

**OFFICER REPORT TO LOCAL COMMITTEE
(GUILDFORD)**

**REVIEW OF GUILDFORD PARK & RIDE
SERVICES**

28 NOVEMBER 2012

SUMMARY

This report reviews the performance of the Guildford Park & Ride network and proposes a revised fares structure.

OFFICER RECOMMENDATIONS

The Local Committee (Guildford) is asked to:

- i. agree the revised fares pricing with effect from 1 January 2013
- ii. delegate authority to award the park & ride bus service contracts to the Group Manager, Travel and Transport Group, Surrey County Council, in consultation with the Head of Operational Services, Guildford Borough Council and the Chairman of Guildford Local Committee

1 INTRODUCTION AND BACKGROUND

- 1.1 Guildford Borough Council (GBC) and Surrey County Council (SCC) currently operate three Park and Ride services in Guildford. GBC are responsible for the operation and management of the car parks at Artington, Merrow and Spectrum. SCC manage the bus service provision operated under contract by Arriva (Spectrum 100 and Artington 200) and Safeguard (Merrow 300). Fares revenue is used to offset the operational costs. This is insufficient to cover the total costs of operation at present. The bus fares were last increased on 1 April 2011.
- 1.2 Park & Ride good practice establishes that either a car park charge be made, or a fare charged to travel on the bus. In Guildford Park & Ride users pay to travel on the bus.

Current Performance of Guildford Park & Ride

- 1.3 The funding of the operational deficit for Guildford Park & Ride is currently met by the County Council's Controlled Parking Zone (CPZ) on-street parking surplus. The funding shortfall for Guildford Park and Ride in 2011/12 was approximately £275,000. This is comprised of two elements, the bus service costs and the car park operating costs.
- 1.4 Bus services to the three park and ride sites are currently let on contracts to Arriva (Spectrum and Artington) and Safeguard (Merrow). Contract L227 (service 100/200) expires 30 March 2013 while Contract L556 (Service 300) is due to expire 1 September 2013. A tendering exercise will be carried out, led by SCC Procurement, to secure replacement bus service contracts with effect from 1 April 2013 and 1 September 2013 respectively.
- 1.5 During the last financial year 2011/12 the total net cost of these bus contracts was £804,000 per year, with income of some £714,000. This income comprises fares revenue of £546,000, concessionary fares reimbursement of approximately £156,000 and further minor income of £12,000. There is therefore a shortfall of approximately £90,000 per year. This shortfall is expected to continue and indeed increase into future years unless action is taken.
- 1.6 The 2011/12 car park operating costs for Artington, Merrow and Spectrum are in the region of £186,000. These costs include business rates, security charges, maintenance and a small element of general staff costs (£7,500). In addition, GBC fund the lease of the Artington site extension which is currently £52,000 per annum.
- 1.7 During 2011 some 921,000 passenger trips (which equates to 460,500 passengers, on the basis that each passenger buys a return ticket)

were made on the Guildford Park & Ride network. This represents a 3% reduction in passenger trips from 2010 (949,000). Patronage at Artington remains constant however use of Merrow has dipped slightly. Use of Spectrum has also dropped and in part could be explained by the more robust parking management policy being applied.

- 1.8 Analysis of passenger data identifies that 160,000 passengers travel before 9.30am representing 35% of all passengers. Of the remaining 300,000 passengers travelling after 9.30am, 172,000 passengers are English National Concessionary Travel pass holders.
- 1.9 Passenger usage for the calendar years 2008, 2009, 2010 and 2011 is detailed below in TABLE 1.

Table 1: Passenger trips on park & ride

	2008	2009	2010	2011
Merrow	n/a	150,000	206,000	196,000
Artington	365,000	420,000	448,000	447,000
Spectrum	375,000	320,000	295,000	228,000
Totals:	740,000	890,000	949,000	921,000

Notes on table:

1. Figures rounded to nearest 1,000
2. Merrow and Artington figures are based on six-day operation (Mon-Sat), while Spectrum is based on five-day operation (Mon-Fri)

- 1.10 Fares income is collected through on-bus payment, passengers who buy a ticket from the ticket machines at Artington prior to travel, and thirdly those who purchase monthly season tickets from the Arriva travel office in the bus station
- 1.11 The existing fares charged on the Park and Ride services were last revised on 3 April 2011 and are set out in TABLE 2 below. Long-stay car parking charges in Guildford are currently £0.90/hour with short-stay charges £1.10 and £1.20 per hour. An evening charge of £1 per visit applies after 6.00pm.

Table 2: Existing Park and Ride fares

	Adult return	Adult weekly	Adult monthly
Merrow	£1.50	£6.00	£23.00
Artington	£1.80	£7.20	£25.00
Spectrum	£2.00	£8.00	£27.00

Reducing the funding gap

- 1.12 A joint GBC / SCC review of Park and Ride has been undertaken by a task group comprising Members and Officers, to develop options to make the Guildford Park and Ride network cost neutral. This will reduce the pressure on the CPZ on-street surplus and potentially enable funds to be directed towards other transport related initiatives. As noted previously the deficit for 2011/12 was £275,000. To close the funding gap and to assist with delivering a cost neutral position there are two avenues open to the Borough and County Council; to reduce costs and to increase revenue.
- 1.13 Car park operating costs are largely fixed. Measures such as the closure of waiting room facilities and/or the withdrawal of security personnel could reduce costs however these are likely to significantly impact on users' perception of the quality of the car parks, as well as increasing personal security concerns.
- 1.14 There is limited scope to reduce the cost of the bus services. The frequency of services could be reduced to the extent that fewer buses would be needed, but the vehicle requirement on each route is currently two buses. This means that a reduction to one bus per route would lead to a halving of bus service frequency, potentially making the service less attractive and dissuading users. Equally, closer working with the bus operators may result in some service and cost efficiencies on both sides, for example by withdrawing some less well used journeys at the start and end of the day. These opportunities will be considered as part of the bus service procurement process for the replacement bus contracts with effect from 1 April 2013.
- 1.15 The remaining option is to increase revenue, and this is an option that has greatest opportunity to assist with meeting the cost neutrality proposals. As noted above, fares have not been reviewed on the park and ride network for almost two years, whereas the passenger fares on the local bus network in Guildford will be increased at least annually, generally around January. On the rail network fares are increased annually in January.
- 1.16 The Member/Officer task group discussed a range of options and agreed that the most appropriate approach is that fares should be raised in two stages over an 18 month period. This will allow the impact of the initial increase to be monitored in terms of passenger numbers and revenue. This will inform any further decision to apply the next increase which may be January 2014.
- 1.17 Broadly speaking, and using current passenger data, to balance the costs of the park & ride network generating additional fares revenue will require an increase of some 40% over the current fare structure. This must be taken in context that there is a likelihood some existing passengers may be dissuaded from continuing to use the park and

ride network of service, and consequently passenger numbers may reduce.

- 1.18 To help mitigate for any dip in passenger use stronger marketing and promotional activity will be carried out. This will focus on raising awareness of the park and ride offer and the associated environmental benefits, complementing the Local Sustainable Transport Fund programme of works in Guildford.
- 1.19 The proposed fares, to take effect from 1 January 2013 are set out in **TABLE 3** below. This would represent a 20% increase on the current adult return fare.

Table 3: Proposed park and ride fares with effect from January 2013

	Adult return	Adult weekly	Adult monthly
Merrow	£1.80	£7.20	£27.00
Artington	£2.20	£8.80	£31.00
Spectrum	£2.40	£9.60	£33.00

- 1.20 The current charge for an 8-hour stay in a long-stay town centre car park in Guildford is £7.20. Under the proposed Park and Ride fares review it would still be cheaper for a car with two adults to use the most expensive Park and Ride site (Spectrum, with a total cost of £4.80) than to park in the town centre all day. The proposed fares revision would still be a price signal to avoid driving into central Guildford in the morning peak for many long-stay parkers.
- 1.21 A comparison has been made with other Park & Ride services in the south of England in TABLE 4. These are shown below. It can be seen that Park & Ride charges in Guildford are generally slightly lower than these other towns.

Table 4: Comparison of Park and Ride charges

	Adult return fare	Parking charge
Exeter	£2.25	Free
Horsham	£3.00 peak/£2.00 off peak	Free
Maidstone	£2.50 peak / £1.50 off peak	Free
Oxford	£2.50 peak / £2.20 off peak	Free
Salisbury	Free	£2.50
Winchester	Free	£3.00 peak / £2.50 off peak

Bus service contracts

- 1.22 The contracts for services 100 Spectrum and 200 Artington expire on 31 March 2012. The 300 Merrow contract will expire 1 September 2013. These services will be subject to competitive tender to secure replacement services. A report will be presented to Guildford Local Committee 13 March 2013 detailing the outcome of the procurement exercise. To ensure continuity of service the contract will be awarded ahead of this next committee meeting. It is therefore proposed that delegated authority to award the park & ride bus service contracts be given to the Group Manager, Travel and Transport Group, Surrey County Council, together with the Head of Operational Services, Guildford Borough Council, in consultation with the Chairman of Guildford Local Committee.

2 CONSULTATIONS

- 2.1 The park and Ride Task Group has been consulted on these proposals.

3 FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

- 3.1 The proposed fares review will generate additional income and assist with reducing the pressure on the CPZ on-street surplus.

4 EQUALITIES AND DIVERSITY IMPLICATIONS

- 4.1 There are no direct Equalities and Diversity implications as a result of this report.

5 CRIME AND DISORDER IMPLICATIONS

- 5.1 There are no direct crime and disorder implications arising from this report.

6 CONCLUSION AND RECOMMENDATIONS

- 6.1 It is recommended that the Guildford Local Committee agree the revised fares and pricing strategy as set out in this report to take effect from 1 January 2013. The proposed fares revisions will increase farebox revenue, thus reducing pressure on the CPZ account.

7 WHAT HAPPENS NEXT

- 7.1 Subject to Guildford Local Committee approval the revised fares will be advertised prior to implementation on 1 January 2013.

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BACKGROUND PAPERS: None

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