

Report to: Cabinet



Date of Meeting 30 November 2022

Document classification: Part A Public Document

Exemption applied: None

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Car Parking permit and tariff increase review – Summer 2022

Report summary:

A review of the current car parking fees that were increased in April 2022.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendations:

1. Cabinet acknowledge the summer review of the car parking tariff and permit increase and agree to continue with the current fees and tariffs into the next financial year. A directly comparable report on summer income to be brought to Cabinet in 12 months.

Reason for recommendation:

Car parking charges were increased for the first time in 10 years in April 2022. The increased charges reflected the fact that no increases had been applied for a significant period of time and certain tariffs had fallen below what was deemed appropriate; high demand prime tourist car parks where were the revised charges were applied. This also reflected the rise in VAT from 17.5% to 20% in 2011 and to bring East Devon Coastal town tariffs in line with similar tourist destinations across the County. Having made the decision to revise charges it is acknowledged the income supports the delivery of other services particular additional costs in tourist areas and will also help the Council achieve its ambition of becoming carbon neutral by 2040 through the growth of green infrastructure across the district.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk;

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

Report in full

1. Car Parking Permits

The Council offers a range of parking permits that allow residents, visitors and businesses to park at discounted rates throughout the year. The most popular permits are the modular resident permits that cost £120 per year for one town, with the option to add on additional towns for a fee of £24 per location. Before the increase in April 2022, the annual modular permit cost £100, with a £10 supplement for each additional town. April's increase represented a 20% increase for those buying a permit for one town, and a 31% increase for those who added a second. At a cost of 32p per day for one town and 39p for two, the monthly and annual permits continue to represent excellent value for money for residents, which is reflected in the increased take up this year. In 2021, 2,306 annual permits were purchased between April & September. This has increased 9% to 2,518 this year with 333 residents choosing to utilise the monthly payment option which was introduced in April.

When assessing value for money for residents, it is worth considering the cost of equivalent permits in our neighbouring authorities, when doing so it is evident the EDDC modular permit remains notably less expensive;

Location	District/County	Annual Permit Cost
Most car parks (evening)	South Hams	£57 (3pm – 10am only)
Totnes		£345
Kingsbridge		£460
Dartmouth		£576
One Car Park	Mid-Devon	£400
Most Car Parks		£475
Overnight permit (6pm – 8am)		£100
2 hours per day	Dorset	£78
Most car parks		£260 (£25 a month)
<i>One Town</i>	<i>East Devon</i>	£120
<i>All Towns</i>		£240
Newton Abbot	Teignbridge	£680
Dawlish		£470
Teignmouth		£510
Most car parks		£800

The average cost of a single town permit from the other authorities included above is £497.

The below table demonstrates permit sales by the location of the primary town;

	Monthly	Annual	Total	Income from main town	% of total sales
Axminster	54	81	135	£ 10,260.00	3.48%
Beer	54	48	102	£ 6,300.00	2.14%
Budleigh Salterton	71	16	87	£ 2,630.00	0.89%
Colyton	2	18	20	£ 2,180.00	0.74%
Exmouth	1028	945	1973	£ 123,680.00	42.01%
Honiton	98	201	299	£ 25,100.00	8.53%
Lympstone	14	71	85	£ 8,660.00	2.94%
Ottery St Mary	31	58	89	£ 7,270.00	2.47%
Seaton	56	158	214	£ 19,520.00	6.63%
Sidford	4	5	9	£ 640.00	0.22%
Sidmouth	838	665	1503	£ 88,180.00	29.95%

64% of annual permit sales were only for one town only, 22% of residents purchased a 2nd town and 6.7% of permits purchased were for all towns.

Over 70% of permits sold were for either Exmouth or Sidmouth, which is undoubtedly representative of the limited alternative parking options in both areas.

Our neighbouring authorities charge a higher permit rate for their premium parking locations, should this methodology be applied in EDDC, indicative annual income for increasing just the cost of the Exmouth and Sidmouth town permits would be as below;

Exmouth	
Annual permit fee	Income
£120	£ 247,360.00
£240	£ 474,160.00
£360	£ 711,240.00
£480	£ 948,320.00
£600	£ 1,185,400.00
Sidmouth	
Annual permit fee	
£120	£ 167,980.00
£240	£ 335,960.00
£360	£ 503,940.00
£480	£ 671,920.00
£600	£ 839,900.00
* based on current figures	

However, in consideration of the wider economic context, keeping resident permit costs relatively low will allow EDDC to continue to support residents in tackling the cost of living crisis, by not introducing a greater pressure on already strained household finances. The

majority of car parking income is currently achieved in our tourist towns through the busy summer months via hourly and daily parking sessions.

2. Car Parking charges

The hourly charge for many of EDDC owned car parks was increased for the first time in 10 years in April this year. These increases were mainly targeted in the busy summer tourist areas, with the hourly charge in many of our busiest coastal car parks doubling from £1.00 to £2.00 per hour, with the maximum charge subsequently increasing from £6.00 to £8.00. During the initial introduction of the charges, concerns voiced from the business community that the increased charges would deter visitors and directly impact trade through less expenditure in shops, cafés and restaurants.

The impact of Covid-19 continues and it is therefore very difficult to anticipate whether the current trend for “staycations” will continue, which naturally brings more visitors to the East Devon coastline. European travel was still 40% lower than pre-covid levels this summer as travel confidence has not fully returned. The cost of living crisis also has a bearing on travel choices, with many holidaymakers choosing to stay in the UK rather than travelling overseas.

The current fiscal and global health situation makes forecasting and analysis very difficult to perform accurately, and it is also difficult to attribute any perceived losses or gains to any particular element, more a combination of them all. The below key indicators demonstrate the impact of the increased charges based on direct comparison with the same period (April-September) last financial year.

Measure	2021	2022	+/-
Car Park Income	£2,224,641	£3,120,998	+40%
Number of transactions	918,720	889,852	-3.1%
Average paid parking hours per transaction (cash & card)	182 minutes	198 minutes	+8.8%
Average transaction value	£2.42	£3.50	+44%
Users paying maximum fee	3,900	5,331	+36.7%

Expectedly, car park income is up over 40% when compared with the same period last year, and the figures suggest that visitors are also parking for longer, with the average time per transaction and the number of users paying the maximum fee both increasing this summer.

A breakdown of the income collected from the car parks which now have a standard summer hourly rate of £2 is as below;

Car Park	Town	Income 2021	Average spend 2021	Income 2022	Average spend 2022	Income % change
Central Short Stay	Beer	£ 59,392.00	£ 2.55	£ 67,662.00	£ 3.84	13.92%
Central Long Stay	Beer	£ 79,784.00	£ 2.95	£ 105,662.00	£ 4.40	32.44%
Fore Street	Beer	£ 9,661.00	£ 1.66	£ 28,511.00	£ 3.90	195.11%
Cliff Top	Beer	£ 40,017.00	£ 2.83	£ 47,758.00	£ 4.62	19.34%
Jurassic Long Stay	Seaton	£ 76,989.00	£ 3.32	£ 79,527.00	£ 4.92	3.30%
Underfleet West	Seaton	£ 23,399.00	£ 3.09	£ 31,380.00	£ 5.07	34.11%
Manor Road	Sidmouth	£ 174,323.00	£ 3.23	£ 210,439.00	£ 5.23	20.72%
Ham East	Sidmouth	£ 60,917.00	£ 1.90	£ 78,386.00	£ 3.12	28.68%
Ham West	Sidmouth	£ 156,051.00	£ 2.07	£ 202,556.00	£ 3.42	29.80%
Manor Paillion	Sidmouth	£ 15,546.00	£ 2.46	£ 19,622.00	£ 3.79	26.22%
Lime Kiln	Budleigh Salterton	£ 158,258.00	£ 2.47	£ 240,152.00	£ 4.18	51.75%
Rolle Mews	Budleigh Salterton	£ 34,857.00	£ 1.88	£ 49,064.00	£ 3.05	40.76%
Imperial Road	Exmouth	£ 145,583.00	£ 1.94	£ 182,056.00	£ 3.13	25.05%
Imperial Recreation	Exmouth	£ 14,238.00	£ 2.47	£ 27,293.00	£ 4.28	91.69%
Queens Drive	Exmouth	£ 117,154.00	£ 2.61	£ 146,844.00	£ 4.19	25.34%
Queens Drive Echelon	Exmouth	£ 55,672.00	£ 3.04	£ 55,450.00	£ 4.29	-0.40%
Camperdown	Exmouth	£ 34,686.00	£ 3.15	£ 37,089.00	£ 5.03	6.93%
Foxholes	Exmouth	£ 79,063.00	£ 2.53	£ 91,152.00	£ 4.29	15.29%
Beach Gardens	Exmouth	£ 17,963.00	£ 2.01	£ 30,522.00	£ 3.36	69.92%
		£ 1,353,553.00	£2.54	£ 1,731,125.00	£4.11	38.42%

When viewed in isolation, the impact of the tariff increase is positive for the Council, with additional revenue that helps meet the cost of increased summer tourism. The unknown impact is whether the increased charges have left visitors with less in their pockets to spend locally when they visit.

The British Parking Association research into Public Perceptions of Parking did not find that “cost” was the key consideration for motorists when choosing where to park, drivers were more concerned about the convenience and safety of where they were parking. The research also concluded that motorists who often pay for parking expect to pay a premium in prime locations when they visit an area, and therefore this is unlikely to be a determining factor in influencing what they spend whilst they are there. By keeping resident permit prices low, the Council supports year round trade for businesses and encourages residents to shop locally. The current trend suggests visitor numbers will remain high in coming years, and that they have certainly not been deterred by the tariff increases this April. Cheaper alternative parking is still available in our coastal towns, but those wishing to park closest to amenities, where demand is greatest, will expect to pay our highest hourly fee.

The increased summer charges did not impact the winter offer which is still operating throughout the coming months. This offers motorists the opportunity to pay £2 to use any EDDC owned car park throughout the district, all day for a set fee. This is designed to encourage seasonal shopping across the district and allows visitors to explore the area during the quieter period.

Similarly with the permit pricing, it is useful to put the current summer EDDC car parking tariff into a regional context. It is also worth noting that other authorities may choose to increase the availability of visitor parking through increased resident permit prices, as highlighted in section 1;

Location	District/County	Average cost per hour
Teignmouth	Teignbridge	£1.70
Dawlish	Teignbridge	£1.50
Torquay	Torbay	£1.45
Dartmouth	South Hams	£1.50
Newton Abbot	Teignbridge	£1.50
Dawlish Warren	Teignbridge	£2.10
Totnes	South Hams	£1.20
Sidmouth	East Devon	£2.00

The introduction of the £2 hourly summer tariff represented a significant increase in April, in hindsight a small incremental increase each year since 2012 would have been a less controversial way of reaching the current tariff, with the benefits of the additional income that have been felt this year, also being partly achieved in those that have gone by. The current tariff accurately reflects the seasonal and geographical demand for parking in East Devon and the associated costs of delivering Council services in these locations. The additional income received from car parking will allow for future investment in green and EV charging infrastructure for residents and visitors. Where spaces are at a premium, there are other models of managing car parking demand which could be considered, including increased resident permit prices in prime locations, removal of the winter offer and extending charging hours, all of which will have a detrimental impact on either residents, businesses or both, during a time of already increased pressures on household finances.

Financial implications:

Financial details are contained within the report

Legal implications:

There is no direct comment to be made in relation to this update report