

Transport Committee Meeting 22nd November 2011

Briefing Note

Car Parking Charges 2012/13

Overview

Income from car parking is the largest source of revenue for Swanage Town Council, contributing approximately 25 per cent of the Council's net income. This inevitably places the Town Council in a difficult position between calls to keep prices low to attract visitors to the town and demands to increase charges to help fund important public services, including public toilets, the Tourist Information Centre and beach maintenance.

The greatest revenue generators are the Town Council's long-stay car parks at Broad Road and Main Beach, followed by the short-stay shoppers' car park at Mermond Place. The Residents' car park and North Beach car park contribute a very small amount to the overall total. The Central/Co-Op car park is managed by the Town Council in return for a management fee but the income (ap. £160,000 per annum) is paid to the Co-Op.

2011 saw increases in long-stay car parking charges, partly due to the increase in VAT to 20 per cent. The 1-hour stay increased by 10p, 2-hours by 20p, 4-hours by 40p and 24-hours by £1.

Between April and September 2011 both visitor numbers and income were down on 2010: income by 2.6 per cent and visitor numbers by 3.2 per cent. Visitor numbers were also marginally lower in October, but the Council's decision to extend the peak charging period until 31st October meant that car parking income in the year to the end of October is over budget by 1.9 per cent, although this figure drops to 0.7 per cent excluding the Co-op car park.

As ever, it is difficult to assess the determining factor in declining visitor numbers, although Swanage is not alone. A copy of a newspaper article regarding the decrease in usage in Poole car parks is attached for information. It is also worth noting that Swanage Railway has seen a 5% decline in visitor numbers in 2011.

The weather was changeable during the peak summer months of July and August, and the Council's enforcement officers have reported that there were fewer occasions when the overflow car parking at King George's Field was required. This is borne out by a 15 per cent decline in usage. Conversely visitor numbers were higher in April with the exceptionally warm spring.

Comparatively high parking charges may also have contributed to lower visitor numbers. This possibly contributed to a 26.4 per cent decline in usage of North Beach car park. The North Beach tariffs were this year brought into line with Broad Road and Main Beach car parks, leading to an increase in the 24-hour charge from £5 to £9.

The increase in the 24-hour charge may also be responsible for the decline in the number of all-day tickets purchased, which fell by 25 per cent across Broad Road and Main Beach car parks. This contrasts with a decline of only 4 per cent in 2-hour and 4-hour stays. Of course poor weather may also have played its part in deterring longer visits.

Long-Stay Summer Charges

Approximately 60 per cent of the Town Council's car parking income is derived from the 2 hour, 4 hour and 24 hour summer charges in Main Beach and Broad Road car parks, and an additional 10 per cent from the 2 hour charge at Mermond Place. Clearly, changes to these tariffs have the greatest impact on the Town Council's income.

The Council's current tariff structure can be seen in detail on the enclosed extracts from the scale of charges. Following a review at the Transport Committee meeting in October, it is not proposed to amend the overall framework of tariffs.

Consideration could, however, be given to introducing a lower scale of charges at North Beach car park, in recognition of lower demand for spaces in this location. Total income for the summer season from this car park amounted to only £18,000 and lowering prices may well help to increase usage and in turn generate greater income. A suggested scale of charges is enclosed.

Consideration could also be given to reducing the headline figure of £9 for 24-hours parking. If this was reduced by £1 and usage figures stayed the same as in 2011 this would cost the Council £9,000. However, this might entice more people to stay for a longer period, offsetting such a loss. Great caution should, however, be exercised in any changes to the 2-hour or 4-hour charges, which contribute the greatest proportion of the Council's income. A reduction in the 4-hour charge of only 40p from £6.40 to £6.00 could result in a loss of income in excess of £10,000.

Coach prices are due to be increased to £12 per day, in line with a recommendation made last year. This represents an increase of £2.50 on the current charge. There is currently also a 4-hour charge of £6.50 for coaches and it was proposed that this tariff be removed. Coach firms have been informed of these proposals and this has drawn only one formal written objection. Nevertheless, it is recommended that further consideration be given to these proposals. If all 2,400 coach visits for 4-hours moved to the higher 24-hour charge this would generate an additional £13,000. However, if coach companies react badly to this action it could generate a good deal of adverse publicity for the town.

Long-Stay Winter Charges

A new tariff structure and charges were introduced for the 2011 winter season. As such no comparative data is available. It is therefore recommended that these remain unchanged for the 2012 winter season.

Short Stay/Shoppers' Car Parks – All Year

No changes are proposed to these charges.

The introduction of a £5 administration charge for resident car parking permits is proposed, which would generate up to an additional £2,500 per annum. This would be a one-off charge payable when the owner registers their car, not an annual fee.

Conclusion

Clearly there are no straightforward options to significantly enhance income in the current economic climate. Given the pressures on the Council's other principal sources of income (precept and investment income) the Council cannot contemplate a significant reduction in car parking income without cutting services. Some minor amendments to charges may help to address concerns about the relatively high cost of car parking in Swanage. Careful consideration of the above options is required to determine which should be taken forward and incorporated into the draft estimates to be discussed on Monday 12th December.

Martin Ayres
Town Clerk

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