
23 April 2014

Cabinet

Report of the Leader and Cabinet Member for Transport

Improving City Centre Competitiveness

Executive Summary

1. This report seeks to implement changes to parking charges, **as a pilot**, and thus on a temporary basis, for the financial year 2014/15, thus providing an incentive to residents and visitors to encourage daytime use of the city centre car parks.
2. This proposal has been developed over the last six months by City Team York (CTY) in conjunction with CYC officers in consultation with the Federation for Small Business and Retail Forum representatives as part of a range of potential measures that would strengthen city centre resilience by incentivising access to the city centre as a destination for business and retail purposes. This report has been brought forward for urgent consideration to enable the changes to be brought in at an early date to complement the opening of the Vangarde Retail Park at Monks Cross.
3. The proposal is to introduce these parking changes in two phases: initially from **8am to 11am Thursdays through Saturdays for residents and visitors in selected Council-controlled car parks**. These car parks are located at various points around the city centre, thereby reducing the need to travel through the centre to access them. Following review of the success of phase 1 and subject to the development of a potential Business Improvement District (BID), it would be proposed to sustain this or any further parking incentive from the BID funding generated.
4. The cost of the trial in terms of loss of income to parking revenue will be met through variation of provisions in the Section 106 (s106) agreement associated with the Monks Cross South development (planning approval reference 11/02581/OUTM), in particular

Schedule 3 (3) that deals with a contribution towards transport, highway and access mitigation measures.

Background

5. As identified in the *York Economic Strategy 2011-15*, the city centre is critical to York's economic performance and ability to attract investment – whether from visitors, residents or businesses.
6. Recognising this importance, the Council and a number of businesses from within the city centre established City Team York (CTY) in April 2012, with Cllr James Alexander chairing the group in its initial period up to end of 2013. In his time with the City Team, Cllr Alexander made a commitment to CTY representatives that he would review the opportunity to maximise the value of city centre car parks for city centre business.
7. Recently, the team has undergone a refresh, with a private sector chair being elected – Adam Sinclair, Owner and MD of Mulberry Hall – and a private sector-led Executive Committee for the Team put in place – creating the basis for a strong partnership between business and the authority in the process.
8. Since this refresh, CTY has restated its commitment to be proactive in promoting the city centre and in developing a more competitive city centre offer to visitors, residents and businesses alike.
9. CTY are keen to progress a number of priority projects to ensure that the city centre is as competitive as possible, with the principal aim of generating more footfall in the city centre, with the indirect aim of generating more spend in the city centre by visitors, residents and business alike.

Supporting development of a more competitive city centre

10. As an initial step to creating a more competitive offer for visitors and residents alike, CTY and Council officers have developed, over the last six months, a proposed offer of **free parking 8am to 11am Thursday to Saturday in selected Council car parks for a trial period**. These car parks are located at various points around the city centre, thereby reducing the need to travel through the centre to access them. Selected car parks for the discount are as follows:
 - Bishopthorpe Road car park
 - Castle Mills car park

- Foss Bank car park
- Marygate car park
- Monk Bar car park
- Nunnery Lane car park
- St George's Field car park
- Union Terrace car park

11. This trial period would start as soon as the machines in the car parks can be re-programmed, with estimated starting date of 26th May 2014 to coincide with Spring Bank Holiday, and a review date with option to stop the discount at 31st March 2015.
12. As parking income through the Council's car parks is a critical source of revenue for the local authority in providing public services, there is a need to supplement the income that is lost as a result of the discount.
13. Based on data from 2013/14 the council collected income totalling £324k from its car parks relating to charges between 8am and 11am. For 10 months of the year the potential lost income equates to c£275k. This does not however take into account any changes in behaviour that become likely when parking becomes free.
14. There is a **commitment from the CTY to generate this revenue from the private sector**, initially through the sale of a set of parking permits for the Council's car parks – targeting a business audience – and in due course, through exploration of the development of a Business Improvement District (BID). These more sustainable models would see the private sector raising finance and having greater say in spend of raised income in the delivery of city centre initiatives.
15. However, there is a need to pump-prime this discount in the short term, particularly if it is to be introduced in sufficient time to complement the opening of new stores at Monks Cross South that were part of the enabling development for the Community Stadium.
16. It is thus **proposed that this initial funding for the discount comes primarily from the contribution towards mitigation measures in the s106 for Monks Cross South** following agreement with the relevant landowners and chief planning officer, to vary the use of a proportion of that income to enable it to be used to facilitate access to the city centre. Specifically, it has been

agreed that there will be a variation of provisions in the Section 106 (s106) agreement associated with the Monks Cross South development (planning approval reference 11/02581/OUTM), in particular Schedule 3 (3) that deals with a contribution towards transport, highway and access mitigation measures.

17. This pump-priming funding would be used to fund the discount from 26th May 2014 to 31st Mar 2015, at which point, Cabinet would be asked to review the discounted scheme and impact on revenue and whether CTY have successfully managed to attract sufficient funding through sale of parking permits or other model to fund the discount.
18. The impact of the discount on parking revenue and behaviour will be monitored via general city centre footfall measures as well as parking revenue. Given that the discount could lead to a change in behaviour by residents and visitors above and beyond the simple reduction in income estimated at paragraph 13, then it is proposed that should any negative impact on the Council's revenue account be significantly greater than this estimate, members reserve a right to review and make changes to the discount mid-year.
19. There will also be a need to monitor the impact of the discount on the wider transport network – including especially Park and Ride and other bus services, as well as any impact on congestion and/or air pollution that may result indirectly from the discount. This monitoring will be undertaken existing ATCs supplemented by manual check if added congestion in or around the car parks and/or junctions causes concern.
20. Thus, following review of the success of phase 1 of the above parking proposals and subject to (a) revenue generated from the sale of parking permits, and (b) the development of a potential BID, it would be proposed to sustain this and/or any further parking incentive from the BID funding generated.

Council Plan

21. The proposals contribute to the Council's delivery of Council Plan Priority to **Create Jobs Grow the Economy** by enabling the Council to work in partnership with the private and third sectors to develop a more sustainable approach to a more competitive city centre.

Implications

22. **Financial:** Based on data from 2013/14 the council collected income totalling £324k from its car parks relating to charges between 8am and 11am. For 10 months of the year the potential lost income equates to c£275k. This does not however take into account any changes in behaviour that become likely when parking becomes free.
23. **Legal:** As identified in para 16, it has been agreed that there will be a variation of provisions in the s106 agreement associated with the Monks Cross South development (planning approval reference 11/02581/OUTM), in particular Schedule 3 (3) that deals with a contribution towards transport, highway and access mitigation measures – specifically, that approximately £300k of these monies will be used to mitigate against detrimental impacts to the businesses of York resulting from this development.

Risk Management

24. The principal risk is that there is a chance that city centre business is unable or unwilling to finance this discount and other city centre initiatives in future – meaning that this trial may simply end in March 2015 with no continuation. However, CTY are working to garner business support through sale of parking permits for further such initiatives, and through exploration of the potential development of a BID.
25. The other main risk with the proposals is that the scheme does not achieve the outcome of generating a direct increase in footfall. However, if utilised in conjunction with other proposals, this risk should be mitigated.
26. The estimate for the cost of the pilot is based on past parking habits and income streams this is a best guide to what the losses might be; however this figure may vary from this estimate when the pilot is complete. This risk will be monitored by officers and a right reserved by members to review and/or change the offer as necessary before the end of the trial.

Recommendations

27. It is recommended that Cabinet:

- Agree to changing parking charges in Council-controlled car parks to provide for free car parking 8am to 11am from Thursday to Saturday, to start as soon as the machines can be altered, and up to 31st March 2015
- Agree that the initial funding for the proposed trial comes from the contribution towards mitigation measures in the s106 for Monks Cross South and potentially other city centre access initiatives should there be enough spare capacity in the funding pot
- Agree that should the impact on the Council's revenue account be significantly greater than this estimate, members reserve a right to review and make changes to the discount mid-year.

Reason: To support the attraction of an increased number of visitors and residents to the city centre, which in turn will provide a platform for generating private sector contributions and other sources of funding to support further such initiatives.

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