

## Lancaster City Council | Report Cover Sheet

<b>Meeting</b>	Cabinet	<b>Date</b>	8 <sup>th</sup> Feb 2022
<b>Title</b>	Car Parking - Fees and charges		
<b>Report of</b>	Director for Communities and Environment		
<b>Purpose of Report</b>			
<p>Effectively managed car parking makes a significant strategic contribution to the wider climate change mitigation, transport management, regeneration and public realm objectives for the District.</p> <p>Much work has taken place to review the Council's wider parking policies and the charging structure that underpins them. This report sets out options arising from this review. The options have been modelled so that they can be presented to Council as part of the wider budget proposals.</p>			
<b>Key Decision (Y/N)</b>	Y	<b>Date of Notice</b>	10 January 2022
		<b>Exempt (Y/N)</b>	N

### Report Summary

The report sets out the principals and rationale of the review. And details the likely implications of the proposals.

### Recommendations of Councillors

- (1) A number of options for parking tariffs have been modelled. The option most consistent with the Council's priorities as set out on the report is Option 2. Therefore the recommendation is this option is included in Cabinet's budget proposals.**
- (2) That Subject to Council approval these tariffs are adopted from April 1, 2022**

### Relationship to Policy Framework

Effectively managed car parking makes a significant strategic contribution to a number of agreed Council outcomes including –

Strategy- Climate Emergency. Outcomes- net zero by 2030, transition to an accessible and low carbon transport system.

Strategy- Community Engagement, Power and Resilience. Outcomes- innovative public services, providing value for money

### Conclusion of Impact Assessment(s) where applicable

**Climate-** as outlined in the report

**Wellbeing & Social Value-** as outlined in the report

**Digital-** the report outlines how technology will be used to improve the service

**Health & Safety-** The change in tariffs does not impact on any H&S criteria negatively.

Equality- The change in tariffs has no impact on any Equality Act criteria.	Community Safety- the report outlines how ongoing maintenance of car parks includes provision of lighting and CCTV which in turn contribute positively to community safety
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### Details of Consultation

The proposals outlined in the report have been developed from best practice in other areas, feedback from car park users and consultation with key stakeholders including Lancaster BID, Morecambe BID and the Chamber of Commerce.

### Legal Implications

If the proposed changes are endorsed, then a new Lancaster City Council Off-street Parking Places Order would be created with the aid of the legal team.

### Financial Implications

The draft revenue budget includes the following amounts in respect of car parking :-

	2022/23 Estimate £'K	2023/24 Estimate £'K	2024/25 Estimate £'K	2025/26 Estimate £'K
<b><u>Expenditure</u></b>				
Employees	110	115	119	121
Premises Related	845	784	794	807
Supplies & Services	333	343	349	356
Capital Charges (Notional)	116	116	116	116
<b><u>Income</u></b>				
Pay & Display	(3,208)	(3,274)	(3,333)	(3,392)
Permits	(186)	(190)	(194)	(197)
PCN (Fines)	(159)	(159)	(159)	(159)
Other Income	(26)	(26)	(26)	(26)
<b>NET INCOME</b>	<b>(2,175)</b>	<b>(2,291)</b>	<b>(2,334)</b>	<b>(2,374)</b>

Note that the above budgets are based on 2018/19 usage figures (1.328M ticket sales and last available full year data pre-pandemic) and include inflationary uplifts in line with the Council's existing policy on fees and charges. It is proposed that permits are increased in line with current arrangements.

As part of the budget and policy framework report being considered elsewhere on this agenda, the financial impact of this review has been included and the revenue impact is outlined as follows:-

	2022/23 Estimate £'K	2023/24 Estimate £'K	2024/25 Estimate £'K	2025/26 Estimate £'K
Pay & Display Additional Income	495	430	371	371

The proposed changes to the fees and charges have been extensively modelled and include a proportion of sensitivity.

Should Option 2 from this report not be adopted then that will create further budgetary pressure which may impact negatively on core council services.

It is expected that Option 4 would not achieve any budgetary objectives and that Options 1 and 3 would require further consideration to minimise the financial burden.

Option 3 details an across-the-board 10p increase which would achieve additional net income of £111K and when applying a 10% sensitivity allowance would fall significantly short of the £597K required contribution towards the structural deficit going forward and that issue would still need to be addressed.

Option 1 would help towards mitigating the impact and based on 1.328M ticket sales an across-the-board 50p increase would achieve additional net income of £553K which when allowing for a 10% sensitivity allowance and inflation would not meet the reported contribution by an estimated £99K.

As the proposed charges are significantly rounded and generate substantial additional income for the Council, it is suggested that they are fixed for a 3-year period subject to a favourable monitoring position in 2022/23 which can be reviewed as part of the 2023/24 budget setting process.

Further resources are required to implement these changes such as software changes to the payment machines, software alterations to the RingGo service, software alterations to the back-office reporting/finance systems and per car park signage. These are estimated at £12K and can be managed from within existing resources.

#### **Other Resource or Risk Implications**

As detailed in the financial implications above, the recommendations represent a new charging mechanism for off-street car parking and as such place significant financial risk for the Council. Failure to achieve projections will create additional burden on the general fund and the structural deficit going forward.

#### **Section 151 Officer's Comments**

Like most local authorities, the Council is facing on significant on-going financial pressures, which have been further exacerbated by impact of the COVID-19 pandemic. Although recent Government proposals may lessen this pressure to some degree, the Council can expect reductions in both our income and on our levels of reserves.

The amended fees and charges proposal represents an opportunity to add considerable economic benefits for the council.

#### **Monitoring Officer's Comments**

The Monitoring Officer has been consulted and has no further comments.

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#### **Links to Background Papers**

## **1.0 Introduction**

- 1.1 Effectively managed car parking makes a significant strategic contribution to the wider climate change mitigation, transport management, regeneration and public realm objectives for the District.
- 1.2 Lancaster City Council owns an extensive portfolio of off -street car parks, throughout the District. (On street parking remains the responsibility of Lancashire County Council as the highway Authority).
- 1.3 There is a considerable direct cost to providing car parks including maintenance of the car parks, provision of lighting, CCTV, payment devices, enforcement of parking and more recently the introduction of charging points for electric vehicles, as well as refurbishment the car parking stock.
- 1.4 There are also considerable indirect costs to off street car parking eg value of alternative uses of the land, wider environmental impacts and the consequential transport related network impacts that are mitigated by an appropriate supply of car parking.
- 1.5 The costs of the above are met by charging those who use the car parks. Therefore an effective pricing policy is vital to ensuring that the wider strategic and operational aims are met.
- 1.6 Parking fees and charges are reviewed annually to ensure the Council meets its transportation and budget commitments.
- 1.7 It is important to highlight that this tariff review is just one part of an on going process regarding the wider movement strategy that will take into account spatial elements. This includes any discussions with County Council, as the highways authority, around disabled car parking provision.

## **2.0 Background**

- 2.1 Parking fees and charges have remained the same since April 2018 and are attached at Appendix A. A review of car parking policy and the charges that underpin it has since taken place. The review follows analysis of how all our car parks are used (eg dwell times, times of use, income generated, seasonal usage, type of use).
- 2.2 The review has taken account of wider contextual issues including-
  - Changing travel habits of people due to awareness of the impact on vehicular emissions on the environment.
  - The Council's declaration of a climate emergency in 2019 and subsequent plans to become net carbon zero by 2030.
  - COVID and it's impact on people's working, shopping and leisure activities.
  - Recent and planned development of the District.
  - User expectations of car parking.
  - Visitor numbers to key destinations in the District.
  - Contribution to wider transport planning (eg County led transport masterplan).
  - The condition, type and future maintenance needs of our car parking stock.
- 2.3 Potential developments like Eden and Canal Quarter will have a significant impact with regards to future car parking strategy and provision. The broader

strategy for this will be developed as part of the wider transport plans for these projects.

2.4 However it is clear that in the short / mid-term improvements can be will in turn contribute to wider Council objectives.

### **3.0 Proposal**

3.1 The proposal outlined has been developed in a way that will -

- 1) Support the Council's aims and objectives on climate change
- 2) Improve the experience for customers
- 3) Support transport planning for the future
- 4) Contribute to improving the wider public realm / place

3.2 The main objectives in developing this proposal are that car parking should -

#### **1) Support the Council's aims and objectives on climate change-**

- Encourages people to consider the mode of transport they choose accepting that many people will choose a car, in which case the direct and indirect costs of providing car parking need to be covered by the user.
- Contribute to wider transport initiatives that will help reduce CO2 emissions. Examples include-
  - Additional electric vehicle charge points
  - Cycle parking provision enhancement
  - Car club bays
  - Pool car bays
  - Revised signage scheme to emphasise place/attractions and get drivers directly to car parks
  - VMS to allow capacity monitoring and reduced circulating around the gyratory system
  - Emissions based tariffs
  - ANPR charging and enforcement (when regulatory permission has been granted by central government)

#### **2) Improve the experience for customers and support stakeholders**

- Provision of a tariff with a short duration of 30 mins to allow very quick access to shops, businesses, and offices.
- Make the pricing structure easy to understand.
- Alignment of overnight parking charges and public holiday charges in Lancaster and Morecambe, which are currently inconsistent and cause confusion.
- Removal of the short & long stay car park distinction in Lancaster.
- Introduce a maximum stay in some well used Morecambe car parks to ensure a turnover of spaces.

- Investment in car parks. For example: Touch free parking payments, electric vehicle charge points, better cycle parking provision, repair & renewal plans, and multi-occupancy vehicle strategies

### **3) Support transport planning for the future**

- Support the increased usage of the park and ride facility at Junction 34.
- Work in collaboration with stakeholders, such as the two Business Improvement Districts, to develop innovative parking ideas.
- Explore and discuss extending car parking charges to other currently uncharged council car parks, i.e. Half Moon Bay, Bull Beck car park, Ryelands Park and others.
- Work with Lancashire County Council on joint areas of service delivery including introducing further restrictions and charges in Morecambe on-street. A comprehensive restriction on the parking of motorhomes on Marine Road is envisioned.
- Deploy sufficient enforcement assets to ensure compliance with parking restrictions is fair, professional, and effective.

### **4) Contribute to improving the Public Realm / Place**

- Work closely with the Planning and Regeneration teams on the development of parking within the district's larger schemes, e.g. Eden, Future High Streets Fund, and the Canal Quarter
- Work with festivals and events teams to ensure smooth delivery of all events
- Develop a refurbishment programme for all car parks to enhance the quality of the parking experience, to include CCTV, fencing, lighting, signage, and surfacing.
- Undertake landscaping management, cleansing and waste removal to a high standard across the car parking portfolio and undertake repairs and renewal of car parks, as necessary.

The current tariff bands across the district offer over 47 individual tariffs, which increases to 58 including permit classes. There is also disparity with regards to bank holiday and evening tariffs across the district. Whilst our district offers different demographic, it still has the most complicated structure in the County.

## Lancashire District Tariffs – including permits

District	No of Tariffs
Burnley	16
Chorley	7
Flyde	22
Hyndburn	2
Pendle	1
Preston	25
Ribble Valley	12
<b>Lancaster</b>	<b>58</b>

The authorities current tariff bands can be found in Appendix A. To help deliver the above the council is proposing to alter the car parking charges from 1st April 2022. A number of different options have been modelled. The option that best supports the above is a simplification of the current tariffs. A summary of the new charges are as follows:

Tariff Band	Charge
<b><u>Lancaster</u></b>	
30 mins	£1.00
1 hr	£2.00
3 hrs	£4.00
9 hrs	£9.00
24 hrs	£12.00
<b><u>Morecambe (3hr Max Stay)</u></b>	
Pedder Street, West View, Library & Marine 1	
1 hr	£2.00
2 hrs	£3.00
3 hrs	£4.00
<b><u>Morecambe (Other)</u></b>	
30 mins	£1.00
2 hrs	£2.00
4 hrs	£4.00
24 hrs	£8.00
<b><u>Morecambe (Heysham)</u></b>	
2 hrs	£2.00
24 hrs	£3.00
<b><u>Morecambe (Back Brighton)</u></b>	
24 hrs	£2.00

Due to the user demographic at St George's Quay and Williamson Park, these sites will remain unchanged as part of this tariff review.

## Permits

All public permit classes to be increased by 3.3% in line with other fees and charges across the council.

## Alternative Proposals

Other proposals have been modelled as part of the tariff review, which included retaining the current tariff structure and undertaking sensitivity testing on incremental rises. Whilst incremental rises of 10 pence and 50 pence on all tariffs were modelled, it was felt that these would not contribute to the longer term structural deficit, as set out in option 1.

These alternative proposals would also be more restrictive in contributing to the Council's wider ambitions around climate change, improving the customer experience, sustainable transport and improving the public realm.

A summary of the alternative proposals are outlined below:

	<b>2022/23 Estimate £'K</b>	<b>2022/23 Estimate £'K</b>
Proposed Increased	<b>10p</b>	<b>50p</b>
Inflation Included (within draft budget)	102	102
Additional Income Requirement	495	495
<b>Budgetary Requirement</b>	<b>597</b>	<b>597</b>
1.328M * Proposed Increase	133	664
less VAT	(22)	(111)
<b>Net Receipts</b>	<b>111</b>	<b>553</b>
10% Sensitivity Allowance	(11)	(55)
<b>Expected Income</b>	<b>100</b>	<b>498</b>
<b>Budgetary Shortfall</b>	<b>(497)</b>	<b>(99)</b>

#### 4.0 Options and Options Analysis (including risk assessment)

<b>Option 1: Retention of current complex tariff structure with 50p per tariff band incremental increase</b>
<b>Advantages:</b> A larger increase in pricing could assist in achieving the structural deficit
<b>Disadvantages:</b> The Council retains a complex tariff structure which doesn't work towards addressing Council ambitions as outlined within this report.  The tariff structure would become further complicated and unclear for users with potential regeneration development such as Eden and Canal Quarter as outlined within the report.  Reputational risk with business community and users feeling this is not an attractive alternative.
<b>Risks:</b> None.
<b>Option 2: The terms of the proposed parking fees &amp; charges amendments is endorsed.</b>
<b>Advantages:</b> Creates additional revenue to meet budget aspirations and provides a shift towards climate change modes of transport aspirations.
<b>Disadvantages:</b> None.
<b>Risks:</b>  The signage and software changes exceed budget estimates.  Revenue budget expectations are not met due to a combination of macroeconomic or externalised factors.
<b>Option 3: Support retention of current complex tariff structure with 10p per tariff band incremental increase</b>
<b>Advantages:</b> No advantages identified.
<b>Disadvantages:</b> The Council retains a complex tariff structure which doesn't work towards addressing Council ambitions or structural deficit.  The tariff structure would become further complicated and unclear for users with potential regeneration development such as Eden and Canal Quarter as outlined within the report.
<b>Risks:</b> None.

**Option 4: The terms of the proposed parking fees & charges amendments are not agreed.**

**Advantages:** No advantages identified.

**Disadvantages:** A financial budget gap may become apparent which may result in a reduction of council services.

**Risks:** None.

#### **4. Officer Preferred Option (and comments)**

4.1 The officer preferred option is Option 2.