

# CABINET

## Review of Parking Fees and Charges 2012/13 17<sup>th</sup> January 2012

### Report of Head of Property Services

<b>PURPOSE OF REPORT</b>			
To consider the Annual Review of Parking Fees and Charges for 2012/13.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date Included in Forward Plan</b>	<b>21st April 2011</b>		
<b>This report is public *</b>			

#### RECOMMENDATIONS OF COUNCILLOR HAMILTON-COX

- (1) That Cabinet increases the Up to 1 hour charge on all car parks from £1.20 to £1.30 subject to the County Council increasing on-street pay and display charges.
- (2) That Cabinet increases the Evening charge from £1.20 to £1.40.
- (3) That Cabinet approves allowing resident permit holders from Bulk Zone C to use Upper St Leonardsgate Car Park, Monday to Saturday before 10.00am and after 4.00pm and all Sunday and that the Off-Street Parking Places Order is only amended when other substantive changes are required.
- (4) That Cabinet approves adding Marine Road No 5 and No 6 Car Parks to the list of car parks that Morecambe General Permit holders and other car park permit holders can use and that the Off-Street Parking Places Order is only amended when other substantive changes are required.

#### 1.0 Introduction

- 1.1 The City Council reviews parking fees and charges annually to meet its transportation policy and budget commitments. Cabinet has previously been advised that parking charges have provided a predictable stream of income but in recent years parking patterns and overall usage have become more difficult to predict following price increases with the potential for the total income generated to be affected.

- 1.2 This report provides background information on recent annual reviews of parking fees and charges, sets the policy context of the parking strategy, provides information on usage levels of car parks in the district, confirms the current financial position and includes options on how parking charges could be increased to meet the financial target that has been included in the 2012/13 Draft Budget.
- 1.3 The report also identifies other options that move away from automatically increasing parking charges on an annual basis to examining the possibility of maintaining prices at existing levels, reducing charges and offering other incentives that could increase income whilst also encouraging more shoppers and visitors.

## 1.0 Background Information

### 2.1 Parking Strategy and Policy Context

The parking strategy should now form the policy context for the annual review of parking fees and charges. The strategy confirms the parking hierarchy of residents, closely followed by visitors, shoppers and local business needs and finally commuters. The strategy also includes various aims and objectives and a summary of the issues most relevant when considering this review is provided below:-

- Shifting the balance of use from long stay to short stay
- Charges should be used to encourage alternative modes of transport
- Charges should not undermine the vitality of other town centres
- Use parking charges as a demand management tool to support wider objectives
- Pricing policies to assist the reduction in commuter parking
- On-street parking charges set at a level to encourage the use of off-street car parks
- Set charges to maintain 85% occupancy at busy times in short stay car parks
- Use charges to deter long stays in short stay car parks
- Ensure local Chambers of Commerce and of Trade views are taken into account

### 2.2 Recent Annual Reviews of Fees and Charges and Charging Amendments

The following changes have been approved in the last four years:

2008/09	Changes
Short Stay	Up to 2 hours £1.60 to £1.70* New Up to 4 hours at £3.20 Amend Over 3 hours to Over 4 hours & increase to £8.00  *Up to 2 hours reduced to £1.60 in June 2008
Permits	Increase all permits by 5%

**September 2008** - Cabinet Member decision approved to extend free Christmas Parking to all car parks in Morecambe (previously only 3 car parks)

in Morecambe but all car parks in Lancaster)

<b>2009/10</b>	<b>Changes</b>
All car parks	Up to 1 hour 90p to £1.00
Main long stay car parks	Up to 3 hours £2.00 to £2.20 Over 3 hours (Morecambe) £3.00 to £3.20 Up to 5 hours (Lancaster) £3.50 to £3.70
Permits	Introduction of 24-5 permits for all types of permit at 24-7 2008/09 prices, therefore no increased income. Increase all 24-7 permits by 5%

<b>2010/11</b>	<b>Changes</b>
Short Stay	Up to 2 hours £1.60 to £1.80 Up to 3 hours £2.40 to £2.50

<b>2011/12</b>	<b>Changes</b>
All car parks - Except Festival Market	Up to 1 hour £1.00 to £1.20
Main short stay car parks	Up to 2 hours £1.80 to £2.00 Up to 3 hours £2.50 to £2.70 Up to 4 hours £3.20 to £3.40
Evenings (in Lancaster)	6.00pm to 8.00am £1.00 to £1.20
Lucy Street Car Park Lancaster	Conversion from Public Specific Permit holders to Short Stay Pay and Display
Bulk Street Car Park Lancaster	Conversion from General Permit holder to Public Specific Permit holders
Permits	5% reduction in all public permit charges 6% increase in all staff and member permit charges Introduction of Partner permits at staff permit charge

### 2.3 Current Usage Position

### 2.4 ***Pay and Display***

The following table shows the usage position for the first seven months of 2009, 2010 and 2011 with a comparison between 2010 and 2011.

<b>TICKET SALES APRIL - OCTOBER</b>				<b>2010 v</b>
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>
				<b>%</b>
<b><u>Short Stay</u></b>				
Up to 1 hour	323,527	323,204	289,141	-10.54
Up to 2 hours	222,647	204,868	215,240	5.06
Up to 3 hours	74,598	73,985	70,422	-4.82
Up to 4 hours	31,367	32,137	31,489	-2.02
Up to 10 hours	3,893	3,730	3,560	-4.56
Evening Parking	41,971	42,668	45,641	6.97
<b>Sub Total</b>	<b>698,003</b>	<b>680,592</b>	<b>655,493</b>	<b>-3.69</b>

<b>Long Stay</b>				
Up to 1 hour	68,878	69,061	61,277	-11.27
Up to 3 hours	66,559	64,160	64,651	0.77
Over 3 hours (Mcbe)	19,073	19,337	17,731	-8.30
Up to 5 hours (Lanc)	7,778	8,123	8,121	-0.02
Over 5 hours (Lanc)	3,243	2,991	3,420	14.34
Evening Parking	6,397	6,970	9,762	40.06
Back Brighton Terrace	2,282	2,396	2,535	5.80
Coaches SLG	274	200	239	19.50
Coaches BBT/HV	34	30	29	-3.33
Up to 4 hours CR/HV/BB	15,637	21,976	20,598	-6.27
Over 4 hours CR/HV/BB	2,855	2,997	3,658	22.06
<b>Sub Total</b>	<b>193,010</b>	<b>198,241</b>	<b>192,021</b>	<b>-3.14</b>
<b>Total</b>	<b>891,013</b>	<b>878,833</b>	<b>847,514</b>	<b>-3.56</b>

The comparison shows an overall reduction in tickets sales of 3.56% and this is approximately the same over both short stay and long stay car parks. This compares with an overall reduction noted in last year's review of 1.37% resulting in total tickets sales reducing from 891,013 in 2009 to 847,514 in 2011.

The above table also shows an approximate reduction of 11% in the number of 1 hour tickets sold with a corresponding increase of 5.06% in the number of 2 hour tickets sold, whereas 2 hour tickets last year were showing a reduction of 8%. Other notable variances include an 11% increase in the total number evening tickets sold and a 14.34% increase in 5 hour tickets sold in Lancaster, albeit that this only represents 429 tickets.

However, further detailed analysis between Lancaster and Morecambe for the same period shows the following trends:-

<b>Area</b>	<b>2010 and 2011 comparison</b>
Lancaster Short Stay	-0.9%
Lancaster Long Stay	+7.7%
Morecambe Short Stay	-9.7%
Morecambe Long Stay	-9.7%

## 2.5 *Permit Sales*

The following table shows a comparison of permit sales at the end of the 2009/10 and 2010/11 and at November 2011.

### PERMIT SALES 2009, 2010 & 2011

PERMIT TYPE	ISSUED TO 31/03/10	ISSUED TO 31/03/2011	ISSUED AT NOV 2011	2010 v 2011 %
<b>Public Permits</b>				
<b>General Permits -</b>				
7 day Lanc and Mcbe	100	90	95	
5 day Lanc and Mcbe	120	91	32	
7 day Morecambe	28	24	27	
5 day Morecambe	4	6	6	
<b>Specific Permits -</b>				
7 day Lancaster	28	31	28	
5 day Lancaster	1	0	-	
<b>TOTAL</b>	<b>281</b>	<b>242</b>	<b>188</b>	<b>-22%</b>
<b>Member/Staff Permits</b>				
<b>General Permits -</b>				
Members 7 day	22	22	18	
Members 5 day	2	0	-	
Staff 7 day	226	215	200*	
Staff 5 day	25	16	17*	
Staff Specific	6	4	0	
Partner 7 day	-	-	22	
Partner 5 day	-	-	5	
<b>TOTAL</b>	<b>281</b>	<b>257</b>	<b>262</b>	<b>2%</b>

\* includes 27 staff who transferred to Preston City Council that will be classed as Partner Permits from 1/4/12.

The above comparison between March 2011 and November 2011 shows a reduction in public permits of 22% despite the 5% reduction in permit prices approved last year. There has also been a significant reduction in the number of public 5 day Lancaster and Morecambe permits due to the cancellation of permits by several corporate customers. The above figures informed the Revised Budget process but since then a further corporate customer has cancelled 24 of their 39 permits. The uptake on partner permits for organisations working in partnership with the Council also fell well below the expectation.

This above comparisons along with the reductions noted in last year's review of 18% in public permit sales and 4% in staff and member permits has resulted in income significantly reducing from 2009/10 to 2011/12. Whilst the reduction in permit sales could be seen as achieving one of the parking

strategy's objectives of reducing commuter parking the impact on the budget and other parking charges has to be considered.

## 2.6 Current Financial Position

The current 2012/13 Draft Budget outlined in the table below assumes that income across the three headings will continue at the same level as projected for 2011/12, i.e. Fees will reduce by £86,000, Permits will reduce by £83,000 each per annum respectively and Evening income will increase by £12,300. The 2012/13 draft figures have therefore been adjusted to reflect the current change in usage and this also includes an allowance for extreme weather that has occurred in the last 2 years. An inflationary increase of 2.6% has also been added in line with the Council's existing policy on fees and charges.

Heading	2011/12 Estimate	2011/12 Revised	2012/13 Estimate	Inflation Included
Fees	2,065,900	1,979,900	2,031,400	51,500
Evenings	81,300	93,600	96,000	2,400
Permits	229,100	161,500	149,900	3,800
<b>TOTAL</b>	<b>2,376,300</b>	<b>2,235,000</b>	<b>2,277,300</b>	<b>57,700</b>

**The annual review therefore needs to consider options for covering additional inflationary increases of £57,700 across the three headings highlighted above.**

## 2.7 Parking Charges in Lancashire and Cumbria

This section provides information about the current charges in nearby authorities. These charges vary according to local traffic and parking policies and each authority is currently looking at their charging levels. The following table also shows the City Council's parking charges in Lancaster and Morecambe and at Marketgate and Parksafe in Lancaster, which are privately operated.

City/Town	0-1	1-2	2-3	3-4	4-5	5-8	8-10
<b>Lancaster</b>	<b>1.20</b>	<b>2.00</b>	<b>2.70</b>	<b>3.40</b>	<b>3.70</b>	<b>6.00</b>	<b>6.00</b>
<b>Morecambe</b>	<b>1.20</b>	<b>2.00</b>	<b>2.70</b>	<b>3.40</b>	<b>3.20</b>	<b>3.20</b>	<b>3.20</b>
Marketgate	1.20	2.00	2.70	10.00	10.00	10.00	10.00
Parksafe	1.40	2.20	3.00	4.00	7.00	7.00	7.00
Carlisle	1.00	2.00	3.00	4.00	4.50	5.40	5.40
Barrow*	1.20	2.20	3.00	4.00	6.00	6.00	6.00
Kendal	1.20	2.20	3.20	3.90	5.00	6.00	6.00
Blackpool	2.30	2.30	3.40	4.50	9.00	9.00	12.00
Preston – Avenham	1.20	1.80	2.50	3.30	4.00	4.00	4.00
Hill St.	1.30	2.50	3.30	4.70	9.20	9.20	9.20
St George's (private)	1.30	2.00	2.50	3.50	4.50	8.00	8.00
Lytham**	1.40	2.20	2.20	2.20	2.80	3.50	3.50

Note: Short Stay tariffs up to 4 hours  
Long Stay tariffs over 4 hours

\* Barrow – charges shown are being implemented in February 2012

\*\* Lytham – charges shown are being implemented in January 2012

## 2.8 On-Street Pay and Display Charges

These charges are set by the County Council as highway authority and are periodically reviewed. The rationale of on-street pay and display charging is that on-street charges should be set higher than off-street car park charges to reduce on-street traffic circulation from customers looking for parking places and to encourage greater use of off-street car parks.

The County Council reviewed its charges last year and the following charges were introduced in April 2011.

<b>Charges</b>	<b>Current Charges</b>
<b>Tariff 1</b> Castle Hill (spaces for TIC)	Up to ½ hour – 60p
<b>Tariff 2</b> e.g. Dalton Square/ Church Street	Up to ½ hour – 60p Up to 1 hour - £1.20
<b>Tariff 3</b> e.g. Robert street/ Quarry Road	Up to 1 hour - £1.20
<b>Tariff 4</b> e.g. High Street/ Queen Street	Up to 1 hour - £1.20 Up to 2 hours - £2.00

The above charges are currently the same as the City Council's short stay charges thereby not maintaining the preferred differential in charging arrangements. It is not clear at this stage whether the County Council will be reviewing their charges and increasing them from 2012/13. It should be noted that 94% of the on-street tickets sales are sold at the Up to 1 hour tariff.

It is suggested that the City Council recommends that Lancashire County Council increases the Lancaster on-street pay and display charges from their current levels to maintain the required differential and to allow the City Council to be able to increase its short stay pay and display charges as part of this review or a future review.

## 3.0 Proposal Details

### 3.1 Pay and Display Charges

#### 3.1.1 Maintaining Existing Charges

The following table assumes that all pay and display charges would remain the same and illustrates the impact if usage increased or decreased by

various percentages. The reduced usage of car parks from 2009 to 2011 is highlighted in paragraph 2.4 and represents 5% over the 3 years. This trend may well continue as there is no guarantee that usage would increase by maintaining existing charges and if this was the case the reduced income would impact on the budget as follows;

%	<b>+1%</b>	<b>+2%</b>	<b>+3%</b>	<b>+5%</b>	<b>+7.5%</b>	<b>+10%</b>
£	+£21,200	+£42,500	+£63,800	+£106,200	+£160,000	+£212,500
%	<b>-1%</b>	<b>-2%</b>	<b>-3%</b>	<b>-5%</b>	<b>-7.5%</b>	<b>-10%</b>
£	-£21,200	-£42,500	-£63,800	-£106,200	-£160,000	-£212,500

### 3.1.2 Reducing Charges

This option is available as a potential solution to attempt to reverse the trend of reduced usage. Charges could be reduced across every tariff or on selected tariffs but it is extremely difficult to forecast the impact on usage and there are considerable risks associated with such an approach.

Members should be aware that in the Portas report published on 13 December 2011, one of the key recommendations of revitalising town centres was to have affordable town centre parking. In a recent survey, the Federation of Small Businesses found that 50% of their members said that the lack of affordable town centre parking had a detrimental effect on their business. One of the counter arguments is the danger that commuters could take over the spaces before shoppers got to the town centres – great care would need to be taken on scheme design to reflect this.

- (a) The following table shows some examples of potentially reduced tariffs and the impact if usage continued to reduce at 3.56%, if usage stayed the same and the increased usage that would have to be generated for there to be no financial implications:-

<b>Short Stay</b>	<b>Reduce Up to 1 hour £1.20 to £1.00</b>	<b>Reduce Up to 2 hours £2.00 to £1.80</b>	<b>Reduce Up to 3 hours £2.70 to £2.50</b>	<b>Reduce Evening Charge £1.20 to £1.00</b>
-3.56%	-£104,900	-£74,000	-£29,700	-£16,700
Same usage	-£89,500	-£56,500	-£20,700	-£14,200
Extra usage to break even	+107,400 tickets	+37,700 tickets	+17,000 tickets	+10,000 tickets

- (b) The following table shows the potential impact that moving away from the traditional tariff structure on a Saturday and/or Sunday towards e.g. a £2.00 flat rate all day could have on income, assuming the same usage and with some examples based on increased usage. As previously mentioned it is extremely difficult to estimate the impact of such a move over the course of a financial year so two average weekends have been selected in Lancaster and Morecambe for illustration purposes only:-

	<b>Lancaster</b>	<b>w/c 29/10/11</b>	<b>Morecambe</b>	<b>w/c 18/7/11</b>
	<b>Saturday</b>	<b>Sunday</b>	<b>Saturday</b>	<b>Sunday</b>
Current Tariffs	£6,000	£2,100	£2,700	£3,800
Flat Rate £2.00 same usage	£6,100	£2,300	£3,000	£3,500
Flat Rate £2.00 – 5% increased usage	£6,400	£2,400	£3,200	£3,700

The above example would represent a marked departure to the established tariff regime. The impact on the wider management of parking and traffic particularly on a Saturday would need to be considered along with the potential for further reductions in the number of permit sales. The introduction of a flat rate charge of £2.00 for all day parking may encourage more shoppers and visitors and for them to stay longer. However, an average of 40% of the customers analysed over the weekend would have had to buy a more expensive ticket that they did under the present tariff structure and this could potentially lead to a significant number of complaints.

The operational implications of such a move would need to be fully considered along with the impact on the integration with the flat rate evening charge which forms a valuable source of revenue. The existing evening flat rate charge already causes some complications in terms of advising drivers, who can arrive and depart at any time of day or evening, of the appropriate charge for their estimated length of stay. The introduction of another flat rate charge on Saturday or Sunday combined with the evening flat rate charge and hourly tariffs on other days would add a further level of complication for drivers to understand when calculating the charge required for their length of stay. Flat rate charging information would also have to be added to the car park information chargeboards. This would cost approximately £200 to £250 per chargeboard depending on whether the boards could be amended or would need to be replaced due to the amount of wording.

The implications for future year's reviews should also be considered when determining whether to reduce charges or introduce flat rate tariffs.

### 3.1.3 Reviewing Charges

The following table highlights the potential income that could be generated from various tariff increases for day time and evening parking. Nearly 80% of total ticket sales are on short stay car parks and these tariffs represent the greatest potential for generating additional income. The tariffs increased in April 2011 have been shown in bold and underlined e.g. **1.20**

	Existing	10p increase	20p increase	30p increase	50p increase
<b>Short Stay</b>					
Up to 1 hour	<b><u>1.20</u></b>	43,000	86,000	120,000	180,000
Up to 2 hours	<b><u>2.00</u></b>	25,000	53,000	75,000	110,000
Up to 3 hours	<b><u>2.70</u></b>	9,500	18,000	28,500	42,000
Up to 4 hours	<b><u>3.40</u></b>	4,000	8,000	12,000	18,000
Over 4 hours	8.00	500	900	1,500	2,200
Evenings	<b><u>1.20</u></b>	5,500	11,000	15,000	25,000
<b>Long Stay</b>					
Up to 1 hour	<b><u>1.20</u></b>	8,500	17,000	25,500	35,000
Up to 3 hours	2.20	8,000	16,000	24,000	35,000
Over 3 hours (Morecambe)	3.20	2,100	4,400	6,400	9,600
Up to 5 hours (Lancaster)	3.70	900	1,800	<b><u>2,800</u></b>	4,000
Over 5 hours (Lancaster)	6.00	350	700	1,050	<b><u>1,400</u></b>
Evenings	<b><u>1.20</u></b>	900	1,800	2,400	3,800
<b>Other Car Parks –</b>					
Up to 4 hours*	0.80	1,800	<b><u>3,600</u></b>	5,000	7,000
Over 4 hours*	1.20	200	<b><u>400</u></b>	600	1,000
Up to 24 hrs**	0.50	200	400	600	1,000

\* These tariffs are for Coastal Road and Battery Breakwater in Morecambe and Heysham Village car park.

\*\* This tariff is for Back Brighton Terrace Car Park in Morecambe.

**Please note the above figures allow for reduced sales due to customer resistance to tariff increases and overpayments.**

If Cabinet is considering price increases there are two main options that would generate the required budgetary target and these are as follows:-

(a)

Tariff	Current Charge	Proposed Charge	Additional Revenue
Up to 1 hour on all car parks	£1.20	£1.30	£51,500
Evening Charge	£1.20	£1.40	£12,800

**This option potentially generates £64,300 and exceeds the budgetary requirement by £6,600.**

These tariffs account for approximately 48% of all tickets sales and this represents a significant number of customers. Many customers also view the first hour's charge as an indication of the overall level of charging and this is probably the most sensitive tariff. An increase to the day time 1 hour tariff would represent a 44% increase on this tariff over 4 years. However, increases to the 1 hour charge only affect one day time tariff and if approved this may encourage customers to stay longer and take advantage of cheaper parking for 2 hours or longer on the short stay car parks which would be at the rate of only 0.70p per hour. This could be an advantage to shoppers and traders. Encouraging longer stays on short stay car parks could potentially also reduce traffic movements but this would be very difficult to estimate.

This option also requires the County Council to review their charges and increase their Up to 1 hour charge to £1.30 to be the same and £1.40 to maintain the required differential in charging as outlined earlier in this report.

(b)

<b>Tariff</b>	<b>Current Charge</b>	<b>Proposed Charge</b>	<b>Additional Revenue</b>
Up to 2 hours	£2.00	£2.20	£53,000
Up to 3 hours	£2.70	£2.80	£9,500
Up to 4 hours	£3.40	£3.50	£4,000

**This option potentially generates £66,500 and exceeds the budgetary requirement by £8,800.**

These tariffs account for approximately 36% of all tickets sold and this reduces the number of customers that would be affected. However, an increase to the 2 hour charge would represent a 37.5% increase on this tariff over 4 years. This option could increase the number of 1 hour tickets sold and could help with the turnover of spaces at busy periods. This could discourage customers from staying 2 hours or longer and this would potentially not help businesses and traders. The increased turnover of spaces could also maintain or increase traffic flows rather than possibly reducing them compared with the first option.

### 3.2 Public, Staff, Member and Partner Permits

As previously mentioned permit sales have reduced in recent years resulting in income reducing from £230,100 in 2009/10 to a probable outturn figure of approximately £161,800 in 2011/12. There are no proposals to increase or

reduce permit charges in view of the uncertainty over this revenue stream.

### 3.3 Festival Market Car Park

Members may recall that Market Traders submitted a letter in response to the consultation on last year's review asking Cabinet to consider issues raised in 2010 to improve the viability of the Market. Cabinet agreed not to increase the Up to 1 hour charge from £1.00 to £1.20 for the Festival Market Car Park in response to the traders' letter but implemented the increase on all other car parks in the district. The traders have again written to the Council asking for the following three options to be considered and the comments and financial implications for each option are also shown below for information:-

#### **Free Parking after 3pm –**

The financial implications of this option would be reduced income of approximately £13,300 and this would potentially have to be balanced with increases elsewhere within this report.

#### **£1.00 for 12 hours parking all day on a given day e.g. Tuesday or Thursday –**

The existing tariff structure is as follows:

Up to 1 hour - £1.00, Up to 3 hours - £2.20, Up to 10 hours - £3.20

The adoption of a flat rate all day charge of £1.00 on Tuesday or Thursday would reduce income by approximately £5,000 p.a. for each day assuming no additional tickets are sold. The initiative may encourage greater use of the car park and for longer stays. The wider implications of such an initiative also need to be considered such as the turnover of spaces that currently takes place, the potential for displaced commuter parking from other car parks, the impact on Morecambe General Permit sales and possible requests being received from other retail businesses for similar concessions on other car parks.

#### **A coach drop off area on the Market Car Park –**

This has been requested on a number of occasions but has been rejected on the grounds of health and safety and vehicular movements within the car park. The traders have again asked if provision could be made for a drop off point parallel to Central Drive and the creation of a vehicular access for coaches via the existing coach drop off point on Central Drive which is 50 yards from the main entrance to the market.

The creation of a vehicular access for coaches from Central Drive is not practical from a highway point of view. The creation of a drop off point at this position within the car park would only reduce the distance to the main entrance of the market by 5 to 10 yards. It would also require the modification of a junction within the car park to facilitate safe coach movements. The initiative would result in the loss of approximately 25 parking bays. This would impact on total capacity on busy weekends when the car park already operates at near capacity and could result in the loss of income to the

adjoining private car park. In addition the market is close to existing coach parking facilities with 9 parking bays being located in the Winter Gardens Car Park on the boundary with the Festival Market Car Park and a further 12 parking bays on the Retail Park next to Morrisons.

The option is available to retain the existing Up to 1 hour charge of £1.00 on the Festival Market Car Park in the event of Cabinet approving any further increases to the 1 hour charge on other car parks in the district. The option is also available to increase the charge by 10p to £1.10 (in line with the proposed level of increase on all other car parks) or alternatively to increase it to £1.30, bringing it back into line with all the other 1 hour charges if they are increased by 10p from £1.20 to £1.30.

#### 3.4 Upper St Leonardgate Car Park

A request has been received from one of the Members representing the Bulk Ward to allow on-street resident permit holders living in the Bulk Zone C residents parking zone to be able to use the car park in line with the policy that has already been implemented for Central Zone A and the zones introduced in the Dallas Road area in February last year.

This initiative would be compatible with the Parking Strategy that includes the aim - in areas where demand for residents' parking spaces exceed the supply, make provision for certain resident permit holders to use designated car parks for overnight parking. The suggested times when parking should be made available is Monday to Saturday before 10.00am and after 4.00pm and all day Sunday. This would be the same as Central Zone A and would have no financial implications on the parking budgets. The change would require an Amendment Order to the Off-Street Parking Places Order and it is recommended that the change is only introduced when an Amendment Order is required for other changes.

#### **Recommendation:**

**That Cabinet approves allowing resident permit holders from Bulk Zone C to use Upper St Leonardgate Car Park, Monday to Saturday before 10.00am and after 4.00pm and all day Sunday and that the Off-Street Parking Places Order is only amended when other substantive changes are required.**

#### 3.5 Marine Road No 5 and No 6 Car Parks

The Register of Excluded Properties process that is administered as part of the operation of residents parking scheme was amended last year to include a refurbished property on Marine Road Central. This means that future residents of the development are excluded from the Poulton Home Zone residents parking scheme. The possibility of adding the long stay car parks at Marine Road No 5 and No 6 (between the RLNI and Lord Street) to the Morecambe General permit due to the lack of alternative parking was discussed with a Poulton Ward Member as part of the consultation on the exclusion process. This initiative would be in line with the existing policy on General Permits that

allows parking on all long stay car parks with the exception of these two car parks and if approved should be extended to all types of car park permit. This would have no financial implications for the parking budgets.

Again this change would require an Amendment Order to the Off-Street Parking Places Order and it is recommended that the change is only introduced when an Amendment Order is required for other changes.

**Recommendation:**

**That Cabinet approves adding Marine Road No 5 and No 6 Car Parks to the list of car parks that Morecambe General Permit holders and other car park permit holders can use and that the Off-Street Parking Places Order is only amended when other substantive changes are required.**

3.6 Traffic Regulation Orders

The above proposals if approved need to be incorporated into the Off-Street Parking Places Order to allow enforcement of the charges and regulations. Increased or decreased charges are dealt with through a Notice of Variation procedure. More substantive changes such as changes to permit arrangements would require a formal Amendment Order at an estimated cost of £5,000, which has been included in the existing advertising budget in the current year.

4.0 Details of Consultation

The local Chambers of Commerce and of Trade, the Federation of Small Businesses and Morecambe Town Council have been consulted over the pay and display and permit options included in the report and their comments will be made available at the meeting.

On-Street pay and display charges are the responsibility of Lancashire County Council and officers have asked the County Council to consider increasing these charges for 2012/13 to allow the City Council to review its up to 1 hour charges as part of this review. An increase in on-street charges to maintain the differential charges is also a key element of the wider management of parking and traffic.

5.0 Options and Options Analysis (including risk assessment)

The following options are in respect of pay and display charges:-

	<b>Option 1:</b> This option is to do nothing and to retain the existing fees and charges	<b>Option 2:</b> This option is to reduce some charges in a bid to increase usage	<b>Option 3:</b> This option is to approve increases to some fees and charges to achieve the 2012/13 Draft budget
Advantages	<p>This option limits the impact on parking usage and town centre businesses and trading</p> <p>This option is likely to receive the most support through the consultation process</p> <p>This option has the potential to reduce any further reductions in usage</p>	<p>Depending on the range of reduced prices this option could encourage greater use of car parks and increased use of local businesses and traders</p> <p>This option is likely to receive the greatest support through the consultation process</p>	<p>This option allows parking fees and charges to meet the financial target and to also potentially make an additional contribution to the 2012/13 budget process through surplus income</p>
Disadvantages	<p>This option is unlikely to achieve the required budget contribution through increased usage</p>	<p>This option is unlikely to achieve the required budget contribution as considerable additional usage would be required</p>	<p>This option could have a negative impact on short stay parking and town centre trading</p> <p>This option is likely to receive the least support through the consultation process</p>
Risks	<p>This option increases the budget preparation difficulties at a time when additional income or major savings are required</p>	<p>It is extremely difficult to predict customer reaction to any reduced prices and the financial impact for the council. There are substantially increased risks associated with this option</p>	<p>This option could lead to further reductions in usage and the consequential risk of this could be that the estimated level of additional income may not be achieved</p>

## 6.0 Conclusion

- 6.1 The preferred option is Option 3: to increase pay and display charges and to consider the two sub-options summarised as follows:-

**(a) Increase the Up to 1 hour charge on all car parks from £1.20 to £1.30  
Increase the Evening charge from £1.20 to £1.40, or**

**(b) Increase Short Stay Up to 2 hours from £2.00 to £2.20  
Increase Short Stay Up to 3 hours from £2.70 to £2.80  
Increase Short Stay Up to 4 hours from £3.40 to £3.50**

**That Cabinet approves allowing resident permit holders from Bulk Zone C to use Upper St Leonardsgate Car Park, Monday to Saturday before 10.00am and after 4.00pm and all day Sunday and that the Off-Street Parking Places Order is only amended when other substantive changes are required.**

**That Cabinet approves adding Marine Road No 5 and No 6 to the list of car parks that Morecambe General Permit holders and other car park permit holders can use and that the Off-Street Parking Places Order is only amended when other substantive changes are required.**

#### **RELATIONSHIP TO POLICY FRAMEWORK**

Links with the Corporate Plan Priorities – Economic Regeneration and Climate Change

Aims and objectives of the Medium Term Financial Strategy

Parking Strategy –

Aim 3 – in areas where the demand for residents' parking spaces exceed the supply, make provision for certain resident permit holders to use designated car parks for overnight parking

Aim 5 - to set charges to meet the Council's transportation policy objectives and budget commitments

Aim 5 – ensure the cost differential between on and off-street charges is maintained

Links with Lancaster District Local Strategic Partnership priorities of Economy and Unemployment and Environment and Climate Change

#### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

There are no diversity or human rights implications arising from the report. Links with the Lancaster District Community Safety Partnership in terms of the relationship between on-street parking charges and road safety and the off-street parking service being involved in vehicle and personal security initiatives with partners and stakeholders.

#### **LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

## FINANCIAL IMPLICATIONS

The financial consequences and risks associated with parking income are included in this report and have also been reported in previous reviews. Inflationary increases totalling £57,700 and reduced permit income of £67,600 and reduced fee income of £86,000 arising in 2011/12 have been included as part of the 2012/13 Budget Process. The loss of a further £15,400 from a corporate permit customer has also been taken into account when setting future year's permit budgets.

Option 1 offers Members the option not to raise any fees and charges. There is no evidence to suggest that car park usage would increase and there is a very strong possibility that income would be very similar to 2011/12, therefore not meeting the budget commitment included in the 2012/13 Draft Budget, which could result in a potential shortfall of £57,700. There is also a possibility that usage would actually continue to reduce and this would increase the potential shortfall and exacerbate the budgetary problems.

Option 2 offers Members the option to consider reducing some charges in a bid to increase usage and potentially increase income. On the first example shown in the report which covers 4 tariffs, over 172,000 additional ticket sales would be required to achieve the breakeven point, before any additional income is generated towards the budget commitment of £57,700. On the second example of introducing a flat rate of £2.00 for all day parking on a Saturday or Sunday, the analysis has been undertaken over average weekends and the results and the impact over a full financial year are extremely difficult to estimate. There are significant risks associated with reducing charges due to the fact that if they do not achieve the desired effect of increasing income the actual income that will be generated will be lower than in 2011/12. Also as with Option 1 if usage continues to reduce the budget implications increase.

The introduction of a flat fee would also require expensive changes to the car park chargeboards. If the changes cover all car parks throughout the district the estimated cost of these changes is between £8,600 and £10,750 depending on whether the existing boards could be amended or would need to be replaced. At this moment in time this could be contained within existing maintenance budgets but all remaining planned and reactive maintenance would have to be minimised and no contingency budget would be available for winter maintenance in the event of severe weather.

Members are reminded, that if Option 1 and 2 are taken forward then this falls outside the current budget framework and will impact on the need to make more savings in other areas of activity. It would need to form part of Cabinet's proposals for further consideration and approval by full Council.

For Option 3 the report sets out two options for Members to consider in relation to increasing pay and display charges:-

	Option 3 (a)	Option 3 (b)
<b>Budgetary Requirement</b>	<b>(57,700)</b>	<b>(57,700)</b>

Pay & Display Income	51,500	66,500
Evening Parking	12,800	
<b>Total Budget Shortfall/(Surplus)</b>	<b>(6,600)</b>	<b>(8,800)</b>

Option 3 (a) offers Members the option to increase two tariffs that will not only meet the budgetary requirement of £57,700 but will also allow an additional maximum contribution of £6,600. However, the majority of the additional income is dependant on the County Council agreeing to increase the on-street pay and display charges and it is not clear at this stage whether County is prepared to implement these increases. If the day time car park pay and display charges are not increased as a result of County not increasing its on-street charges, the budget shortfall will be £44,900.

Option 3 (b) offers Members the option to increase three tariffs that again not only meet the budgetary requirement of £57,700 but will also allow an additional maximum contribution of £8,800. The current on street 2 hour tariff levied by County is £2.00 which would be 20p below the proposed off street tariff if County did not increase their charges, however 2 hour on-street charges only account for 6% of total sales and this is not considered to be a major factor affecting the likely usage. This option on its own should generate sufficient levels of income to meet budget requirements, even if County Council do not opt to increase their on street tariffs

If Members decided to approve both options 3 (a) and (b) this would result in potential increased income of £130,800 that would not only meet the budget requirement but could result in an additional contribution of £73,100 against current proposed budgets. As mentioned above, £51,500 of this income would be dependant upon County Council increasing their prices.

Options 3 (a) and (b) have inherent risks associated with them as any increases could impact on usage, although resistance factors have been built in to help mitigate this risk as indicated within the report.

The report does not include any recommendations in respect of the Festival Market Car Park. The financial implications of reducing charges on this car park are included in the report. The figures reported under Option 3 (a) assume a 10p increase in line with other Up to 1 hour charges, therefore if Members decided not to implement the tariff increase on this particular car park there would be a reduction of £3,700 in income that has not been taken into account in the figures included in this report.

Alternatively if Members decided to bring Festival Market charges back into line with all other short stay 'Up to 1 hour' charges in the district, the price would increase from £1.00 to £1.30 and this would result in £8,800 additional income to the figures currently reported under Option 3 (a). However, this potential increase in income would need to be viewed alongside

the possible impact on usage levels and also for market traders.

The car parks advertising budget has been increased to £5,400 as part of the 2011/12 Revised Budget process and this is sufficient to advertise an Amendment Order for the Off-Street Parking Places Order if substantive changes to the order are required.

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

There are no HR implications arising out of this report.

##### **Information Services:**

There are no IS implications arising out of this report.

##### **Property:**

Property Services has prepared this report and have no further comments to add.

##### **Open Spaces:**

There are no open space implications arising from this report.

#### **SECTION 151 OFFICER'S COMMENTS**

Members are advised to consider the proposals in context of draft priorities and financial prospects, as well as service objectives and value for money.

#### **MONITORING OFFICER'S COMMENTS**

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

#### **BACKGROUND PAPERS**

None

#### **Contact Officer:**

David Hopwood

**Telephone:** 01524 582817

**E-mail:** [dhopwood@lancaster.gov.uk](mailto:dhopwood@lancaster.gov.uk)

**Ref:**