

REPORT TO: Cabinet Member Technical Services
Cabinet

DATE: 18th November 2009
25th November 2009

SUBJECT: **Southport Park & Ride Services**
Temporary Closure of Kew Park & Ride

WARDS AFFECTED: Norwood

REPORT OF: Andy Wallis Planning & Economic Regeneration Director

CONTACT OFFICER: Stuart Waldron Assistant Director Transport & Spatial Planning
0151 934 4006

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To seek approval to temporarily close the Kew Park and Ride Service in Southport.

REASON WHY DECISION REQUIRED:

The Kew Park and Ride service in Southport was developed as a key service improvement to support the Southport Transportation Strategy approved in 1998, that expected considerable continued growth in demand for parking services. Current growth trends require consideration of the future management of the site.

RECOMMENDATION(S):

Cabinet Member Technical Services recommends to Cabinet

- i) The Kew Park and Ride Service be temporarily suspended, the site be 'mothballed', and the bus contract be amended to maintain services at Esplanade/Fairways,
- ii) The demand for parking to support tourism and retail activity in the town continues to be monitored, with a view to reopening the Kew Park and Ride Service as soon as possible.
- iii) During the closure, part of the Kew Park and Ride Site be made available if required as a Pay and Display Car Park to support initiatives within developing travel plans for commercial operations in the area.
- iv) A full review of access arrangements and advance signage for the Kew Park and Ride Site be undertaken, including the provision of signs within West Lancashire, and a scheme considered within the Local Transport Plan Capital Programme to be completed before reopening.
- v) The assistance of the Park and Ride Bus Operator and Merseytravel be acknowledged in the delivery of revised Park and Ride Services for Southport.

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: Following the expiry of the 'call in 'period for the minutes of the meeting

ALTERNATIVE OPTIONS:

Options are discussed in the report. Alternatively the Parking Budget will continue to impact on the Council Budget.

IMPLICATIONS:

Budget/Policy Framework: Levels of income from the Kew Park & Ride facility are much lower than expected. This has contributed towards a significant overspending of the Car Park budgets, both in 2008/09, and ongoing. The forecast overspend for 2009/10 per the October 2009 M1 Budget monitoring report is £250,000. Closure of this facility would help alleviate this loss of income both in the current year although cost will be incurred in mothballing this site, and in the future.

Financial:

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure (NOTE: <u>REDUCTION TO THE CAR PARKING OVERSPEND RATHER THAN A BUDGET SAVING</u>)	-25,000	-230,000	-230,000	-230,000
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: N/A

Risk Assessment: Any alternative to 'mothballing' the Kew Park and Ride site, or future consideration for changing its use, could lead to significant clawback of Capital grants provided by Merseytravel who were a major contributor to the development of the site.

Asset Management: The Kew Park and Ride site will continue to be maintained and security provided to ensure the asset is maintained for future use.

CONSULTATION UNDERTAKEN/VIEWS

FD 211 - The Finance and Information Services Director has been consulted and his comments have been incorporated into this report.

Merseytravel have been consulted and comments indicated in report.

The Park and Ride Bus Service Operator has been consulted and provided information included in the report.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity		✓	
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability		✓	
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy		✓	
8	Children and Young People		✓	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

1.0 Background

1.1 Park and Ride Services for access to Southport Town Centre commenced in the late 1980's as a Saturday only service operating from the Esplanade Car Park. This was expanded to a seven day service in mid 1990's as Pay and Display was introduced to regulate parking in the Town Centre.

1.2 The further development of the service was incorporated in the Southport Transportation Strategy (TRANSIS 2010), approved in 1998. The aim was to:

For traffic entering from the South and North

- Provide a 7 day service from the existing Esplanade/Fairways sites.

For traffic entering from the East

- Provide a new site and 7 day service for the eastern approach close to the A570.

The overall aim was to encourage longer stay visits (i.e. over 4 hours) by commuters and visitors to use the Park and Ride, with the town centre parking available for shorter stays.

1.3 The Esplanade/Fairways services have grown to a level whereby up to 700 cars park per day, at a relatively consistent level throughout the year. The provision of the Eco Centre enhanced the visitor offer, that has recently been further enhanced by the provision of cycle hire facilities.

1.4 In considering the development of an Eastern Site in the early 2000's a full business case was produced after reviewing all possible sites and bus routes. It was recognised during the process that for the site to attract a significant number of visits, parking demand would need to continue to grow and parking charging mechanisms in the town centre would need to deter longer stay visits.

1.5 Due to the known difficult ground condition on the eastern side of Southport, the development of the preferred site at Foul Lane began in 2005 but was not completed until Autumn 2007. Costing in the order of £4.9m was funded between the Sefton (£2.7m) and Merseytravel (£2.2m) Local Transport Plan Capital allocations. Signage to the site from the A570 was provided, including variable message signs. To coincide with the opening of the new site on the 5th November 2007, a new bus contract was tendered covering the provision of bus services to the 3 sites for a period of five years. The bus service contract was awarded to Arriva NW, managed through their Southport office.

2.0 Parking Service Budget – Current Situation

2.1 Cabinet Member Technical Services and Cabinet will be aware that primarily due to the economic condition and poor weather during the 2008 Spring/Summer seasons, income from the parking service in 2008/09 was approximately £500k lower than budgeted for. A Parking Plan was put in place to reduce the impact and enable much needed service developments to take place, but would still require levels of parking to return to pre-recession levels to fully address the shortfall.

2.2 A full review of parking levels and practices in Southport over the 2009 summer season indicates:

- Parking levels have improved but not to pre-recession levels, and again the 2009 summer period had generally poor weather.
- A significant level of central town centre parking has migrated to outer areas.
- Annual growth in Park and Ride patronage, experienced since 2000, has reduced.

Current predications for 2009/10 would indicate a shortfall of between £250-£300k in income from parking.

2.3 Park and Ride Services

2.3.1 On average the Southport Park and Ride service attracts:

	Cars/Week
Esplanade/Fairways	4,200
Kew	600
Total	4,800

The total can vary from a minimum of 3,800 to a maximum of 6,300 at Bank Holidays and during peak holiday periods with good weather. Although parking levels at Kew are increasing the current levels are significantly lower than that predicted in the business case i.e. 4,000 - 4,500 per week.

2.3.2 From the outset it was always recognised that Park and Ride Services would need to be subsidised within the overall Parking Budget to attract patronage. The current charge is £1 per car, hence total gross income is in the order of £250,000. The main cost of the service is the bus link, hence a summary of income against expenditure on the bus services is:

	Esplanade/Fairways £/yr	Kew £/yr	Total £/yr
Cost of Bus Service	326,500	272,050	598,550
Estimated Net Income (Allowing for VAT)	210,000	30,000	240,000
Subsidy/car	£0.53	£7.80	
Cost to Parking Budget for Service	£116,500	£242,050	£358,550

The income from Kew Park & Ride to offset expenditure, particularly on the bus services, is clearly not being realised at a level as experienced at the Esplanade/Fairways site nor as predicted in the original business case. This is making a major contribution to predicted overspending within the current Parking Budget.

2.3.4 The bus service contract does permit alterations to the service, including the level of service provided with a notice period of 49 days. Although 56 days notice to the Traffic Commissioner is required to alter or delete a bus service, and this would apply to the Park and Ride Services as registered services.

2.4 Parking Budget Consideration

2.4.1 The aim of the Parking Service is to promote the safe free flow of traffic on the highway network and support access to promote the economic activities particularly to the main town centres and tourist attractions.

2.4.2 The development of the Southport Park and Ride Strategy was predicated on continued growth in parking demand that at the present time has not reached a level to encourage use of the Kew park and Ride site. As a consequence the cost of providing the bus service is heavily subsidised, and having a major impact on the overall parking budget.

2.4.3 Options to Manage Current Parking Budget Issues

To address the current under achievement in parking income all areas of service have been reviewed, summarised as follows:

- i) Increase Parking Charges

The Parking Plan approved in November 2008 allowed for increases in April 2009 and 2011. Further increases would potentially have a detrimental effect on businesses at the current time.

ii) Reduce Operational Costs

Further to the introduction of decriminalised parking enforcement in 2000, levels of enforcement have been refined based on experience to meet the service objectives. Reducing levels would impact on this, and in fact there are repeated demands for additional enforcement in certain areas.

The administrative services i.e. processing penalty charge notices, responding to representation etc, are closely monitored by the National Adjudication Service and internal audit procedures. Sefton is recognised as having an effective fair service, which is important in managing the interface with the public.

The Council operates over 180 Pay and Display machines, requiring constant maintenance, particularly as many are well in excess of the manufacturers expected operational life before replacement. To reduce maintenance levels with machines potentially becoming inoperable would reduce income further. In accordance with the current Strategic Budget Review the overall management of the service is under review.

iii) Reduce Southport Park and Ride Service

The provision of a full service, as envisaged in TRANSIS 2010, is critical to the long term transport access strategy for the town. The Esplanade site, supported by Fairways, continues to be well used.

Clearly, predicted growth in parking demand expected with the opening of the Kew Site has yet to be achieved. However, in the long-term it is still expected to be an integral part of the Towns Transportation Strategy.

Consequently, consideration has been given to partial/full closure and 'mothballing' the Kew site and withdrawing the supporting bus service from the Park and Ride Bus Service Contract. Members should note that 'mothballing' the site at this stage would not incur any penalty from the clawback of Capital grants used in its development, however any future change to the site's usage could necessitate the repayment of a significant amount of capital grant, in particular, to Merseytravel, who were a major contributor to the development.

- Full Service Closure

On the basis that notice is served and the service ceased from February 2010 a reduction on the bus contract of £45k would be achieved, but off-set with mothballing costs of £15k and the loss of income from the facility for 2 months, a net reduction of £25k could be realised against the current forecast parking overspend in 2009/10.

In a full year this would expand to a £230,000 reduction, taking ongoing maintenance and security costs into account.

- Partial closure

Should Members wish to consider a partial operation this full year reduction would reduce to:

Saturday Only Service	- £200,000/year
Saturday & Sunday Only Service	- £165,000/year

Note: If Saturday/Sunday services are retained, they would not be operated by buses in the Southport Park and Ride Livery.

3.0 Proposals

3.1 To assist in managing the Parking Service Budget, but recognising the need to improve access to Southport in accordance with the long term transportation strategy, the following is proposed:

- Kew Park and Ride Bus Service be suspended until further notice within the terms of the contract with the bus operator and the requirements of the Traffic Commissioner.
- Kew Park & Ride Site be 'mothballed' (i.e. removal of signs, Pay & Display machines made secure etc) but ongoing security and base maintenance retained.
- The parking demand in Southport, continue to be monitored with a view to re-opening the site as soon as the economic situation permits.

3.2 Related Issues

- i) Negotiations have been ongoing with businesses on the Southport Commerce Park regarding parking issues, and within the development of Travel Plans remote parking at Kew has been discussed. Should these proposals progress then parking areas could still be provided as required.
- ii) There are still ongoing considerations to provide linked parking to the hospital and during development work at KGV College. The progress of these will be considered in the ongoing review for restoring a full Park and Ride Service.
- iii) Many concerns are still raised regarding the 'visibility' of the Kew Site, and during the temporary closure it is proposed to carry out a full review, including the potential for advance signs in West Lancashire and consider improvements within the Local Transport Plan Capital Programmes.

3.3 Consultation

- i) Discussions have taken place with the Bus Operator, who recognised the situation with regard to the service and wish to work with the Council to maintain services to Esplanade/Fairways and work towards the re-establishment of a Kew service without delay.
- ii) Merseytravel provided a considerable contribution to the development of the site, but recognises the current difficulties in operational cost.

A letter from the Merseytravel Chief Executive/Director General (Annex A) indicates support for the withdrawal of the service with adequate attention to 'mothballing' the site to protect the asset for future use.

4.0 Recommendation

The recommendation is:

- i) The Kew Park & Ride service be temporarily suspended and the site be adequately 'mothballed' to protect the asset. The Southport Park and Ride Bus Service contract be amended to retain services to the Esplanade and Fairways sites.
- ii) The demand for parking to support the town's retail and tourist economy be monitored with a view to reintroducing the service at the earliest opportunity. This to be reported through reviews of the approved Parking Plan.
- iii) The site be made available for alternative parking arrangements, linked to commercial operators travel plans as appropriate.
- iv) A full review of access arrangements particularly signage and awareness, with a view to improving the situation through the Local Transport Plan Capital programmes.

Your Ref:
Our Ref: LAD/LO/GB*

Tel DL: 0151-330 1700
Date: 15 October 2009

Ms Margaret Carney
Sefton Borough Council
Town Hall
Lord Street
Southport PR8 1DA

Dear

Southport Eastern Park & Ride

I hope you are well and enjoying the challenges!

Further to the discussions that I have had with your various officers and e-mails from Alan Moore, I am writing in respect of the proposed temporary closure of the Park & Ride facility.

I am sure you have reached this decision with great regret and I share your concern. As you are aware, LTP funds were utilised to develop this facility and its disappointing to all the partners that the expected patronage has not yet materialised.

Merseytravel is realistic and recognises that this is due to a number of factors, not least national recession that we are all facing.

I realise that to request repayment of any of the sums paid by Merseytravel from LTP funds would cause additional financial hardship to your Authority.

I am heartened that Sefton are still committed to this scheme, albeit not in the current financial climate.

I note that the proposal is to “mothball the facility” with no additional cost to Merseytravel and review the same when there are improvements in the economy.

I would therefore like to suggest that we programme in a suitable review in September 2010 to determine whether or not this facility is believed to be a going concern or not.

Should you wish to discuss the matter further, please do not hesitate to contact me.

If there is anything I can do to help further please let me know.

Regards

Yours sincerely

Neil Scales
Chief Executive & Director General