

To:	Trust Board
From:	Dr A Tierney
Date:	4 August 2011
CQC regulation:	As applicable

Title:	Adjustments To Public And Staff Car Parking Charges		
Author/Responsible Director: Dr A Tierney – Director of Strategy			
Purpose of the Report:			
To inform the Trust Board of costs associated with site access provision and to propose changes in the tariff and structure of staff and public car parking.			
The Report is provided to the Board for:			
Decision	<input checked="" type="checkbox"/>	Discussion	<input type="checkbox"/>
Assurance	<input type="checkbox"/>	Endorsement	<input type="checkbox"/>
Summary / Key Points:			
<p>The Trust currently subsidises car park and travel operations by £301,000 and invests approximately a further £250,000 per annum on infrastructure.</p> <p>By restructuring and increasing public car parking tariffs an additional income of £556,000 could be realised whilst keeping UHL in line with other Trusts' charges.</p> <p>Staff car parking charges have not increased since their inception in 1996 LRI, 2007 LGH/GH. It is proposed to introduce a 13.5% increase, which equates to compound RPI since 2007. It is further proposed to introduce two further bands for higher earners, generating an additional income of £158,000.</p> <p>If implemented from September, both measures will deliver a full year impact of £714,000, and thus remove the current subsidy. In future years, any additional income generated over and above the subsidy can be used to invest in improvements to car parking provision and patient care.</p> <p>It is proposed that both staff and public are engaged in this process.</p>			
Recommendations:			
The Trust Board are recommended to approve the increases in principal and to authorise public and staff engagement on this matter, with a view to receiving feedback and making a final decision at the Trust Board on 1 September 2011.			
Previously considered at another corporate UHL Committee ? yes – Executive Team 26 July 2011			

Paper F

Strategic Risk Register N/A	Performance KPIs year to date N/A
Resource Implications (eg Financial, HR) Facilities and Communications input into engagement process (within existing resources). Facilities costs associated with signage, etc (to be managed within existing operational costs).	
Assurance Implications – N/A	
Patient and Public Involvement (PPI) Implications– N/A	
Equality Impact – N/A	
Information exempt from Disclosure – N/A	
Requirement for further review ? – N/A	

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT TO: Trust Board

DATE: 4 August 2011

REPORT BY: Dr A Tierney

SUBJECT: ADJUSTMENTS TO PUBLIC AND STAFF CAR PARKING CHARGES

1. EXECUTIVE SUMMARY

- 1.1. This paper presents information relating to the subsidy currently provided to maintain car parking and the Hopper Bus Service across the Trust. The paper contains recommendations that if implemented, will remove the subsidy, and ensure the full costs of car parking and the Hopper Bus Service are covered by the income generated.
- 1.2. The current car park/travel operational budget requires a £301k subsidy. This subsidy diverts funding away from patient care and it is widely recognised that to continue with this subsidy is not an option in the current financial climate.
- 1.3. In addition to operational costs, the Trust invests circa £250k per annum on the access infrastructure, including resurfacing of car parks, replacement of lighting etc.
- 1.4. The paper:-
- identifies the background to the introduction of the charging mechanism employed by the Trust;
 - provides a comparison of the Trust's charging mechanisms with models from other Trusts and the commercial sector;
 - illustrates the income that could be generated by adopting a different charging model;
 - identifies proposals for increasing the staff parking charge and the introduction of additional bands;
 - recommends principles for reviewing car parking charges in the future;
 - makes recommendations to the Trust Board for consideration.

2. BACKGROUND

- 2.1. The UHL car park provision consists of 891 public chargeable spaces, 149 public free of charge disabled spaces, all of which are located on our sites. In addition there are 4,375 staff spaces, of which 1,302 are situated off site. In excess of 887,000 public parking tickets are sold per annum, and there are currently 5,832 staff who hold permits.
- 2.2. Car park charges were introduced to the staff and public in 1996 at the Leicester Royal Infirmary (LRI). The LRI public charges were adjusted slightly in 2003 to

bringing them in line with the adjacent NCP car park. There have been no further increases since 2003.

2.3. Staff and public charges were introduced at the Leicester General Hospital (LGH) and Glenfield Hospital (GH) in February 2007 and at the time there was a commitment that they would be frozen for two years. To date there has been no uplift in prices at the LGH or GH since 2007.

2.4. The Trust pays VAT on all car parking income. When VAT increased, from 17.5% to 20% in January 2011, car parking fees were not adjusted to offset this erosion of income.

2.5. In the last three years, the Trust has invested approximately £750k in car park, road and footpath infrastructure, averaging £250K per annum.

3. HOPPER BUS SERVICE

3.1. The current Hopper bus operation costs the Trust £480,312 per annum. This is offset by an income of £195k which is derived from public ticket sales and recharge to the universities for student usage.

3.2. This service provides an essential link between our sites, contributing to the sustainability agenda as well as reducing taxi costs and eliminating cross-site travel expenses. By providing staff and patients with an alternative method of getting to our sites, this service also reduces pressure on staff and public parking capacity.

3.3. Under our contract for this service, price increases will be applied in July 2011 (RPI +1%) and April 2012 (2% fuel surcharge). In order to offset this additional cost the Executive Team agreed on the 19th July to increase the public charge for this service from £1.50 to £2.00 on the 1st September 2011 and to £2.50 on the 1st April 2012. These increases still represent value for money as these are below the day ticket prices currently charged by alternative service providers.

3.4. Based on current usage, the public charge increase will generate an additional £36k FYE from September plus an additional £36k from April, giving a total of £72k per annum.

4. PUBLIC CAR PARKING CHARGES

4.1. Appendix A shows the proposed revised pricing structure to be implemented for public car parks across the three sites. If implemented, this would generate £556k additional income per annum based on sample activity figures used for this paper. It therefore eliminates the subsidy which is currently applied, and helps protect funding for direct patient care. The reduction in the number of payment bands will also provide greater clarity to service users, taking some of the guess work out of which tariff to choose.

4.2. Under this proposal the Trust would maintain:

- Free parking for the first 30 minutes on all three sites, giving a significant benefit to visitors, which is not provided by other Trusts in our locality (Nottingham, Kettering, Derby and Mid Staffordshire).

- Free of charge access for drop-off of cancer patients at the Osborne Building, LRI.
- Access to frequent user tariffs for patients, meaning that no patient or prime carer would need to spend more than £5.50 per day parking or £11.00 for the week.

4.3. Appendix B provides a comparison of the current UHL patient charge against other trusts and the NCP commercial car park located at Granby Halls (adjacent to the LRI site).¹

4.4. Analysis of the figures in Appendix B demonstrates that UHL will continue to be more competitively priced for patients than Derby and Kettering and the Granby Halls car park. Our charges will also continue to be comparable with Nottingham University Hospitals, UHL being 40p cheaper for shorter stays but 40p more expensive for long stay parking. Crucially, the proposal maintains free parking provision for the first half-hour, a facility not available at most of the other comparison sites.

5. STAFF PARKING CHARGES

5.1. Appendix C details the proposed pricing structure to be implemented for staff car parks across the three sites. If implemented this would generate an additional income of £158k.

5.2. The Trust recognises that increases to costs for staff in the current financial climate will be difficult, and are therefore aiming to offset the impact on staff, and in particular the lowest paid, by:

- limiting the increase to compound Retail Price Index since the introduction of charges in 2007 (13.5%);
- introducing a Salary Sacrifice Scheme which would offset some of the increase cost for staff.² Appendix C shows the benefit staff would receive in terms of their reduced tax payment, by opting to pay through the salary sacrifice scheme;
- introducing two additional bands for higher earners.

5.3. Appendix D provides a comparison of UHL current and proposed staff parking charges against those of other trusts. Due to the variety and complexity of the schemes offered by other trusts, precise comparisons are difficult. However, the graph in Appendix D shows the staff parking tariff which would apply to staff earning between £20k and £30k per annum. This data reveals that there are currently four sites out of the sample of 12 which offer cheaper parking for staff, after the proposed increase is applied this figure increases to five. The Trust

¹ The maximum patient/visitor cost is capped at £5.50 per day, through day ticket arrangements. Public car park users not falling into this category would pay the full tariff identified in Appendix A.

² Salary sacrifice is a scheme, agreed with HM Revenue and Customs, whereby employees can be provided with benefits in exchange for an agreed reduction in salary ie an employee sacrifices part of their salary in exchange for the benefit. The benefits of these schemes are twofold in that employees pay reduced amounts of tax, National Insurance and (where appropriate) pension contributions. This makes the net cost of the benefit less than if it were paid directly. The Trust also makes savings on the employer's national insurance and pension contributions.

therefore remains comparable. It should also be noted that many of the Trusts in this example will be reviewing their charges in light of the current financial situation.

6. FUTURE PRICING PRINCIPLES

6.1. It is clear that the Trust currently lacks a clear strategy for reviewing parking charges. It is the purpose of this section of the paper to identify the principles on which future parking tariffs will be determined.

- Collective income from the Hopper bus, public and staff car parking will cover the full running costs of the Hopper bus service and the operation and maintenance of car parks i.e. the costs of these services will not be subsidised.
- Prices will be reviewed on an annual basis in line with the Retail Price Index and benchmarked against other Trusts.
- We will continue to engage with staff and the public on the future provision and pricing of our access arrangements.

7. CONCLUSION

7.1. The Trust is facing significant financial challenges and the priority must be to protect and continue to improve front line patient care. In this context, the Trust can no longer afford to subsidise Public and Staff Car Parking, and proposes to increase the charges to cover the costs and also enable future investment to improve the services provided.

7.2. If implemented from September, the measures will deliver a full year impact of £714,000, and thus remove the current subsidy. In future years, any additional income generated over and above the subsidy can be used to invest in improvements to car parking provision and patient care.

7.3. The analysis above demonstrates that after the increases, the Trust remains competitive when compared with other Trusts.

7.4. Once the Trust Board has considered the proposals, the next step will be to engage the public and staff and receive their feedback on the proposals. We are keen to hear suggestions and we will do this through the following mechanisms:

Public

- via our public website which will provide a mechanism for the public to submit their comments;
- via briefings to the Local Involvement Network (LINKs), Patient Advisors and other stakeholders;
- through UHL Car Park and Site Access Steering Committee, which has patient representation;
- press releases and media coverage.

Staff

- via InSite and desktop including feedback mechanism;
- through Team Talk;
- staff side engagement through JSCNC and UHL Car Park and Site Access Steering Committee.

8. RECOMMENDATIONS

- 8.1. The Trust Board are asked to consider the above proposals to increase public and staff parking and task the Communications and Facilities Teams to begin a 28 Day engagement exercise to get feedback on the proposals. The outcome of this exercise should be brought back to the Public Trust Board on 1st September for a final decision.

APPENDIX A

Public Car Parking Charges (Current And Proposed)

Banding	Current		Proposed		
	Tariff Rate (£)	UHL Total	Income	Charges	Income
0 to 0.5 hrs	Free	155,405			
Up to 1 hr	£1.00	184,639	£184,639.00	£2.30	£424,669.70
1 to 2hrs	£1.50	277,568	£416,352.00	£2.30	£638,406.40
2 to 3 hrs	£2.00	135,760	£271,520.00	£4.00	£543,040.00
3 to 4 hrs	£3.00	55,366	£166,098.00	£4.00	£221,464.00
4 to 6 hrs	£4.00	41,329	£165,316.00	£6.00	£247,974.00
6 to 8 hrs	£6.00	19,054	£114,324.00	£6.00	£114,324.00
8 to 12 hrs	£8.00	8,391	£67,128.00	£10.00	£83,910.00
12 to 24 hrs	£10.00	9,610	£96,100.00	£12.00	£115,320.00
Totals		887,122	£1,481,477.00		£2,389,108.10
Less VAT			£1,234,564.17		£1,990,923.42
Less Serco			£1,072,416.17		£1,828,775.42
Variance					£756,359.25
Risk adjustment (minus £200k)					£556,359.25
Daily	£5.00			£5.50	
Weekly	£10.00			£11.00	

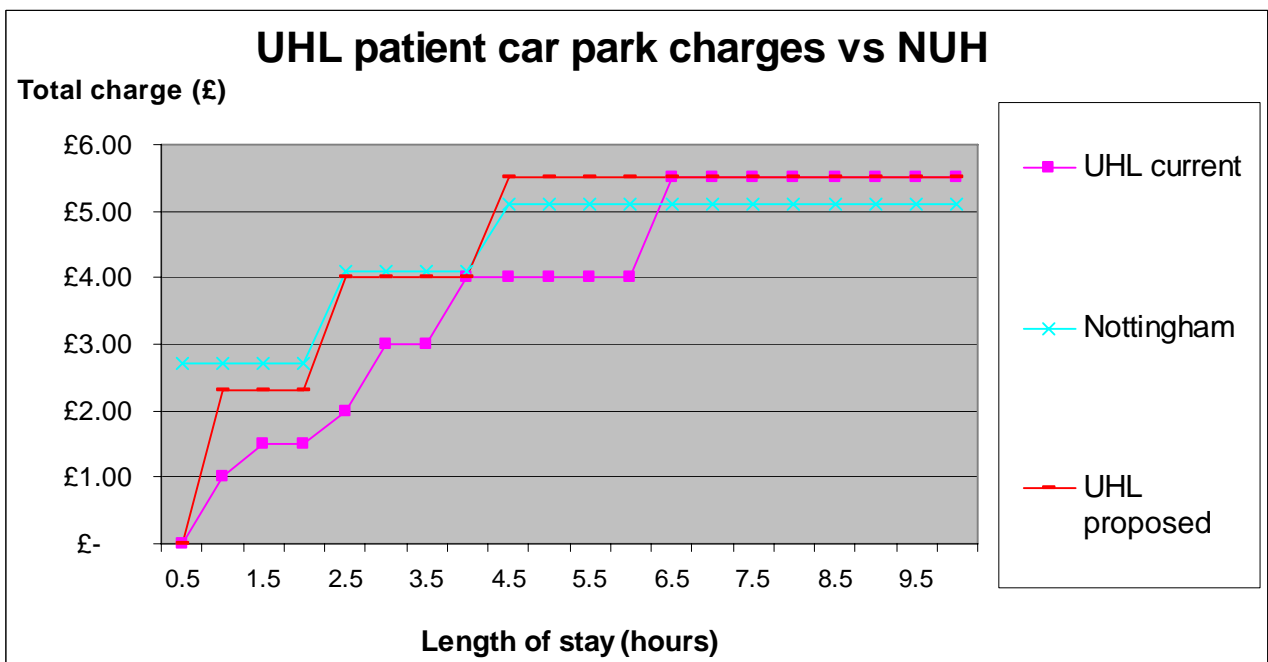
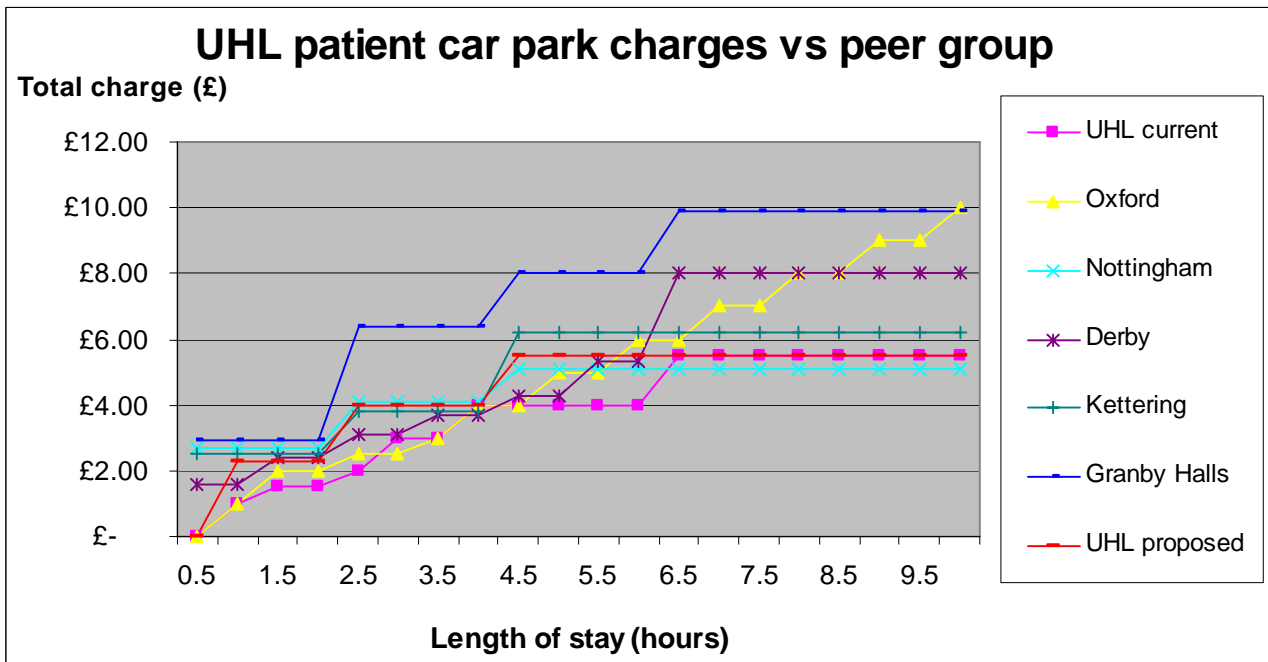
APPENDIX B

Patient Car Parking Charges - Comparison with other Trusts and Granby Halls

Banding	Period	UHL current	UHL proposed	Oxford	Nottingham	Derby	Mid Staffs	Kettering	Granby Halls
0 to 0.5 hrs	0.5	£ -	£ -	£0.00	£2.70	£1.60	£2.00	£2.50	£2.90
	1.0	£1.00	£2.30	£1.00	£2.70	£1.60	£2.00	£2.50	£2.90
1 to 2hrs	1.5	£1.50	£2.30	£2.00	£2.70	£2.40	£2.00	£2.50	£2.90
	2.0	£1.50	£2.30	£2.00	£2.70	£2.40	£2.00	£2.50	£2.90
2 to 3 hrs	2.5	£2.00	£4.00	£2.50	£4.10	£3.10	£2.00	£3.80	£6.40
	3.0	£3.00	£4.00	£2.50	£4.10	£3.10	£2.00	£3.80	£6.40
3 to 4 hrs	3.5	£3.00	£4.00	£3.00	£4.10	£3.70	£2.00	£3.80	£6.40
	4.0	£4.00	£4.00	£4.00	£4.10	£3.70	£2.00	£3.80	£6.40
4 to 6 hrs	4.5	£4.00	£5.50	£4.00	£5.10	£4.30	£4.00	£6.20	£8.00
	5.0	£4.00	£5.50	£5.00	£5.10	£4.30	£4.00	£6.20	£8.00
	5.5	£4.00	£5.50	£5.00	£5.10	£5.30	£4.00	£6.20	£8.00
	6.0	£4.00	£5.50	£6.00	£5.10	£5.30	£4.00	£6.20	£8.00
6 to 8 hrs	6.5	£5.50	£5.50	£6.00	£5.10	£8.00	£4.00	£6.20	£9.90
	7.0	£5.50	£5.50	£7.00	£5.10	£8.00	£4.00	£6.20	£9.90
	7.5	£5.50	£5.50	£7.00	£5.10	£8.00	£4.00	£6.20	£9.90
	8.0	£5.50	£5.50	£8.00	£5.10	£8.00	£4.00	£6.20	£9.90
8 to 12 hrs	8.5	£5.50	£5.50	£8.00	£5.10	£8.00	£8.00	£6.20	£9.90
	9.0	£5.50	£5.50	£9.00	£5.10	£8.00	£8.00	£6.20	£9.90
	9.5	£5.50	£5.50	£9.00	£5.10	£8.00	£8.00	£6.20	£9.90
	10.0	£5.50	£5.50	£10.00	£5.10	£8.00	£8.00	£6.20	£9.90

APPENDIX B (cont)

Patient Car Parking Charges - Comparison with other Trusts and Granby Halls



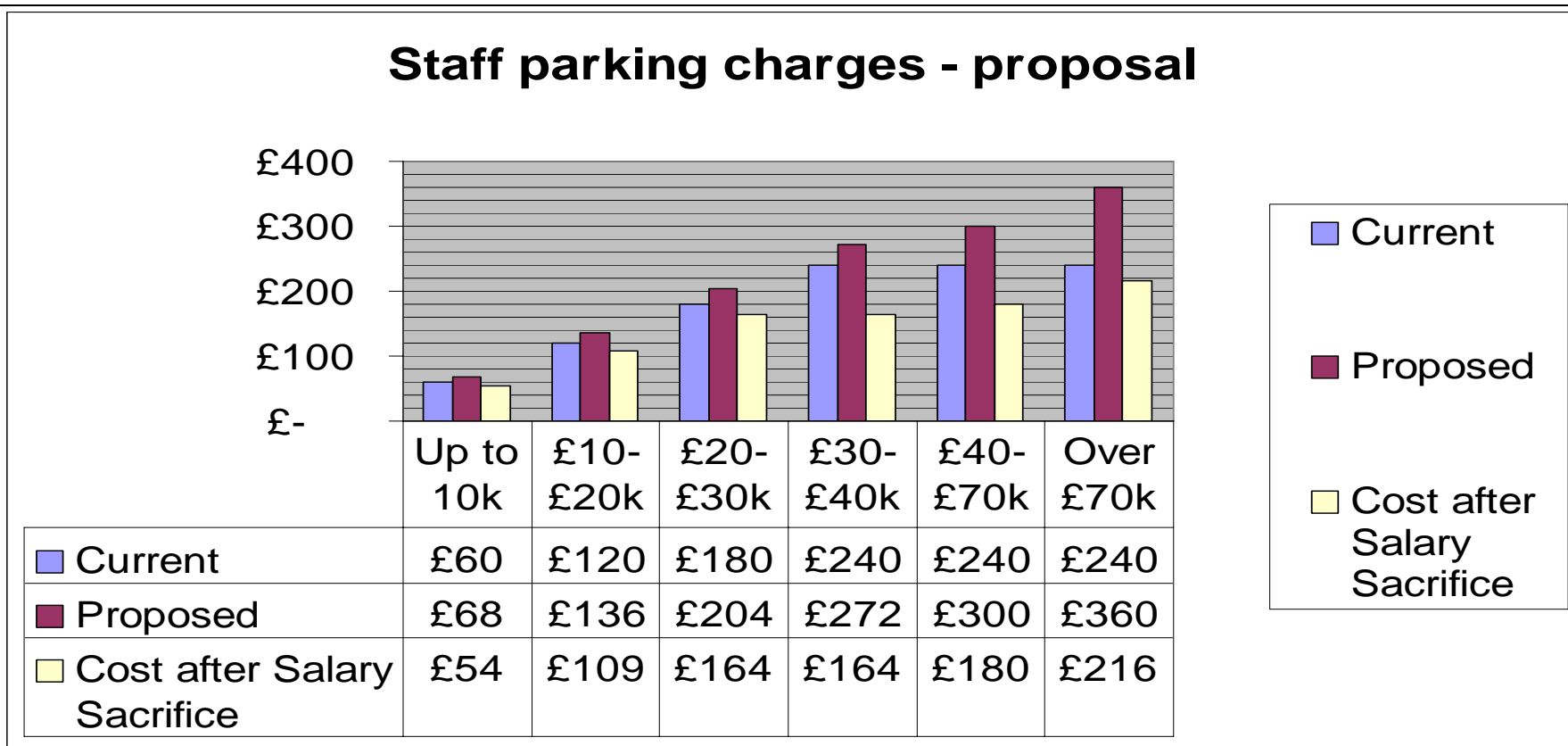
APPENDIX C

Staff Car Parking Charges (Current and Proposed)

Current				Proposed			Increase			Cost after Salary Sacrifice	
Charges pa	Cost per day	No in band	Income to Trust	Charges pa	Cost per day	Income to Trust	Per head		Total income	Real cost PA	Real cost per day
£ 60	£ 0.24	439	£ 26,340	£ 68	£ 0.27	£ 29,896	£ 8	14%	£ 3,556	£54	£0.22
£ 120	£ 0.48	1,870	£ 224,400	£ 136	£ 0.54	£ 254,694	£ 16	14%	£ 30,294	£109	£0.44
£ 180	£ 0.72	1,709	£ 307,620	£ 204	£ 0.82	£ 349,149	£ 24	14%	£ 41,529	£164	£0.65
£ 240	£ 0.96	772	£ 185,280	£ 272	£ 1.09	£ 210,293	£ 32	14%	£ 25,013	£164	£0.66
£ 240	£ 0.96	591	£ 141,840	£ 300	£ 1.20	£ 177,300	£ 60	25%	£ 35,460	£180	£0.72
£ 240	£ 0.96	451	£ 108,240	£ 360	£ 1.44	£ 162,360	£ 120	50%	£ 54,120	£216	£0.86
		5,832	£ 993,720			£1,183,691			£189,971		
20%			<u>-£ 165,620</u>			<u>-£ 197,282</u>			<u>-£ 31,662</u>		
			<u>£ 828,100</u>			<u>£ 986,410</u>			<u>£158,310</u>		

APPENDIX C (cont)

Staff Car Parking Charges (Current and Proposed)



APPENDIX D

Staff Car Parking Charges - Comparison with other Trusts and Granby Halls

Hospital	Staff Charges	Annual Charge for Staff Earning Between £20k - £30k
University Hospitals of Leicester (current)	<ul style="list-style-type: none"> < £10k £5/month £10k - £20k £10/month £20k - £30k £15/month > £30k £20/month 	£180
University Hospitals of Leicester (proposed)	<ul style="list-style-type: none"> < £10k £5.66/month £10k - £20k £11.33/month £20k - £30k £17/month £30k - £40k £22.66/month £40k - £70k £25/month >£70k £30/month 	£204
Nottingham University Hospitals	<ul style="list-style-type: none"> Up to 8C and < 25hrs £120/year Up to 8C and > 25hrs £240/year > 8C and < 25 hours £180/year > 8C and > 25 hours £360/year 	£180
Addenbrookes Hospital	<ul style="list-style-type: none"> £2 per day 	£460
Birmingham Children's Hospital	<ul style="list-style-type: none"> £15/month for night/weekend permit £30/month for day permits Some consultants % of salary 	£360
Birmingham Women's Hospital	<ul style="list-style-type: none"> All staff 0.35% of basic salary e.g.£16,000 - £56/year, £20,000 - £70/year, £50,000 - £175/year 	£70
United Bristol Healthcare Trust	<ul style="list-style-type: none"> Band 6 or below £2.93/day Band 7 or above £3.91/day 	£674
Bradford Royal Infirmary	<ul style="list-style-type: none"> Offsite £14/month Onsite £32/month 	£384
Hull and East Yorkshire Hospitals	<ul style="list-style-type: none"> Any staff parking in priority parking area £360/year regardless of employment date. Staff employed before May 2007 park for free Staff starting after May 2007 must qualify and are then charged Up to £21,000 £93/year Up to £40,000 £126/year More than £40,000 £186/year Staff employed after May 2007 and not qualifying but with specific requirements e.g. child care can pay £1.50/day 	£126
Kettering General Hospital	Part Time <ul style="list-style-type: none"> Low emission £5/month High emission £8/month Full time <ul style="list-style-type: none"> Low emission £10/month High emission £16/month 	£156
Northampton General Hospital	Barrier areas Full Time >18k £20/month <18k £16/month Part Time(18 ¾ hours or less) £10/month £8/month Non Barrier Full Time >18k £10/month <18k £8/month Part Time £5/month £4/month	£240

	Car Share >18k £8/month <18k £6/month Residents >18k £10/month <18k £8/month	
Oxford Radcliffe Hospitals	<ul style="list-style-type: none"> • Up to £15k £69/year • £15k - £30k £138/year • £30k - £60k £207/year • £60k - £90k £276/year • £90k or more £345/year 	£138
Peterborough	£40/month	£480
Gloucestershire Royal Hospital	<ul style="list-style-type: none"> • < £15k £35/year • £15k - £25k £60/year • £25k - £35k £90/year • £35k - £50k £125/year • £50k - £75k £160/year • > £75k £190/year • In addition to the yearly charge, everyone pays 60p/24hours every time they park. No waiting list. 	£228

