

Appendix 1 - Tariff Options and Income Projections 2022-23

Proposed tariff changes (2022/23) – Options & Projections (all figures net)

Baseline data:

- 2019 Actual Income (2019 charges and 2019 occupancy levels) – **Revenue = £8,825,159**
- 2021 Theoretical Income (2021 charges and 2019 occupancy levels) - **Revenue = £9,162,639**

* includes £1,044,628 season ticket and contract parking revenue. Also note that, for the purpose of this exercise, 2019 calendar year figures have been used, due to the last few months of 2019/20 being impacted by the pandemic and skewing customer behaviour / utilisation figures away from 'the norm'.

All increases shown are based on comparisons to "2019 occupancy levels and 2021-22 charges"

1. Shopper tariff (Mon-Sat 8am-6pm)

Current pricing: £3.00 <3hrs, £6.00 3-6hrs, £12 >6hrs

Option A: £3.30 <3hrs, £6.60 3-6hrs, £12.40 >6hrs **£391,203 (+4.27%)**

Option B: £3.60 <3hrs, £7.20 3-6hrs, £14.40 >6hrs **£782,406 (+8.54%)**

Option C: £3.90 <3hrs, £7.80 3-6hrs, £15.60 >6hrs **£1,173,609 (+12.81%)**

Recommendation : Option B

2. Short stay tariff

Consolidation of all 4 current short stay tariffs into one tariff (Mon-Sat 8am-6pm)

Current pricing: Between £1.30 and £1.50 per hour

Option A: £1.60 per hour <3hrs but maintain £2.00 per hour >3hrs **£233,933 (+2.55%)**

Option B: £1.60 per hour <3hrs and £2.10 per hour >3hrs **£255,896 (+2.79%)**

Option C: £1.80 per hour <3hrs but maintain £2.00 per hour >3hrs **£452,944 (+4.94%)**

Option D: £1.80 per hour <3hrs and £2.30 per hour >3hrs **£518,834 (+5.66%)**

Option E: £2.00 per hour <3hrs but maintain £2.00 per hour >3hrs **£671,956 (+7.33%)**

Option F: £2.00 per hour <3hrs and £2.50 per hour >3hrs **£781,773 (+8.53%)**

Recommendation Option D

3. Evening tariff

Current pricing: £1.00

Option A: £1.50 throughout (Mon-Sat between 6pm and 10pm) **£161,808 (+1.77%)**

Option B: £1.50 throughout (including Sundays) **£176,417 (+1.93%)**

Option C: £2.00 throughout (Mon-Sat between 6pm and 10pm) **£323,647 (+3.53%)**

Option D: £2.00 throughout (including Sundays) **£352,832 (+3.85%)**

Recommendation : Option B

4. Sunday Tariff

Current pricing: £1.50 <3hrs, £2.50 3-6hrs

Option A: £2.00 <3hrs, £3.00 3-6hrs **+£119,890 (+2.18%)**

Option B: £2.00 <3hrs, £3.50 3-6hrs **+£147,616 (+1.61%)**

Option C: £2.00 <3hrs, £4.00 3-6hrs **+£175,342 (+1.91%)**

Recommendation: Option C

5. Car park specific changes

Farnham Rd MSCP

Current: pre-7am rate £0.90ph, standard rate £1.00ph, and evening rate £0.10ph

Proposed: pre-7am rate £1.00ph, standard rate £1.10ph, and evening rate £0.20ph

+£103,624 (+1.1%) **also includes change to max. daily charge at York Rd MSCP from £10 to £11, the latter performing a secondary function of providing long-stay parking to the east of the Bridge Street gyratory.*

Recommendation – Proposed

Guildford Park Rd

Current: Weekday rate £5pd and Sat rate £1pd

Proposed: Weekday rate £6pd and Sat rate £2pd

+£53,659 (+0.58%)

Recommendation – Proposed

Shalford Park & Walnut Tree Close

Current: Weekday rate £3.20pd

Proposed: Weekday rate £4.00pd

+£10,470 (+0.11%)

Recommendation – Proposed

Ash Vale Railway Station

Current: Weekday rate £1.00pd

Proposed: Weekday rate £1.50pd

+£4,308 (+0.05%)

Recommendation – Proposed

Contract Parking, Season Tickets

To mirror the changes to the car park tariffs, the season ticket rates (and contract parking rates) could also be increased. This would derive the following increases:

+ 3% tariff increase > +£31,339

+ 5% tariff increase > +£52,232

+ 10% tariff increase > +£104,463

*Care should be taken to ensure that the increases in season ticket rate do not make it more expensive than the maximum daily tariff in the various car parks. Contract parking is less constricted by such considerations.

Recommendation - +3%

Alternative 'Green Scheme' provision

The green scheme currently provides users with 3 hours free parking in addition to the charged duration of stay for motorists with All Electric vehicles. This additional parking, whilst encouraging increased dwell time, often does not derive a benefit for the permit holder, who may not wish to use the additional free hours.

Therefore, as a possible alternative, it is recommended that All Electric vehicle owners are offered a 20p per hour (or equivalent in shopper car parks) discount when using RingGo in our Pay and Display car parks during daytime charging hours:

In Q3 2021 1.63% of RingGo transactions involved All Electric vehicles. Obviously, over time, this figure is likely to increase significantly. Nevertheless, based on 2% use:

-£0.20 per hour discount (or equivalent) for EVs > -£21,436 (-0.23%)

Recommendation – Proposed

High / Low / Recommended Revenue Calculations – BEFORE USAGE FACTORING

- | | |
|--|-----------------------|
| A. Maintaining existing tariffs: | Revenue = £9,162,639 |
| B. Implementing all the <u>minimum</u> tariff increases: | Revenue = £10,251,437 |
| C. Implementing all the <u>maximum</u> tariff increases: | Revenue = £11,901,617 |
| D. Implementing all the <u>recommended</u> tariff increases: | Revenue = £10,997,936 |

USAGE FACTORING - Potential impact of occupancy & resistance variables

The actual changes in revenue will very much depend on how occupancy levels ultimately recover from the pandemic and the level of resistance to the tariff changes.

For example **Scenario D** (based on **Recommended** tariff changes):

- **95%** occupancy compared to 2019 levels
- Additional **5%** resistance due to tariff changes

Revenue = £9,898,142

Furthermore, demand for long stay commuter / office parking is likely to remain at reduced levels due to changes in working patterns / the increase in home working, whereas short and medium stay parking are more likely to fully recover to pre-pandemic levels.

Additional options for modelling could include:

- Extending the standard daily parking tariffs into the evening, and
- Converting the Sunday tariffs to the standard daily tariffs.

However, modelling these changes with any degree of accuracy would be problematic within the short-stay tariff car parks as the tickets currently issued at these times do not differentiate between the various durations of stay accurately.

Other Assumptions

- No displacement from one car park to another due to changes in tariffs
- No change in the proportion of the different durations of stay from 2019 levels