

Scrutiny Meeting 23Feb 2017 re P&R Call-In

Sian James statement

At the last Cabinet meeting Andrew Mercer spoke regarding the significant financial risks involved with this decision. The question being 'how big will these losses be?'

In the current climate of having to make tough decisions about which services to cut – it is highly surprising that anybody would sign off any proposal to spend significant money without an appropriate business case and justification.

The Cabinet Meeting approved to proceed with B (estimated to cost £17.5m plus a deficit of £115k pa for 800 spaces), or F (cost estimate of £14m plus annual loss of £65k for 800, or £16.5m with annual surplus of £162k for 1200).

These forecast deficits, even at this stage without a full business case, should be a RED FLAG.

There was no substance at all behind these numbers in the Cabinet paper. As the Scrutiny panel it is your responsibility to ask for the assumptions behind these numbers. You need to understand the assumptions being made – and whether or not they are realistic – or what other scenarios need to be considered. So that you have the correct level of knowledge to make a judgement as to what to do next.

Also - the Cabinet signed off another £500k to be drawn down to get to the next stage. What is this for? Is this the correct time to spend these monies?

To help you ask the right questions – here are some assumptions that you need to clarify – for example behind the £115k pa loss for Site B:

- Which year is this for? Is it Year 1, 5, 10? Is it an average? It is not stated.
- What is the average occupancy assumed? 45%, 65%, 75%?
- What is the average revenue assumed per car/passenger? As now – or different?
- Has the Parking Strategy been built in? How can you make a decision on P&R when the Parking Strategy has not been completed/published?
- What are the assumptions regarding depreciation, interest charges and running costs?
- What has been assumed regarding P&R veterans moving from Lansdown or Odd Down?
- What has been assumed re existing bus users transferring to P&R, what impact will this have on bus viability and subsidies?
- What is the assumed reduction in city centre parking revenues?
- What are the RUH assumptions?

These assumptions should all have been noted in the Cabinet report, or in an appendix – but they were not.

I know that the final business case has not been created yet – however an initial business case has been created to estimate these very numbers – and so assumptions have been

made to get to the £115k etc. Before proceeding you need to understand what the range of losses will be each year, what the sensitivity of these numbers are – and where the funding, or cuts, will come from to pay for these losses.

I urge you to ask for the detail behind the assumptions, for this detail to be made public, and for this to be discussed at Full Council where it can be considered in light of the cuts currently being made.

To do anything less is not upholding the principles that the Scrutiny Panel stand for.