

STATES OF JERSEY



GOVERNMENT PLAN 2020–2023 (P.71/2019): SECOND AMENDMENT (P.71/2019 Amd.(2)) – AMENDMENT

**Lodged au Greffe on 19th November 2019
by the Council of Ministers**

STATES GREFFE

GOVERNMENT PLAN 2020–2023 (P.71/2019): SECOND AMENDMENT
(P.71/2019 Amd.(2)) – AMENDMENT

PAGE 2 –

In the words to be inserted by P.71/2019 Amd.(2) in Appendix 4 to P.71/2019, for the word “any” substitute the word “the”; and after “(R.130/2019))” insert the words “, but the proposed extension to 6.00 p.m. shall be maintained, and the standard retail cost per hour for public parking shall be increased by 5p per hour”.

COUNCIL OF MINISTERS

Note: After this amendment, the second amendment would read as follows –

PAGE 3, PARAGRAPH (i) –

After the words “Appendix 4 to the Report” insert the words –

“except that, on page 111 of Appendix 4, after the words “prior to the debate of the Government Plan.” there should be inserted the following words –

“Implementation of the Efficiencies Plan for 2020–23 will not, however, include the extension of standard car-parking charging hours from the current 8.00 a.m. to 5.00 p.m. to 7.00 a.m. to 6.00 p.m. (as was initially proposed in ‘Efficiencies Plan 2020–23’ (R.130/2019)), but the proposed extension to 6.00 p.m. shall be maintained, and the standard retail cost per hour for public parking shall be increased by 5p per hour.””.

REPORT

The Government Plan's linked Efficiencies Plan 2020–23 ([R.130/2019](#)) included an extension of parking hours from 8 a.m. to 5 p.m. to 7 a.m. to 6 p.m. While this measure was designed to raise funds (for reasons outlined below), it was also designed to start to modify behaviour with regard to the level of commuter traffic, as a contribution towards the agenda of both sustainable transport and the climate emergency.

The Minister's response to the Government Plan was: "*While the Minister supports the value of this efficiency, the precise nature of delivery is subject to further analysis by officers.*". This meant that, while the Minister had agreed to the principle of £700,000, he was still to decide how this could be fairly achieved, and wished to undertake further analysis. The extension of car parking charging hours was one of the options being evaluated.

Having reviewed Deputy R. Labey of St. Helier's amendment ([P.71/2019 Amd.\(2\)](#)) and listened to the arguments put forth within the petition and elsewhere, in conjunction with the further analysis by officers, the Minister has brought forward a compromise measure to achieve the same outcome –

1. Extend chargeable hours from 5 p.m. to 6 p.m. only (so if a customer parks at 8.30 a.m. in a long-stay car park and returns to their vehicle at 5.30 p.m., they would not have to pay for an additional unit of parking).
2. To increase the unit cost of parking by 3p over the annual RPI(Y) increase of 2p, resulting in a total increase in the retail cost of parking for 2020 of 5p per unit.

Therefore, it is proposed the retail cost of parking is increased by 5p per unit, from 85p to 90p, and that chargeable hours will run from 8 a.m. (as before) to 6 p.m. (an extension of one hour on the previous arrangement). The early morning extension has been dropped in order to lessen the effect on those living in St. Helier.

These measures are predicted to provide a £700,000 commercial uplift as required by the Government Plan 2020–2023 ([P.71/2019](#)) Efficiency Measures.

The Council of Ministers supports the compromise as a pragmatic alternative to the original proposal, which recognises the concerns raised by Deputy Labey, the petition, and elsewhere, and as consistent and complementary to Government policy.

Policy context – Climate Emergency and Sustainable Transport

A third of the Island's carbon emissions arise from road transport.

Of the approximately 10,000 vehicles that travel to St. Helier each workday morning, approximately 6,800 are single-occupancy. Fundamental to reducing these carbon emissions is encouraging people away from single-occupancy cars to shared journeys or public transport.

The cost of parking is fundamental to the relative attractiveness of other travel choices. To be financially sustainable and to maintain service levels, busfares have to increase by inflation; in order to encourage more sustainable transport choices, parking charges will have to increase by more than the rate of inflation.

A new Sustainable Transport Policy is being developed, which will contain a number of measures and incentives to encourage and support sustainable transport. This proposed change in the parking tariff will complement the forthcoming policy.

Policy context – commercially efficient

The Efficiencies Plan 2020–23 provides a definition of efficiency. Included within the definition are the following provisions (see section 1, page 6 of [R.130/2019](#)) –

- “3. *Increasing the Government’s revenue through further recovery of existing costs, moving towards full cost recovery of services where appropriate.*
4. *The extension and increase of existing charges or introduction of new charges as revenue raising measures.”.*

The designation of the trading operation called ‘Jersey Car Parking’ is contained within Regulation 4 of the [Public Finances \(Transitional Provisions – States Trading Operations\) \(Jersey\) Regulations 2005](#), adopted by the States on 25th October 2005. These Regulations were made in pursuance of Article 71 of the [Public Finances \(Jersey\) Law 2005](#).

In normal circumstances, trading operations are required to make an annual financial return, which will be calculated on the basis of a commercial rate of return.

Benchmarking Jersey’s parking charges with a number of UK towns indicates that, based on population, parking charges on-street are commensurate, but around 20% lower than towns of similar size in the UK for off-street parking. However, unlike Jersey, many comparable towns are also charging for evenings, overnight and on Sundays.

When residential rents are used to benchmark, providing a better indication of land value and the economic attractiveness of the area, St. Helier can be seen to be offering considerably lower tariffs on-street and (long-stay) off-street. When considering all-day charges, there would theoretically be scope for a 40% increase for St. Helier to be consistent with the average.

Further benchmarking of Jersey in relation to 5 south coast seaside towns in the UK, undertaken by the Growth, Housing and Environment Department in September 2018, revealed that parking charges in Jersey are lower for all times of the day in all on- and off-street city-centre locations. The average hourly charge for an on-street space in the towns surveyed was £2.14.

Nationally, the 2019 UK average fee for off-street parking is £2.08. In Jersey, it is currently 85p.

In Jersey, Growth Housing and Environment parking charges are, on average, around 25% cheaper than most commercial car park operators, and in many instances significantly so.

Therefore, it can be argued that the Government is not receiving the commercial rate of return it should expect from the £44 million of capital it has invested in the Jersey Car Parking Trading Fund, and it is making inefficient commercial use of the parking facilities in which the Government has invested.

The proposed small rise in the tariff above inflation is a contribution to making an equitable commercial return, while recognising the importance of continuing to provide the Public with a fair, competitive and attractive parking offer; and supporting the combined agendas of sustainable transport and the climate emergency.

Financial and manpower implications

This amendment to [P.71/2019 Amd.\(2\)](#) ensures that the £700,000 that contributes towards the Efficiencies Programme is maintained, and supports both changing behaviour as part of the sustainable transport, and the climate change initiative.