Agenda Item No:

ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY PANEL

Panel Report

Public

Date of Meeting:	**1st December 2011**
Title:	**CAR PARKING STUDY**
Report of:	**The Assistant Director Local Environment**
Report reference:	**LE27/11**

Summary:
The Car Parking Study is being finalised, however, the Executive Summary is now available for consideration. The attached document was considered as an Addendum to the Local Environment Charging Report and includes a new car parking charging structure approved by Executive on 22nd November 2011.

Questions for / input required from Scrutiny:
To consider the conclusion contained in the Executive Summary and the proposed charging structure.

Recommendations:

- To support the new charging structure approved by Executive
- To note the conclusions contained in the Executive Summary.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

Carlisle Car Parking Study

November 2011

Executive Summary

The study has confirmed the decline in off-street parking revenues and estimates that 2011/2012 ticket revenues could be as much as £278,000 below budget for Pay and Display (P& D) ticket sales alone. There are also declines in contract revenues, expected to be down on last year by some £29,000. The final out turn for the year will depend on the seasonal peak in November and early December as to whether the final out turn is better than this.

Analysis of the P&D data clearly shows a decline in transactions coming about following the tariff increase at the start of 2010/11. The level of decline further increases in February 2011 when tariffs were increased again. The initial increase was 12.5% to short stay tariffs of 4 hours or less followed by a further 11% increase to these tariffs and a 12.5% increase across the board to long stay tariffs. The over 4 hours tariff in short stay car parks had been increased from £7.50 to £10.00 at the start of 2009/10 and has not been increased since then.

The switch of Upper Viaduct car park from long stay to short stay in February 2011 resulted in this particular car park's tariffs increasing by 25% and contract holders no longer being able to use this car park. This was poorly received by local business representatives spoken to for this study. Upper Viaduct has also seen the greatest decline in usage.

The study needed to consider a number of questions, which are addressed in more detail in the body of the report and in brief here:

Is the division of long and short stay parking appropriate?

It is proposed that Carlisle City car parks would benefit from more differentiation and four categories of car park have been proposed. See Table 1

Is there surplus parking supply for current/projected parking demand?

Current long stay average occupancy is 21% and short stay is about 45%, both of which suggest surplus supply of parking space. Lower and Upper Viaduct, as well as Paddy's Market, are already identified for development potential, but may take some time before going forward. In the meantime there are high volumes of transactions taking place in alternative parking locations around the City, which could go a long way to fully utilising the Council's current car parks.

Are there opportunities for alternative uses for under utilised parking space?

The key recommendation of this study is to try to make better use of under utilised parking space for longer stay visitors and commuters through a modified pricing structure. This approach is designed to help support retail dwell, businesses, tourism and the economic vitality of the City. To the extent that this reduces on-street parking this will also benefit residents and other road users. It will also help reduce congestion and pollution in the City Centre if long stay parkers are encouraged to use car parks on the key access routes. As stated above, over time parking space needs to be refined to meet future growth, transport and parking objectives as well as helping to improve the City's public realm generally.

What impact would alternative methods of charging have?

The only charging methods currently used by the Council is Pay & Display and Contracts. The Lanes Shopping Centre car park uses Pay on Exit, but its environment is better suited to this method than the Council's car parks and there are higher costs to install and operate this option. Parking customers will be expecting a range of options to pay parking charges, including use of credit/debit cards, decrementing cards, touch payments and other forms of electronic payment such as mobile phone "waived" payments in the future. As the P&D equipment is reaching the end of its useful life, these options should be included in any replacement equipment acquired.

Are there new technologies that could improve service and/or revenues?

There has been recent consideration of Pay by Phone and it is recommended that this is actively pursued for parking across the City. There would be cost savings from making all parking cashless, but it is expected that Pay by Phone will at best initially help to reduce some of the costs of cash collections and equipment maintenance associated with P&D. More importantly, a Pay By Phone system starts to offer scope to be much more flexible with tariffs, durations sold and electronic permits/contracts all of which would be advantageous and improve the service being offered.

Could tariff structure modifications help optimise returns from existing spaces?

Revised tariff structures are a key recommendation of the report. Except for a small change to the one hour tariff the key recommendation is to try and attract significantly greater numbers of long stay visits to the Council's car parks through a revised tariff structure and new contract scheme. Please see Table 2.

Should alternative tariffs be applied to special events?

It is advantageous to try and differentiate the parking services offered and to charge for these appropriately. An event organiser may be prepared to work with the Council to ensure visitors use specific car parks, which will help minimise traffic disruption around the City. It might be that parking charges could be incorporated with the event charge. This helps secure parking transactions for the Council's car parks. Offering favourable rates that can benefit the event visitors may help secure this type of arrangement. Retailers will always favour reducing parking charges over the Christmas period to help maximise visitor numbers and the length of their visit. It would perhaps be better to achieve this through retailer rebates of parking costs, rather than the Council bearing the full cost of tariff reductions. It also helps the retailers to draw additional business directly to their outlet.

Are tariffs sufficiently flexible to encourage maximum demand?

This question is addressed in the response to 6 above.

Are parking services sufficiently differentiated to help maximise revenues when appropriate?

The proposals for a new tariff structure for parking and contracts are designed to increase the differentiation of parking charges by location and increase the options through contracts as to the ways to purchase parking. This will help provide more scope to further refine tariffs and maximise revenues in the future.

Are parking operations sufficiently responsive to the private sector?

It is felt the key issue is the way the public and private sector respond to changes in the parking market. The private sector has adapted to the poor economic situation over the last couple of years and appears to be offering parking at the price the public are prepared to pay, while the Council have increased tariffs and have therefore been at a significant disadvantage.

Is car park demand impacted by easy alternative parking opportunities?

It is apparent that on-street free parking opportunities exist throughout Carlisle City. In difficult times visitors will take more time to find a free parking space, even if this means time spent looking for it or having to stop at a location further from the ultimate destination. It is felt these easily available alternative parking locations and the fact they are free has been a major factor in the decline of the off-street car parks.

Could the quality of parking services be improved?

This takes many different forms and is covered by many of the points addressed above. However, specific comments were made about the poor level of maintenance of car parks which is felt to be a contributory factor in their declining popularity. We have also mentioned that the payment methods do not provide the range of methods customers are growing to expect today. Access to car parks is also an element of the service they offer. Signing, lighting, payment equipment and access routes to and from car parks all form part of the service perceived by customers and are areas that have been commented on as needing attention. It is proposed that sufficient funds be made available in future to cover costs of service improvements and quality improvements to car parks from additional revenues that can be achieved through the initial low cost strategy proposed to increase business and revenues.

The Council's key objective is to provide a parking service that meets the needs and aspirations of the local community. Management of parking can also help the Council meet other environmental and transport objectives, but they do not have total control over parking throughout the City, which makes achieving the right balance more difficult. Care needs to be taken that the pursuit of one objective does not result in the Councils parking operations being out of step with its customers and the local market in which it operates.

It was suggested during this study that pursuit of the Mid-Term Financial Plan (MTFP) had driven the tariff setting for parking operations and this appears to have resulted in the tariffs being out of step with the current parking market. Certainly, this is backed up by the tariffs currently being charged by many of the private sector operators, especially for longer stay parking in the City. It is therefore suggested that the tariff setting be disengaged from the MTFP objectives and realigned with the current parking market. It is also believed that this will actually help promote and achieve other stated objectives for parking policy and therefore bring about other benefits for the City.

Although, parking behaviour reacts quickly to adverse conditions, resulting in a fast or even immediate loss of business, it is likely to be more difficult to reverse this. It will be important to advertise new initiatives and also allow time for behaviour to revert and customers to return. It is therefore difficult to foresee a significant improvement in the parking operations ability to increase revenues quickly but careful marketing and advertising will certainly help to achieve a faster take up if customers like the new arrangements. Tactical pricing to attract a greater proportion of long stay parkers is proposed by this study as the best way forward. In part this is the area least likely to be subject to competitive responses from the private sector. It is also designed to try and maintain current short stay transaction volumes, by keeping most of the short stay tariffs stable in the coming year. Previous periods of price stability have shown growing transaction volumes, where as last years short stay increases started to show a decline in transaction volumes.

It is felt that an advantage of this approach is that commuter parkers especially are likely to continue using a car park daily when it is felt to meet their requirements and their expectation of acceptable cost. Also, increasing contract parkers will inherently mean that a degree of customer loyalty has been achieved for the Council's car park over the duration of the contract. It is also felt that this approach is aligned with the current parking policy to encourage commuters to use the main access route car parks, rather than head into the City to seek out alternative parking locations.

Proposed Charges

The car parking study makes many recommendations. It is proposed to implement a number of the recommendations relating to the level of charge in the following way.

- To increase the differentiation of parking charges by a new tariff structure for parking and contracts by location and increase the options through contracts as to the ways to purchase parking.

- City Council car parks are proposed to be allocated into four categories as set out below in Table 1, with the prime locations in Category 1;

- To introduce a standard charge for 1 hour pay and display parking in all car parks, to hold charges at current levels in all car parks for 2 hour and 3 hour stays and in Category 1 and 2 car parks for 4 hour stays. To reduce charges in Category 3 and 4 car parks for stays of 4 hours or longer.

- Contract Car Parking will offer a minimum choice of 4 car parks instead of the current choice of 2. Higher cost contracts provide even greater choice of parking locations

- To improve the offer for contract car parking to 7 days a week car parking.

- To increase the choice on method of payments for Pay and Display to include Pay by Phone.

- To provide additional discount for advance payments.

Table 1

Category	Car Parks
Category 1	Civic Centre
	Town Dyke Orchard
Category 2	Bitts Park
	Lowther Street
	Upper Viaduct
Category 3	Paddy’s Market
	The Sands
	Swifts Bank (Sat/Sun Only)
Category 4	Cecil Street
	Devonshire Walk
	William Street
	Lower Viaduct

Table 2 below shows the proposed charges recommended to Executive to be implemented. The expected income from implementing these charges will be £1,248,000. This is a shortfall on the MTFP target for Car Parking income of £300,000, however, the Budget reports considered elsewhere on this agenda (RD64/11 and LE23/11) already include a potential shortfall of £100,000. Therefore an additional budget pressure of £200,000 will be required. The income projections based on these charges anticipate a 12.5% increase in usage of the City Council’s car parks. This anticipated increase will be monitored throughout the budget monitoring process for 2012/13 as part of the monitoring of high risk budgets. The impact of this pressure will be included in the Executive’s budget proposals to be considered in December.

Table 2

	Carlisle City Model Car Parks				Total
Model Assumptions					
Type	**1**	**2**	**3**	**4**	
Estimated % Change	3%	3%	3%	3%	
New All day parkers	0	30	6	40	76
Friday Trans pa	0	1,440	288	1,920	3,648
Saturday Trans. pa	0	720	144	960	1,824
Model Car Park Tariffs					
Current					
Type	**1**	**2**	**3**	**4**	
Upto I Hour	£1.00	£1.00	£0.90	£0.90	
2 Hours	£2.00	£2.00	£1.80	£1.80	
3 Hours	£3.00	£3.00	£2.70	£2.70	
4 Hours	£4.00	£4.00	£3.60	£3.60	
6 Hours			£4.50	£4.50	
All Day	£10.00	£10.00	£5.40	£5.40	
Contracts					
M-Fri (Per Mth)			£65.00	£65.00	
M-Sat (Per Mth)			£75.00	£75.00	
Proposed					
Type	**1**	**2**	**3**	**4**	
Upto I Hour	£1.00	£1.00	£1.00	£1.00	
2 Hours	£2.00	£2.00	£1.80	£1.80	
3 Hours	£3.00	£3.00	£2.70	£2.70	
4 Hours	£4.00	£4.00	£3.30	£3.00	
6 Hours			£4.00	£3.50	
All Day	£10.00	£6.00	£4.70	£4.00	
Contracts M-Sun (Per mth)					
Type 4 Only				£50.00	
Any Type 3 & 4			£60.00	£60.00	
Any Type 2,3 & 4		£75.00	£75.00	£75.00	
Discounts					
Annual in advance		-10.0%	-10.0%	-10.0%	
6 Mths in advance		-4.0%	-4.0%	-4.0%	
3 Mths in advance		-1.5%	-1.5%	-1.5%	
Available Monthly to Pay By Phones Customers					
All contract parking is subject to availability					

The Car park types referred to in the above table are shown in Table 1

Impact assessments

Does the change have an impact on the following?

Equality Impact Screening	**Impact Yes/No?**	**Is the impact positive or negative?**
Does the policy/service impact on the following?		
Age		
Disability		
Race		
Gender/ Transgender		
Sexual Orientation		
Religion or belief		
Human Rights		
Health inequalities		
Rurality		

If you consider there is either no impact or no negative impact, please give reasons:

...
...
...

If an equality Impact is necessary, please contact the P&P team.