

## 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.**

Last year Cabinet Members approved the following arrangements:

*That Cabinet approves that the most popular 1 and 2 hour parking tariffs are frozen on all car parks.*

*That Cabinet approves to increase the Up to 3 hours charge by 20p and Up to 4 hours charge by 10p on all main short stay car parks in Lancaster and Morecambe, increase the Up to 3 hours charge by 10p in all long stay car parks in Lancaster and Morecambe, increase the Up to 5 hours by 30p and Up to 10 hours by 50p in all long stay car parks in Lancaster, increase the Evening Charge by 10p in all main car parks in Lancaster and increase the Full Day charge by 20p at Williamson Park, Lancaster.*

*That Cabinet approves that free Christmas parking is maintained on all main city and town centre car parks on the following dates:-*

*Sundays – 26 November, 1, 10 and 24 December 2017*

*Thursday evenings – 30 November, 7, 14 and 21 December 2017*

*That Cabinet approves that subject to the outcome of the 2017/18 Phase 1 savings proposals being approved, formal management of the Kingsway car park, Lancaster is introduced and parking charges are approved as follows:-*

*Up to 1 hour - £1.20*

*Up to 2 hours - £2.00*

*Up to 3 hours - £2.50*

*Up to 4 hours - £3.00*

*(Maximum Stay 4 hours no return in 4 hours)*

## Usage Position

The report should be considered in the context of the following-

### Car Park Usage

In recent years there has been a general trend of the overall usage of car parks reducing. However usage over the last 12 months outlined in the following table has been very encouraging and we have seen an overall increase:-

	Short Stay	Long Stay
<b>Lancaster</b>		
2017	705,531	146,324
2016	676,457	143,000
<b>Variance</b>	<b>+4.3%</b>	<b>+2.3%</b>
<b>Morecambe</b>		
2017	300,335	166,994
2016	310,277	165,871
<b>Variance</b>	<b>-3.2%</b>	<b>+0.7%</b>

## Financial Position

The 2018/19 draft revenue budget outlined in the table below assumes that income from fees (pay and display and cashless parking) for day time and evenings will continue at the improved levels achieved in 2017/18. Inflationary increases of 2.6% have then been added to the base budgets in line with the Council's existing policy on fees and charges.

	2017/18 Estimate £	2017/18 Revised £	2018/19 Estimate £	Inflation Included £
Fees	2,415,100	2,443,100	2,506,600	63,500
Permits	154,400	160,400	164,600	4,200
<b>TOTAL</b>	<b>2,569,500</b>	<b>2,603,500</b>	<b>2,671,200</b>	<b>67,700</b>

**The annual review presents options that will at the very least cover additional inflationary increases of £67,700 across the above headings**

### Closure of Greyhound Bridge

Greyhound Bridge is completely closed for major maintenance from late January until at least August and possibly longer. During this period traffic will use the Bay Gateway or Skerton Bridge which will operate a two-way traffic system. This is likely to have an impact on congestion in the city and it could have a consequential impact on car park usage and revenue.

### Closure of Lower Leonardgate Car Park, Lancaster

Lower Leonardgate car park will also be closed from late January for 18 months to allow a road diversion to be constructed on the car park. This is to allow the

developer of St Leonard's House to erect temporary cranes on the existing highway to assist with the refurbishment of the building. During this closure the road diversion will operate a one-way system into the city centre. The developer has agreed to reimburse the Council for the loss of income from the car park.

### **Update on Mobile Phone Parking**

Since mobile phone cashless parking was introduced in June 2015, 180,000 parking transactions have been purchased up to the end of December 2017. This optional service is now firmly established and has been increasing by approximately 5% each month and now accounts for nearly 6% of total usage.

### **Lancaster Park and Ride**

The Park and Ride site providing 650 car parking spaces opened in early December 2016 and is managed by Lancashire County Council.

The site is open 24 hours, 7 days per day with Park and Ride operating Monday to Saturday with buses running every 30 minutes via George Street to Lancaster Bus Station from early morning to early evening. Parking is currently free of charge but is constantly under review. Parking and bus passengers have increased steadily since the site opened.

The County Council are in discussions with the local NHS Trust through a planning agreement to increase the frequency of the bus service to 15 minutes. This should lead to more people using the service.

### **On Street Residents Parking and Services**

#### Administration of Residents Parking and On Street Parking Services

The City Council currently administers 15 residents parking zones in Lancaster and Morecambe, administers on street parking dispensations and bay suspensions and manages on street pay and display equipment; all on behalf of Lancashire Parking Services (LPS) which is part of the County Council.

LPS has confirmed its intention to administer residents parking from April 2018 and it has been agreed this will also include the other on street parking services that are provided. The transfer of these functions to LPS will provide clearer responsibility for local parking issues and will allow the City Council to concentrate on its core business of managing car parks.

## **2 Specific Car Parking Projects**

**The following specific projects are of note:-**

### **2.1 St George's Quay Car Park**

This car park is owned by the City Council but is not managed as a public car park. The car park is used by residents and businesses and commuter parking is also taking place. Improvement works in conjunction with the County Council

were completed in early 2017 and the introduction of formal management to give priority for parking to residents and businesses was included in last year's car parking report. Some initial consultation has been carried out and further consultation on the specific proposals included in this report is currently being undertaken.

## **2.2 Cable Street Car Park**

Extending this car park onto land leased by the Lancashire Fire and Rescue Service is proposed and this will increase capacity by approximately 12 car parking spaces. During negotiations it has been agreed the Service will be allocated 7 designated parking spaces on the existing car park and will be charged the Specific Permit rate that is used for designated spaces on Windy Hill, Bridget Street and Bulk Street permit holder car parks.

## **2.3 Friars Passage Car Park**

This car park is situated at the rear of Palatine Hall and is currently used for Pool Car parking. It is recommended the car park is included in the Off Street Parking Places Order to allow formal parking enforcement to be reintroduced.

## **2.4 Ryelands Park Car Park**

As part of the closure of Greyhound Bridge the County Council has agreed to contribute to the conversion of the Multi Use Games Area (MUGA) in Ryelands Park to provide 72 additional parking spaces for drivers and it is hoped these will be completed before the end of the current financial year. The spaces will be free of charge for those prepared to Park and Walk during the bridge closure. This provides the potential for managed paid for parking in future years.

# **3 Proposal Details and Options**

## **Off Street Parking Charges (Generally)**

Parking charges are a useful mechanism for assisting in controlling the demand for parking space and contributing to wider traffic management objectives. Similarly it is also important that parking charges reasonably reflect the shopper and visitor experiences in the various centres and achieve a greater visitor dwell time. The current parking strategy therefore supports the principal of differential charging between Lancaster and Morecambe and the options included in this report maintain these arrangements.

## **On-Street Pay and Display Charges**

Maintaining synchronised parking charges in Lancaster for 1 and 2 hour tariffs for both on-street and off-street parking is an important part of managing the overall demand for city centre parking spaces.

It has previously been agreed with Lancashire County Council that both Council's would synchronise their charges so that on street charges are higher than in off street car parks. This is 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 traffic congestion.

The current charges are as follows:-

<b>Parking Charge</b>	<b>On Street</b>	<b>Car Parks</b>
Up to 1 hour	£1.50	£1.40
Up to 2 hours	£2.60	£2.40

It is not clear at this stage whether the County Council is proposing to increase its on street charges for 2018/19.

### **Option 1 - Off Street Parking Charges**

In terms of overall usage nearly 62% of all parking transactions are for the 1 and 2 hour tariffs (with nearly 40% being for the 1 hour tariff). The 1 hour tariff was increased in 2016/17 and the 2 hour tariff was increased in 2014/15. Setting these tariffs at an appropriate level is important for city and town centre viability. (Cabinet will recall they were frozen during 16/17).

Officers have developed a set of viable proposals based on current car park usage and comparison with other Councils. These are outlined below and in **TABLE A** and are put forward for Cabinet's consideration:-

**Option 1A** – increasing the short stay 2 hour charge and other selected tariffs and freezing the 1 hour charge

**Option 1B** – increasing the short stay 1 hour charge and other selected tariffs and freezing the 2 hour charge

**Option 1C** – increasing the charges outlined in both Options 1A and 1B and freezing the remaining charges

**TABLE A**

Tariffs – main car parks	Current Charge	Option 1A	Option 1B	Option 1C
<u>Short Stay Car Parks -</u>				
Up to 1 hour	£1.40	Freeze	£1.50	£1.50
Up to 2 hours	£2.40	£2.50	Freeze	£2.50
Up to 3 hours	£3.00	Freeze	Freeze	Freeze
Up to 4 hours	£3.60	£3.80	£3.70	£3.80
Up to 10 hours	£8.00	£9.00	£9.00	£9.00
Up to 24 hours	£10.00	£11.00	£11.00	£11.00
Evening Charge (Lancaster)	£1.50	Freeze	Freeze	Freeze
<u>Long Stay Car Parks -</u>				
Up to 1 hour (Festival Market)	£1.20	Freeze	£1.30	£1.30
Up to 1 hour	£1.40	Freeze	£1.50	£1.50
Up to 3 hours	£2.50	Freeze	Freeze	Freeze
Up to 5 hours (Lancaster)	£4.20	Freeze	Freeze	Freeze
Up to 10 hours (Morecambe)	£3.20	£3.40	Freeze	£3.40
Up to 10 hours (Lancaster)	£7.00	£8.00	Freeze	£8.00
Up to 24 hours (Lancaster)	£8.00	£9.00	£9.00	£9.00
Evening Charge (Lancaster)	£1.50	Freeze	Freeze	Freeze
<u>Williamson Park -</u>				
Up to 1 hour	£1.00	Freeze	Freeze	Freeze
Full Day	£1.80	£1.90	£1.90	£1.90
Evening after 5.30pm	£1.00	Freeze	Freeze	Freeze
<b>Additional Income</b>		<b>£62,000</b>	<b>£62,000</b>	<b>£95,000</b>

**Option 2 - Evening Parking Charges in Morecambe**

Evening charges were introduced in Lancaster in 2005 with an initial charge of £1.00 to park from 6.00pm until 8.00am. This charge has increased in recent years and is currently £1.50. Where evening charges apply a 24 hour charge has also been introduced for operational reasons and to give customers the additional option to pay for a 24 hour period.

Proposals to introduce evening charges in Morecambe are outlined below and in **TABLE B**:-

**Option 2A** – introduce evening parking charges and a 24 hour charge on Pedder Street Car Park

**Option 2B** – introduce evening parking charges and a 24 hour charge on Pedder Street, Billy Hill and Library Car Parks (the main town centre car parks)

**Option 2C** – introduce evening parking charges and a 24 hour charge on all the main town centre, Festival Market and Promenade car parks (excluding Coastal Road, Back Brighton Terrace, Battery Breakwater and Heysham Village)

**TABLE B**

<b>Tariff</b>	<b>Option 2A</b>	<b>Option 2B</b>	<b>Option 2C</b>
Evening Charge 6.00pm to 8.00am	£1.50	£1.50	£1.50
24 hour charge (short stay)	£11.00	£11.00	£11.00
24 hour charge (long stay)			£5.00
<b>Additional Income</b>	<b>£4,000</b>	<b>£6,000</b>	<b>£10,000</b>

**Notes:**

1. This would require Marine Road No1 car park to no longer be restricted to 2 hours during the hours of evening charging
2. The evening charge would apply from 6.00pm to 10.00am on Marine Road No 5 and No 6 car parks

**Option 3 – Free Christmas Parking**

Free car parking on Sundays leading up to Christmas has been in existence since 2001 to encourage residents and visitors to shop locally. It was extended in 2005 to include Thursday evenings in Lancaster when evening charges were introduced and in 2008 to include all the main city and town centre car parks in Lancaster and Morecambe. The Christmas Lights Switch On in Lancaster is the first Sunday of free parking and this is followed by Sundays and Thursday evenings until Christmas (the number of days varying each year). The estimated loss of income is approximately £25,000 and this is already taken into account within the 2018/19 Draft Budget.

These arrangements are only for the City Council's car parks as the County Council does not offer similar free parking arrangements for on street pay and display parking.

The options outlined below are put forward for Cabinet's consideration:-

**Option 3A** - to retain the traditional free car parking on Sundays and Thursday evening's leading up to Christmas

**The cost of providing free parking is included in the 2018/19 Draft Budget**

**Option 3B** - to terminate the traditional free car parking arrangements and to introduce existing parking charges on Sundays and Thursday evenings leading up to Christmas

**This would generate approximately £25,000**

#### **Option 4 – Car Park Permits**

To increase all Car Park permits by approximately 3%

Sales have increased by 7.8% in 2017/18. This report includes proposals to increase permit charges by 3%. Previous experience is that a greater increase results in a similar decrease in sales.

**Estimated additional income £5,800**

#### **Option 5 – St George's Quay Car Park, Lancaster**

To introduce formal management and parking charges on St. George's Quay Car Park in Lancaster as outlined in the following table:-

**TABLE C**

<b>Charges to apply 8.00am to 6.00pm, 7 days per week (excluding Bank Holidays)</b>	<b>Proposed Charge</b>
Up to 1 hour	<b>£1.20</b>
Up to 2 hours	<b>£2.00</b>
Up to 3 hours	<b>£2.50</b>
Up to 4 hours	<b>£3.00</b>
Up to 10 hours	<b>£6.00</b>
Business Permit	<b>£150.00 p.a.</b>
Resident Permit	<b>£25.00 p.a.</b>

- Permits would be subject to terms and conditions

Estimated additional income of £10,000 in 2018/19 (and £15,000 per annum thereafter) has been included as part of a savings proposal to be considered separately as part of the budget process. The proposed charging scale above is designed to meet this estimate.

#### **Option 6 – Cable Street Car Park, Lancaster**

To incorporate 7 designated car parking spaces for the Lancashire Fire and Rescue Service when the car park is extended and charge the Specific Permit 7 day price for each space.

Estimated additional income of £9,000 in 2018/19 (and £18,000 per annum thereafter) has been included as part of a savings proposal to be considered separately as part of the budget process.

### **Option 7 – Friars Passage Car Park, Lancaster**

To reintroduce formal enforcement of Friars Passage Car Park for pool cars. This will have minimal financial impact due the car park only having 6 spaces.

## **4 Details of Consultation**

The local Chambers of Commerce and of Trade, the Federation of Small Businesses, Lancaster BID, Friends of Williamson Park, Morecambe BID, Morecambe Town Council and Lancashire County Council have been consulted over the options in the report and their comments will be made available at the meeting.

Ward Members, residents and businesses have been consulted over the proposals for St George's Quay Car Park.

## **5 Options Appraisal**

<b>Advantages</b>	<b>Disadvantages</b>	<b>Risks</b>
<p><u>Option 1A</u></p> <p>This option freezes the most popular parking tariff of 1 hour that accounts for nearly 40% of overall parking transactions</p> <p>The 1 hour parking tariff often provides a guide or perception of the overall level of charging and maintaining this tariff at its current level for as long as possible is beneficial</p> <p>By not increasing the 1 hour tariff and limiting the 2 hour increase to 10p differential charging is maintained in Lancaster with on-street parking charges as agreed with the County Council</p>	<p>This option includes increasing the popular 2 hour tariff by 10p which was last increased in 2014/15.</p> <p>This option includes increasing the 4 hour tariff by 20p rather than by 10p</p> <p>This option includes increasing the over 3 hour long stay (all day) charge in Morecambe by 20p</p> <p>This option includes increasing 3 tariffs that were also increased in 2017/18.</p>	<p>Increasing the popular 2 hour tariff affects a large proportion of customers and could encourage customers to only stay for 1 hour.</p> <p>Increasing the Full Day charge at Williamson Park again could reduce the number of visitors to the Park or further displace onto the surrounding streets.</p>

<p><u>Option 1B</u></p> <p>This option avoids the need to increase the second most popular 2 hour tariff</p> <p>This option reduces the 4 hour short stay increase to 10p rather than 20p</p> <p>This option reduces the number of tariffs to be increased again as well as in 2017/18 to 2 rather than 3</p>	<p>This option affects the most popular 1 hour parking tariff that accounts for nearly 40% of total transactions.</p> <p>This option would result in the differential charge with on-street parking charges in Lancaster not being maintained if County do not increase their 1 hour charge</p> <p>This option includes increasing 2 tariffs that were increased in 2017/18</p>	<p>Increasing the most popular tariff is likely to have a detrimental effect on usage and could encourage shoppers and visitors to go elsewhere</p>
<p><u>Option 1C</u></p> <p>This option makes the largest contribution to car parking revenue and combines the increases outlined in Options 1A and 1B</p>	<p>This option affects a large proportion of customers including the most popular 1 and 2 hour parking tariffs and other selected tariffs</p> <p>This option would also result in the differential charge with on-street parking charges in Lancaster not being maintained if County do not increase their 1 hour charge</p>	<p>Increasing both of the most popular tariffs and other selected tariffs is likely to carry the greatest risk of there being a detrimental effect on usage and shoppers and visitors going elsewhere</p>
<p><u>Option 2A</u></p> <p>Introducing evening parking charges on Pedder Street car park would allow the charges to be trialled and the impacts monitored</p> <p>This could lead to the justification of wider evening charging in Morecambe</p>	<p>Introducing evening parking charges on one car park would result in just one area of Morecambe being affected by the charges and none of the other car parks</p> <p>This would remove one of the evening parking options for residents who live between two town centre resident parking schemes increasing the demand for unrestricted on street parking spaces</p>	<p>Introducing evening parking charges on Pedder Street car park could result in customers transferring to the other main town centre car parks</p>
<p><u>Option 2B</u></p> <p>Introducing evening parking charges on selected car</p>	<p>Introducing evening parking charges on selected car</p>	

<p>parks in Morecambe would generate additional income and would be consistent with Lancaster's car parking charges.</p>	<p>parks would effectively lead to a two tier charging system if other car parks remained free of charge overnight.</p>	<p>Introducing evening car parking charges could lead to greater demand for unrestricted on-street car parking spaces and reduce the provision for residents who do not live in a residents parking zone.</p>
<p><u>Option 2C</u></p> <p>Introducing evening parking charges on all main car parks in Morecambe would lead to a fairer charging regime and would generate further additional income</p>	<p>Introducing evening parking charges on all main car parks would be unpopular</p>	<p>Introducing evening car parking charges could have a detrimental effect on Morecambe's night time economy</p> <p>Introducing evening car parking charges on all main car parks could lead to even greater demand for unrestricted on-street car parking spaces and reduce the provision for residents who do not live in a residents parking zone.</p> <p>Introducing evening parking charges on all main car parks could lead to a wider detrimental effect on Morecambe's night time economy</p>
<p><u>Option 3A</u></p> <p>This option maintains the traditional free parking arrangements leading up to Christmas and encourages shoppers to shop locally.</p> <p>The cost of this option is already included in the 2018/19 Draft Budget.</p>	<p>This option indirectly affects the total income that could potentially be generated from parking and also potentially increases the need for price increases from other tariffs.</p>	
<p><u>Option 3B</u></p> <p>This option removes the traditional free parking at Christmas and potentially has a positive impact on the budget position and also potentially reduces the need to increase other tariffs.</p>	<p>This option would remove the long standing concession of providing free parking leading up to Christmas</p>	<p>The option could encourage shoppers to shop elsewhere and have a negative impact on city and town centre viability at Christmas</p>

<p><u>Option 4</u></p> <p>Car Park permits charges have not been increased since 2014/15 and 3% is a relatively small increase in 4 years.</p> <p>This increase still represents good value compared with daily long stay parking charges.</p>	<p>The increase could result in less permit sales</p>	<p>Potentially less income if sales reduce by more than 3%.</p>
<p><u>Option 5</u></p> <p>This option provides formal management of the car park and will give priority to residents and businesses.</p> <p>This option prevents the long-term parking of vehicles and commuter parking.</p>	<p>Charges will be introduced to offset the cost of enforcement and other operational costs.</p>	<p>Drivers receiving Penalty Charge Notices (PCNs) could feel aggrieved due to confusion over the types of parking spaces.</p>
<p><u>Option 6</u></p> <p>This option provides designated parking as agreed during negotiations with the Lancashire Fire and Rescue Service.</p> <p>This option will provide an element of guaranteed income from the designated spaces.</p>	<p>This option could lead to enforcement issues between designated and pay and display spaces.</p>	<p>None</p>
<p><u>Option 7</u></p> <p>This option allows formal enforcement of the car park and provides appropriate arrangements for unauthorised parking.</p> <p>This option protects the parking spaces giving priority to Pool Car parking.</p>	<p>None</p>	<p>None</p>

## 6 Officer Preferred Options

That Cabinet considers the 7 options outlined in the report.