

ENVIRONMENTAL SERVICES – CAR PARKING

1 Background

Off-Street Car Parking Charges

The Council recognises the contribution effective management of off street car parking makes to the overall management of the public realm, including wider traffic management issues. Effective management is underpinned by a parking strategy which recognises the importance of an effective pricing policy. This in turn supports the wider delivery of the Council's aims and objectives as outlined in the Corporate Plan.

Parking fees and charges are reviewed annually to ensure the Council meets its transportation and budget commitments. Last year Members approved the following changes:

Increase the majority of short and long stay car parking tariffs on all car parks in Lancaster and Morecambe with the exception of the 1 hour tariff

Introduce 24 hour parking charges in Lancaster

Increase charges at Williamson Park and remove the Annual Permit

Increase all car park permits by 5%

Introduce parking charges on Bank Holidays in Lancaster

Increase the 1 hour charge on the Festival Market Car Park by 10p

Increase parking charges on Morecambe's outer car parks

Lancaster District Chamber of Commerce and Lancaster BID objected to the introduction of Bank Holiday parking charges in Lancaster. Following consideration of the objection and a programme of events submitted for Bank Holidays it was decided to rescind the decision to introduce the charges.

On-Street Parking Charges

Lancashire County Council approved the introduction of increased on-street pay and display charges for 2014/15 and these were introduced in June. The current on-street and short stay car parking charges are as follows:-

Parking Charge	On-Street	Car Parks
Up to 1 hour	£1.40	£1.30
Up to 2 hours	£2.30	£2.40

The 1 hour differential charge is now in place to encourage greater use of car parks and to discourage customers from driving around the limited number of on-street parking spaces and adding to congestion and increasing pedestrian safety issues. Although the 2 hour differential has not been maintained there are very few 2 hour

on-street parking spaces.

The County Council is likely to be reviewing its charges as part of its budget proposals but there is no information available at the current time and is unlikely to be available when Cabinet considers this report.

For the purposes of this report Officers have assumed (and expect) that on-street car parking charges will remain the same in 2015/16.

Update on Mobile Phone Parking

Since the last review, work has progressed on the mobile phone parking project and it is planned to launch this in Spring 2015. This will allow customers to purchase their parking via mobile phone, mobile app or via the service providers' web site. Customers can register free of charge to use the service via a 01524 local dialling code and are charged at a local call charge rate. Customers are charged a 20p convenience charge and can choose to pay a further 10p for a text reminder to advise them their time is running out. Customers can top up without having to return to the car park and a further 20p convenience charge is paid.

Residents Parking Administration

The City Council administers 14 resident parking schemes throughout the District on behalf of the County Council. The cost of administering these schemes in recent years has exceeded the income that is generated from the various types of permits that are sold to residents and other customers. Whilst the County Council recognises the benefits of close working arrangements over a range of parking and public realm functions it has recently indicated that it is not prepared to fund the deficits on this account which total £51.6k for 2012/13, 2013/14 and the projected deficit in the current year. From 2015/16 as things stand we expect the deficit to run at £2.9K per annum. County's stance is that the City Council has the scope to manage the account without running into deficit.

In view of this information the draft budget has been updated accordingly. Furthermore resident permit charges have been reviewed to provide proposals included in this report to address the adverse variance on the residents parking account.

Beyond this, arrangements for visitor parking are also being reviewed to improve customer convenience and to streamline administrative processes. These proposals will be the subject of consultation with residents and a further report will be submitted to Cabinet in due course.

The above does need to be taken in context of the savings the City Council has benefitted from via County's new Civil Parking Enforcement contract which is already in place and generates an estimated annual revenue saving of £60K. And the fact that overall car parking contributes £1.6+ million to the delivery of the Council's priorities. It also needs to be considered in the context of the benefit our Citizens get from having residents car parking administered locally by the City Council.

2 Influencing Factors for 2015/16

There are a number of issues that need to be taken into account when looking at parking during 2015/16 and future years. These include the current usage information, whether the impact of the United Utilities works around Lancaster Bus

Station has changed transport habits permanently, the issues highlighted in the Parking Strategy and in the longer term the introduction of Park and Ride at M6 junction 34 which is part of the Heysham M6 Link road.

2.1 Usage Position

As part of the monthly corporate monitoring of parking income usage is also monitored and the following table shows the latest position:-

	Lancaster		Morecambe		TOTALS
	Short Stay	Long Stay	Short Stay	Long Stay	
<u>Last Full Year Comparison</u>					
2012/13	724,664	134,927	339,874	157,398	1,356,863
2013/14	685,992	151,836	321,923	153,324	1,313,075
Variance	-5.34%	12.53%	-5.28%	-2.59%	-3.23%
<u>Recent 6 month comparison</u>					
2013/14	335,329	73,553	171,326	98,150	678,358
2014/15	328,850	75,062	168,840	95,912	668,684
Variance	-1.93%	2.05%	-1.45%	-2.28%	-1.43%

The above information confirms a similar trend to that reported last year, overall usage is reducing with the exception of Lancaster's long stay car parks. The full impact of the closure of Wood Street short stay car park is shown in the above full year comparison and the 6 month comparison shows a further slight reduction of -1.93%. In Morecambe the short stay full year comparison has increased to -5.28% but the long stay comparison has reduced to -2.59%.

Permits

All car park permits were increased by 5% during the last review but sales have reduced by just under 5% with an adverse variance of £7.8k.

2.2 United Utilities Works

These major works to upgrade and improve Lancaster's sewer system have been ongoing since February 2013. Phase 4 of the works started in mid-September 2014 and was completed on 22nd November 2014. Phase 4 was the most disruptive in terms of traffic management and included the closure of North Road and Rosemary Lane and the redirection of inbound city centre and through traffic along St Leonard's Gate. This also affected access to Cable Street Car Park and access to St Nicholas Arcades Car Park was from St Leonard's Gate and across the junction with Stonewell. At this stage it is not clear whether these works have had a permanent impact on people's travel patterns. Ongoing monitoring will help assess this.

2.3 Parking Strategy

The Strategy recognises that parking charges are a useful mechanism for assisting with the control of demand for parking space. However, it also recognises a careful balance needs to be found and if parking charges are too high spaces will be

underused and conversely if they are too low demand for spaces will increase to a level which makes them difficult to find and increases congestion. Charges should, therefore, be set at a level which influences behaviour in support of other objectives of the strategy, maximises revenue to support the improvement of the service and encourages regeneration and the economic wellbeing of the district. The management of car parks also supports a number of priorities included in the Council's Corporate Plan. The existing Parking Strategy has been recently reviewed and Cabinet agreed it in principle subject to consultation. The consultation has now taken place and there are no substantive changes to the draft previously considered by Cabinet. The final version will shortly be presented to Cabinet for final approval.

2.4 Introduction of Park and Ride

Work began in January 2014 on the Heysham to M6 Link Road and is scheduled for completion in mid to late 2016. The road will provide better access for residents, businesses and tourists to the area. The scheme includes the provision of a 600 space Park and Ride site to improve access to the city centre. The Parking Strategy includes a number of aims to assist the development of the use of the new facility including monitoring the use of long stay car parks in Lancaster and considering reducing the number of long stay parking spaces; whilst ensuring that sufficient spaces are available for customers travelling from the south and west. Although encouraging greater use of the Park and Ride facility may not be possible until a ring of sites has been established, an update on the implications for parking charges will be included in the review of charges for 2016/17.

3 Financial Position

The 2015/16 draft revenue budget outlined in the table below assumes that income from evening charges and permits will be similar to the projected 2014/15 revised estimate level and the 2015/16 base budget has been adjusted accordingly, which is consistent with the 2013/14 outturn position. With regard to daytime fee income it is expected that this will improve when Wood Street Car Park is reopened and therefore the base position has remained unaltered. Inflationary increases of 1.5% have then been added to the base budgets in line with the Council's existing policy on fees and charges.

	2014/15 Estimate	2014/15 Revised	2015/16 Estimate	Inflation Included
Fees	£2,183,600	£2,163,400	£2,218,100	£34,500
Evenings	£110,700	£100,000	£101,600	£1,600
Permits	£154,200	£146,400	£148,700	£2,300
TOTAL	£2,448,500	£2,409,800	£2,468,400	£38,400

The annual review needs to consider options for covering additional inflationary increases of £38,400 across the above headings.

4 Proposal Details

The budget assumes that increases equivalent to an overall 1.5% will be added to car parking charges.

As outlined in the report, however, due to a variety of factors and particularly the upheaval of the UU works during 2014 it has been very difficult to analyse the impact of last year's comprehensive increase in charges. Meaningful analysis is

required to establish whether charges at a certain level are actually financially sustainable. Without proper analysis there is a risk that further increasing charges in 2015/16 will in theory balance the budget but in practice it could mean that assumed income does not materialise.

There are essentially 3 areas for decision:

4.1 **Off Street Charges (Generally)**

Option 1A- Increase a range of charges to achieve the budget figure.

This could be achieved by increasing the 1 hr short stay tariff by a further £0.10 to £1.40. This would however require County to increase their on street tariff by the same amount. Otherwise on street and off street parking in this tariff would be the same price, which from a traffic management perspective is not ideal. Therefore, unless County were going to increase on street parking in this tariff it is not an approach Officers would recommend.

It could also be achieved by a combination of increases on less sensitive tariffs in short and long stay car parks. This would be the officer preferred approach were Cabinet minded to increase parking charges. For the reasons previously outlined, however, there is a risk that whilst the increases would achieve the budget figure in theory this would not be achieved in practice.

Option 1B- Freeze charges

This proposal is to freeze all car parking charges at current levels for 2015/16. This is in view of the above information on usage and the various factors influencing the management of car parks, but it is expected to have financial implications. Cabinet approved wide ranging increases for 2014/15 but it has been difficult to access the true impact of these increases in view of the major road works in Lancaster and car park closure and access arrangements.

4.2 **Lancaster Bank Holiday Parking**

The only other proposal for consideration is the introduction of car parking charges in Lancaster on Bank Holidays. This is to align Lancaster's charges with Morecambe where Bank Holidays charges have been in place for many years. As previously mentioned this was originally approved and then rescinded following an objection.

4.3 **On-Street Permit Charges**

Permit charges and other arrangements relating to residents parking schemes are included in Traffic Regulation Orders (TRO) maintained by the County Council. It has recently been agreed that the mechanism for changing charges for residents parking is for the City Council to approve recommendations and for the County Council to then make the necessary changes to their TROs.

In recent years the charge for a Resident Permit in a newly introduced parking zone is £40.00 per annum. However, there are 8 long standing parking zones where the charge is £25.00 per annum and this charge has never been increased since the parking zones were introduced (some of these parking zones date back to 1996). One parking zone, which only consists of limited waiting parking spaces with an exemption for permit holders rather than dedicated spaces for residents, is £15.00

per annum and again this charge has not been increased since the zone was introduced in 1997.

Cabinet is asked to support an increase in on-street Resident Permit charges in zones where the current charge is less than £40.00 per annum and to ask the County Council to make the necessary changes to their Traffic Regulation Orders to implement permit charge increases from 1st May 2015. The recommendation is to implement a £5.00 per annum increase for 2015/16 and for incremental increase of £5 in future years. This is on the basis that no increases have ever been implemented in these parking zones and the cost of administering every parking zone is very similar.

The County Council support this approach and it will be consistent with other arrangements across the County.

As previously mentioned the current arrangements for visitor parking in residents parking zones is being reviewed. It is likely that Cabinet will be asked to consider a future report recommending changes to visitor parking arrangements and if approved to request that the County Council makes the necessary changes to its TROs to allow the changes to be introduced.

Further information on the car parking proposals is provided in the Options and Options Analysis included in section 6 below.

5 **Details of Consultation**

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

As previously mentioned the County Council is likely to be reviewing its on-street pay and display charges but it is unlikely that any update will be available for the meeting. The County Council is in agreement with the proposals to increase Resident Permit charges. The changes to visitor parking arrangements will be the subject of consultation with Ward Members and residents.

6 **Options and Options Appraisal**

6.1 **Option 1A: Increase a range of charges to achieve the budget figure**

This could be achieved by either a £0.10 increase on the 1hr short stay tariff or by a range of increases across less sensitive tariffs.

Advantages	Disadvantages	Risks
<p>Could achieves the Council's budget figure, and therefore fits with financial strategy.</p> <p>May help maintain the income base for future years</p>	<p>Because of a number of factors and particularly the upheaval of the UU work it has been difficult to arrive at meaningful analysis of the impact of last year's charge</p>	<p>The major risk of increasing parking charges would be that usage could reduce as a result.</p>

<p>and smooth future years' increases (or avoid above-inflation price increases).</p> <p>It requires less savings to be made from other areas.</p>	<p>increase. Which means that whilst the figure can be achieved in theory it won't necessarily hold in practice.</p> <p>Increasing some parking charges in Lancaster could discourage shoppers and visitors after the long standing road works.</p> <p>Increasing parking charges in Morecambe could further discourage usage which is continuing to reduce despite two summers of good weather.</p> <p>Although parking charges are broadly comparable with surrounding towns increasing charges could create a perception that the Council is continually increasing parking charges.</p> <p>Increasing parking charges on the 1 hr tariff would remove the main cost differential with on-street parking charges in the event of the County Council not increasing its charges</p> <p>Unlikely to be welcomed by businesses and their representatives.</p>	
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6.2 Option 1B: Freeze charges

That for the reasons outlined in the report off street pay and display and permit charges are frozen for 2015/16.

This option is presented in light of most parking charges being increased in 2014/15, the extensive works carried out by United Utilities in Lancaster and the ongoing reductions in usage in Morecambe. This option may help promote increased use of car parks in the district and in Lancaster following completion of the United Utilities road works. This option would not meet the inflationary impact already included within the draft revenue budget, however, and therefore results in a growth budget proposal that does not fit with current financial strategy. However, it is hoped that if promoted positively, usage would be increased to some degree, helping to reduce the overall budget growth needs, and should Members decide upon this proposal then it is estimated that £18,400 would need to be added to the General Fund net

position as a consequence (rather than the full £38,400 inflationary provision).

Advantages	Disadvantages	Risks
<p>Not increasing parking charges could promote greater use of car parks and avoid any further negative impacts on businesses and traders</p> <p>Not increasing parking charges in Lancaster could encourage shoppers and visitors after the long standing road works</p> <p>Not increasing parking charges in Morecambe could encourage greater usage which is continuing to reduce despite two summers of good weather</p> <p>Although parking charges are broadly comparable with surrounding towns not increasing charges may help address any concerns about the level of charging.</p> <p>Not increasing parking charges would maintain the main cost differential with on-street parking charges in the event of the County Council not increasing its charges</p>	<p>Not increasing parking charges means that estimated income from car parking will be reduced, assumed to be on an ongoing basis to some extent – this goes against current approved financial strategy.</p> <p>It requires more savings to be made from other areas.</p>	<p>The major risk of not increasing parking charges would be that usage might not increase, could remain the same or continue to reduce and the adverse impact on the budget could be greater than the amount that has been allowed for in the 2015/16 draft revenue budget.</p>

6.3 Option 2

This option is to reconsider the introduction of Bank Holiday parking charges in Lancaster. This was originally considered in view of shopping on Bank Holidays become a regular feature of retailing. Introducing parking charges on the eight Bank Holidays in Lancaster throughout the year would align parking charges with Morecambe and could raise potential additional income of £5,000 per annum.

Advantages	Disadvantages	Risks
<p>Introducing charges on Bank Holidays would align parking charges with Morecambe</p>	<p>BID are likely to schedule and fund further events etc. in 2015/16 to increase visitor</p>	<p>Further objections from Lancaster Chamber of Commerce and Lancaster BID</p>

<p>Introducing charges would adopt consistent charges across the district and avoid customers being unsure of the charging arrangements in Lancaster</p> <p>In the event of Option 1B (above) being approved also, introducing charges on Bank Holidays would help to offset the adverse impact on the Council's budget.</p>	<p>numbers in Lancaster on public holidays. Introducing charges could be seen as conflicting with that, by some.</p>	<p>will be received.</p>
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6.4 Option 3

This option is to increase the cost of an annual resident permit in all zones where the charge is less than £40 by £5 for 2015/16 with incremental increases of £5 in future years. This will generate £3,200 in 2015/16 and address the estimated deficit on the cost of administering residents parking on an ongoing basis. Future increases will achieve consistency and ensure the cost of administering and managing the scheme is properly covered.

Advantages	Disadvantages	Risks
<p>Increasing the cost of annual resident permits in some zones (where the current charge is less than £40) will address the deficit in 2015/16 and ensure the cost of administering and managing the schemes is covered.</p> <p>Future increases will allow a uniformed charge to be introduced across all parking zones in the district, promoting fairness in line with charging principles.</p>	<p>Residents in zones where the charge is currently less than £40 will have annual price increases for permits following a long period of no price increases.</p>	<p>The increases could lead to objections and a decrease in the demand for permits (although if this option is not approved, there would still be the risk of complaints and challenge, linked to inconsistency and unfairness.</p>

7 Officer Preferred Option

The Officer Preferred Option is Option 1B (freeze off street parking charges in 2015/16), Option 3 (increase costs of some residents permits) and for Cabinet to confirm its policy on the implementation of Bank Holiday parking charges in Lancaster.