockyard and Gunwharf Quays.
- 3.2** The review document summarises the service's operation and infrastructure from the nine months since service launch (April to December 2014). It then makes recommendations going forward for some specific aspects of the service.

### **4. Reasons for recommendations**

- 4.1** The Cabinet Member requested a review paper at the Traffic and Transportation Meeting on 27<sup>th</sup> November 2014.
- 4.2** It is recommended that the price of a 1 day ticket is not currently increased in order to continue building a reliable commuter customer base. Carnet ticketing will be introduced shortly and must be given time to settle in before a review can take place. .
- 4.3** The future aspiration for the operation of the park and ride is to become self-funding. Funding contribution from the park and ride specific reserve has been budgeted in 2014/15 and 2015/16.
- 4.4** Prices of fourteen other park and ride sites in the south have been researched as shown in Appendix 12. It can be seen that those established park and rides which offer comparable group travel offer it at a price in the region of £3 such as Winchester and Salisbury.

- 4.5 An increase in price of the park and ride may deter potential customers as all day parking is available to commuters in the city centre for £3 a day. Without a strong commuter base and with city centre parking available at a low price, increasing the price of the park and ride service risks a decrease in customers using the service. This is contrary to the work being undertaken to strengthen the commuter customer base.
- 4.6 There are two key market comparisons to be made in developing a pricing proposal:
1. Competition with city centre parking charges – to ensure the P&R offer is a sufficiently attractive alternative to city centre parking (to satisfy elements a, b and d of the policy statement); and
  2. Relationship to other local bus services (to support element d of the policy statement) – to ensure the P&R bus service neither undercuts local bus fares (and so abstract demand) or be uncompetitive (otherwise why park at the P&R?).

These will lead to a market-based proposition, which then needs to be compared with operating costs to consider the financial implications.

- 4.7 The Portsmouth park and ride should aim to maximise its use and meet policy outcomes (reduce the number of vehicles driving into the city centre), but should also look to minimise subsidy to ensure it is financially sustainable. This is a difficult balance, essentially because city centre parking is currently relatively plentiful, and can be very cheap with some of the discounts available from private operators. The forecasted level of demand for the park and ride commuter market is therefore low in the short to medium term. As such the charges for the park and ride will need to be towards the lower end of the possible price ranges or the policy outcomes will not be achieved.
- 4.8 A school holiday timetable is recommended as, during the school holidays, park and ride experiences large increases in demand. This can lead to delays for passengers, and so, during 2014, duplicate buses were funded to strengthen the service on key days and periods. However, legally, duplicate buses must depart within 5 minutes of an advertised bus departure time and so reputational damage has occurred as full buses are forced to wait at a stop until the correct time. A “school holiday” service, registered with the traffic commissioner, would have an advertised frequency of 10 minutes or less, a service with this frequency can “load and go” as customers will not have to wait more than 10 minutes for the next bus. This type of service will also support operational planning and bus and driver availability.
- 4.9 The cost of this new school holiday timetable would be £48,562.92 per annum. This would provide a more consistent, reliable service maintaining the park and ride's reputation and also proving more cost effective than continuing to duplicate on an ad-hoc basis (which currently costs £21,235 per annum but did not provide the same level of service sought now as buses could not be supplied at all requested

times). This would be funded from the Traffic and Transport Portfolio's cash limited budget.

- 4.10 It is recommended that the Friday and Saturday evening service is withdrawn as uptake has been poor and the costs currently outweigh demand. It is not foreseen that demand will increase. Bespoke services will be considered for special events where required.
- 4.11 There is at present no capacity within the current park and ride bus timetable to include an extension.
- 4.12 A six month seasonal service to Southsea would have an estimated total cost of around £147,666 for which no budget is identified. These estimated costs are £91,666 for the cost of the bus service, £51,000 in loss of on and off street parking revenue and £5,000 set up costs.
- 4.13 There is identified demand for park and ride service during school holiday periods. It is therefore thought that this is the most appropriate time to undertake a short trial for a service to Southsea when financial risk will be at its lowest. The add-on ticket to Southsea on the Hover-bus (which launched 4<sup>th</sup> August 2014, saw 137 customers in August, compared with 67 in September and 44 in October demonstrating a definite seasonal demand. The estimated total cost for a six week trial service is around £37,000. These estimated costs are £22,000 for the cost of the bus service, £12,000 in loss of on and off street parking revenue and £3,000 set up costs. This is the recommended option.
- 4.14 In order for the six week trial to break even with a ticket price of £3 per car 294 cars would be required to use the Southsea park and ride a day. There is not enough capacity in the park and ride car park to enable this break-even point to be achieved.
- 4.15 The net cost of the park and ride will increase and so the park and ride reserve will need replenishing sooner, no source of funding is identified for this.
- 4.16 The use of Portsmouth International Port (PIP) as an overflow car park could be considered however the income would be split with the PIP and increased usage would be required to break even.
- 4.17 Issues are also identified with the low frequency of the service causing a likely peak in demand at key times of the day (such as the last bus home from Southsea) which the capacity of the bus may not be able to cope with.
- 4.18 Purchase of a new branded bus at a cost £235,000 is not recommended as outside of special event days and trials, the bus would sit idle.
- 4.19 The Hard will be a lot more attractive for both commuter and leisure Brompton bike hire. Moving in the interim period would cost an additional £5,000 on top of the £6,119 to move it to its final location and reconfigure it to a single sided formation.

- 4.21 An extension to the park and ride site is priority to ensure that the car park capacity keeps up with demand.

## **5. Equality impact assessment (EIA)**

- 5.1 The Equalities Duty has been considered as the park and ride service has been developed, leading to the conclusion that it does not result in a disproportionately negative impact on any equality group. As such, a full equalities impact assessment is not required.

## **6. Head of legal services' comments**

- 6.1 The main legal issues raised by this report are covered in the main body. These relate to the need to register the changes to the service with the Traffic Commissioner. There will also need to be a variation to the contract with First Group to amend the specification for the service and the charges to be paid for them.

## **7. Head of Finance's comments**

- 7.1 The main financial implications of the activities and plans of the Park and Ride service are contained within the body of the report. Where necessary, reference is made to impacts on existing cash limits, including requirements for funding changes for the provision of the service. It is expected that Park & Ride will be cost neutral in the medium term, comparing revenue operating costs against directly generated income. The need for support in the short term from the specific reserve is also explained.
- 7.2 With reference to the proposed six week seasonal trial to Southsea it is estimated that the net income generated by the new service would not meet the increased costs of running the service. This includes the effect on income currently generated by parking at the seafront that would be displaced to the Park and Ride site. This has been estimated at 35 cars per day during the trial period which equates to approximately £8k in lost net income.
- 7.3 In order for the proposed six week seasonal trial to break even it would require 294 additional vehicles at £3 a ticket to park each day of the trial. However there will be times during the trial that there will not be sufficient capacity to meet these increased vehicles.
- 7.4 Therefore the proposed trial would require additional funding that has not yet been identified and additionally the issue of capacity needs to be addressed in order to ensure the long term attractiveness and sustainability of the operating model.

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Signed by:

**Appendices:**

- A) Park and ride nine month review
- B) Park and ride nine month review appendices

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

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Signed by: