



SHREWSBURY BID

Impact of increased parking tariffs on town centre consumer spending

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A review of the potential impact of Shropshire Council's planned increases to parking tariffs on both town centre visitors and the local economy.

Key Concerns

1 Damage to Local Economy

Our economic models indicate a annual drop of 250,000 in footfall and around £7m in consumer spending. This significant hit will compound the challenges faces by businesses and consumers at a time of high inflation and cost of living.

2 Risk to Evening/Sunday Economy

The proposed introduction of 6pm-8pm charges and reduction in Sunday offers will result in less visits to the town when no transport options other than driving are available. In particular, this will hit leisure and hospitality businesses, who are operating on small profit margins.

3 Damage to Employment

Workers who need to park in town may look to find employment elsewhere. Significantly increased charges will make it even harder for employers to recruit. This is evidenced in our survey results.

4 Poor Park & Ride Service

By the Council's own admission, current Park & Ride provision is not adequate to support this plan. Significant improvements are required to make this a viable and convenient option to access the town.

5 Penalises Vulnerable People

As stated in the Council's cabinet report, some groups will have no choice but to pay the increased fees or stop visiting town, as they don't have alternative options due to disability or mobility issues, leading to further isolation and social care issues.

6 Impact on Residents

Town centre residents will face significantly increased costs to park in town, even using season tickets. Additionally, neighbouring areas will see significant displaced parking and congestion.

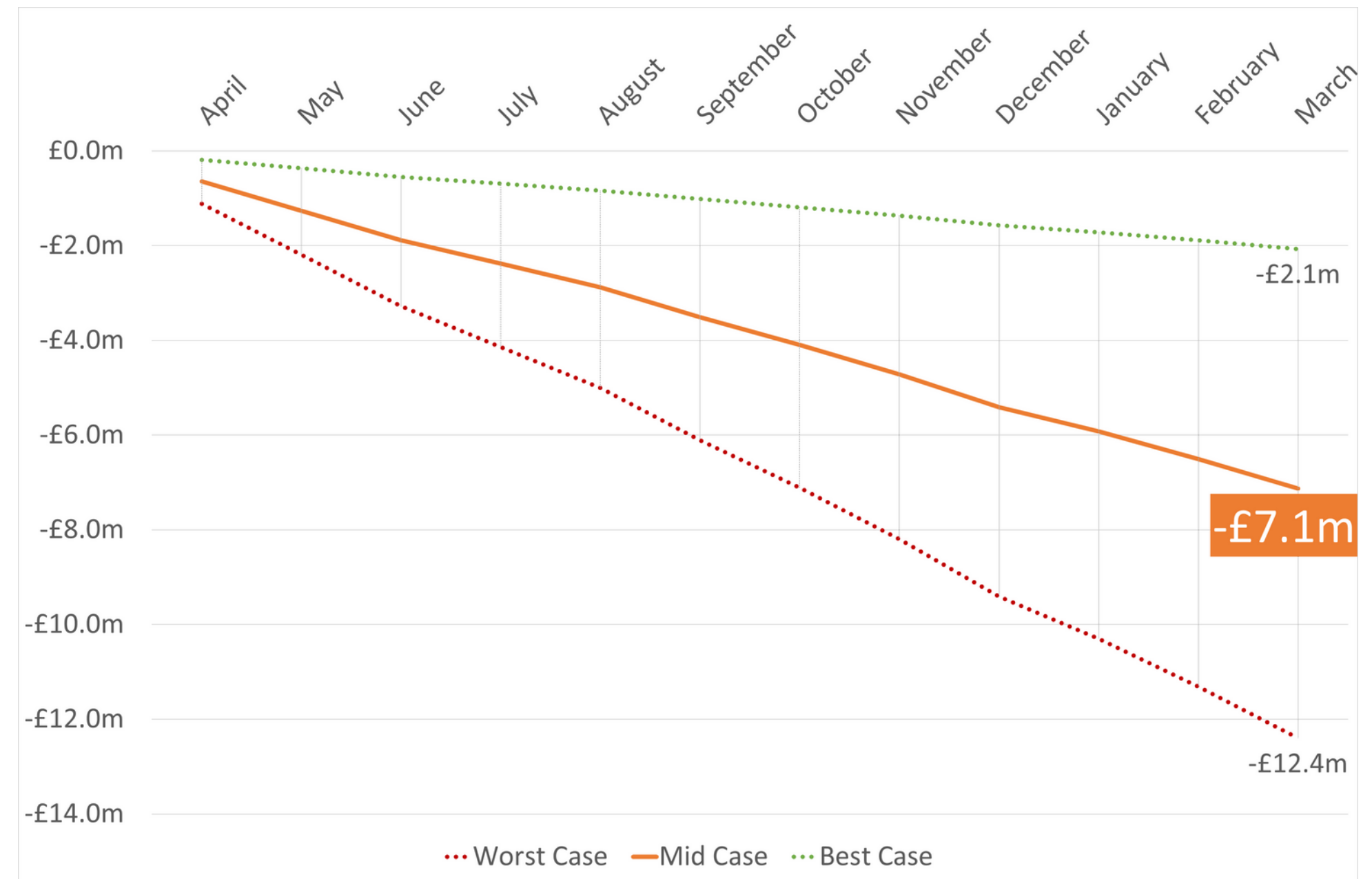
Model A

We have created Model A to estimate the change in consumer spending as a result of the proposed car parking tariff increases.

The model takes Shropshire Council's 2023 parking transaction data, an average trip value of £28.40 from Beauclair bank card data, Town and Place AI trip frequency data, and has projected reductions in visitors due to price sensitivity for a worst, mid and best case scenario.

It is assumed that increased prices will negatively affect demand (i.e. quantity of transactions) resulting in reduced footfall and ultimately consumer spend.

Estimated impact of increased parking tariffs on consumer spending



The model shows a reduction of between £2.1m and £12.4m with a mid case of £7.1m in consumer spend based on visits decreasing and on the average spend of £28.40. Qualitative feedback from the Shrewsbury BID survey indicates that parking charge increases will result in many people reducing the frequency of trips to town, find employment out of town, or go elsewhere to shop.

Model B

We have developed a second model to test the results of Model A.

Model B estimates the annual drop in Consumer Spend as a result of the Council's proposals.

The model takes the total consumer spend from Beauclair 2023 card transaction data, the total 2023 footfall from Springboard cameras and calculates the percentage of footfall coming from car parks to assess how a reduction will impact total consumer spend.

Total Spend Model

Est. Annual Consumer Spend in Shrewsbury Town Centre*	£280,760,807
Est. Annual Footfall from Car Parks**	2,070,191
Total Annual Footfall***	9,320,809
% Annual Footfall from Car Parks	22%
Est. Annual Consumer Spend from Car Park Footfall	£62,358,153

Price Sensitivity Scenarios	Footfall	Consumer Spend	% change
<i>Best Case</i>	- 72,767	-£2,191,897	-6%
<i>Mid Case</i>	- 251,048	-£7,562,046	-19%
<i>Worst Case</i>	- 436,605	-£13,151,384	-34%

*Beauclair debit card transaction spend 2023 and ONS 2022 POS payment split data

**Shropshire Council Car Parking Transactions x 1.6 average occupancy per vehicle

***Springboard Footfall Counter data

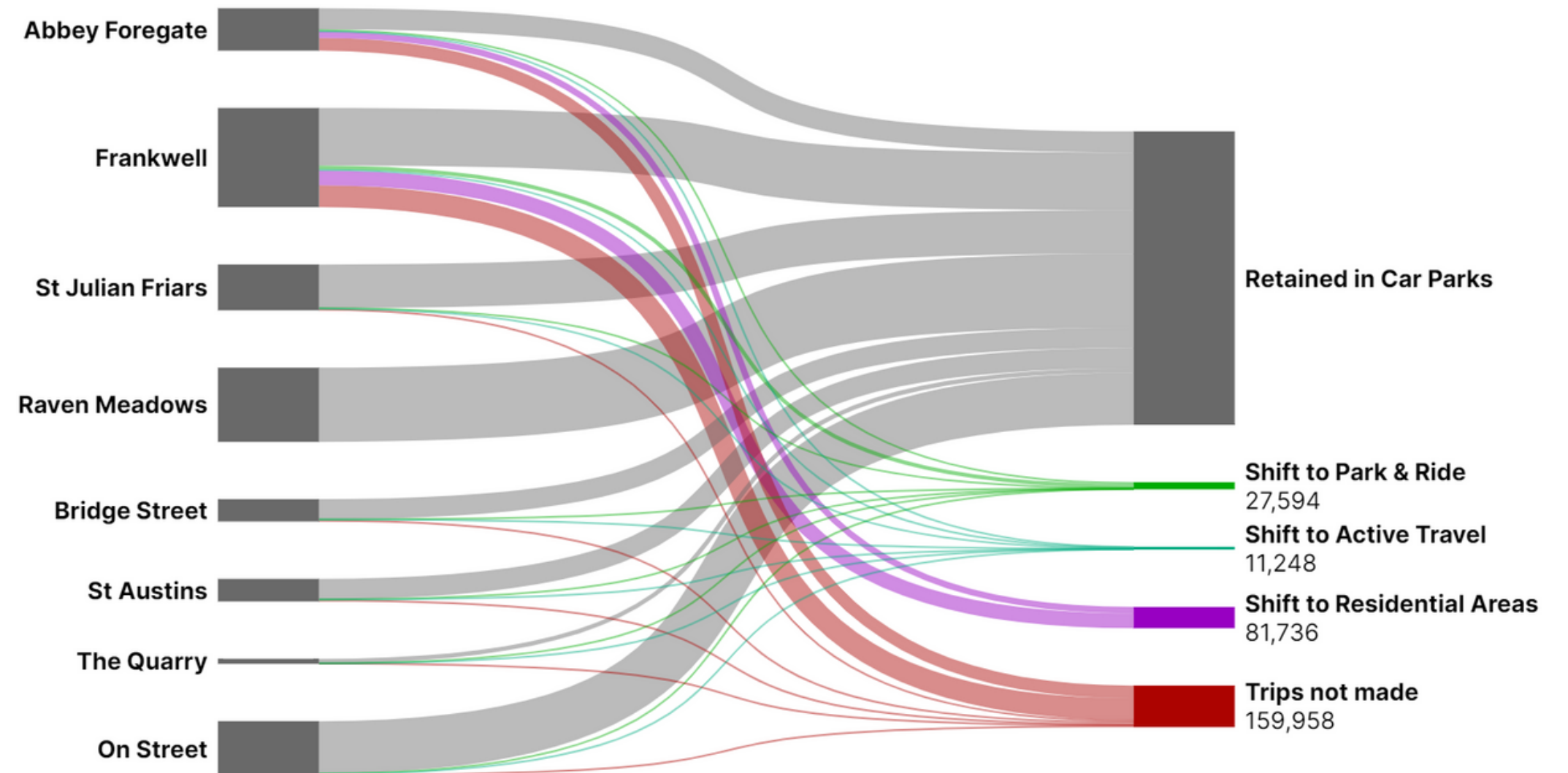
The reduction in footfall from car parks and subsequent economic impact shows a decrease in consumer spend of circa £7.6m, which is a similar figure as produced by Model A.

Mode shift analysis

This model was created to evaluate the impact of change in behaviour due to increase in parking tariffs at the individual car park level.

This model takes Shropshire Council car parking data from 2023 and projects how consumer behaviour will be impacted by the proposed tariff changes, estimating how many customers will be retained in car parks, how many will shift to active travel or Park and Ride, how many will park in residential areas, and how many will choose not to come to Shrewsbury.

This model includes a higher estimation in mode shift to Park & Ride (of 27,594) than the Council's own estimate of 10,000.



The model shows a proportion of customers will choose to park in residential areas or not come to Shrewsbury as a result of the increased parking tariffs. We are estimating that 81,736 extra cars will park in residential areas each year and 159,958 fewer trips will be made to Shrewsbury.

Survey Responses

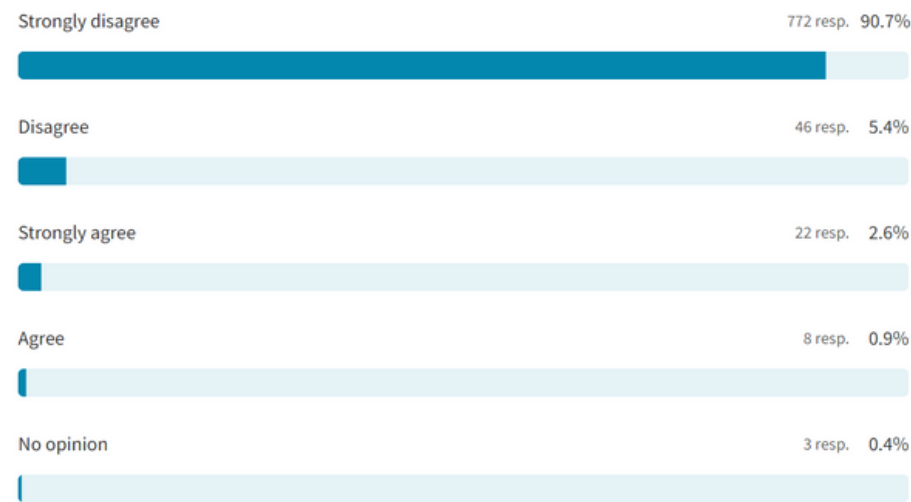
Shrewsbury BID has undertaken a survey of 800 local businesses, residents, and visitors to Shrewsbury. The overwhelming response to the proposed increases to parking tariffs is extremely negative.

Qualitative feedback from the survey supports the BID's assertions that Shrewsbury's economy will be severely impacted if these changes are implemented.

A common theme across our survey responses is the feeling that Shropshire Council should be supporting businesses as an invested partner, not putting in place barriers to economic growth and employment in the town at a time of recession and increased cost-of-living.

Generally, do you agree with the car parking charge increases proposed by Shropshire Council?

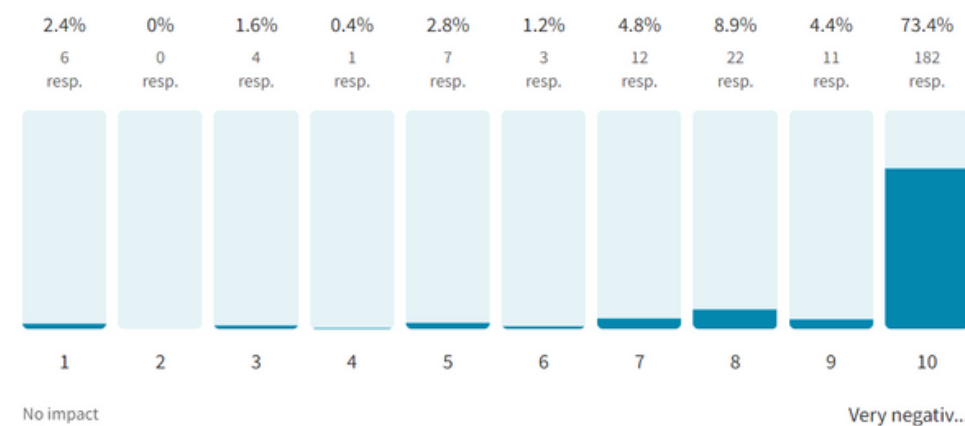
851 out of 851 answered



How will the car parking charge increase impact your business?

248 out of 851 answered

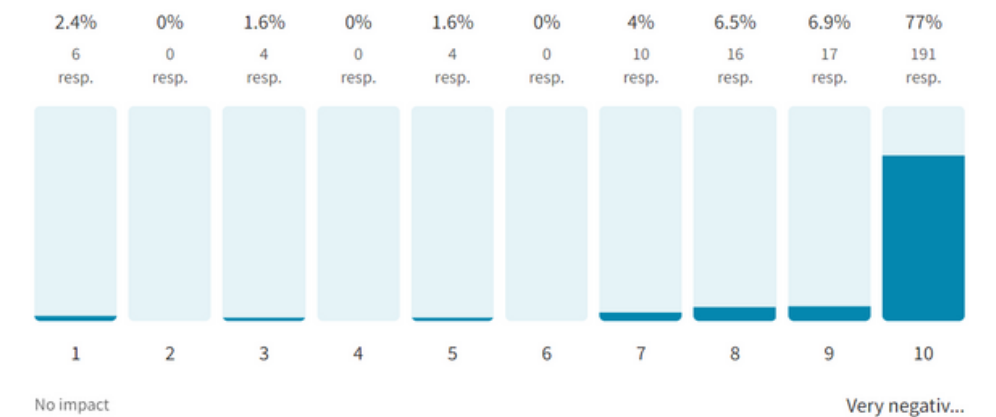
9.1 Average rating



How will the car parking charge increase impact you and your staff?

248 out of 851 answered

9.3 Average rating



"I work in the middle of Shrewsbury and travel over 40 minutes to get to work. The nature of my work means that I will sometimes need to visit clients at their homes and therefore use my car, making use of the park and ride unfeasible. The cost of parking at the moment is at a level that works, the steep increase in cost will have a huge impact on my weekly wage, which would seriously make me consider alternative employment outside of Shrewsbury."

Survey Responses

"To introduce additional cost to both visitors and shoppers (as well as workers) runs a significant risk of reducing footfall in the town, discouraging visitor to the night-time economy, pushing some businesses to the edge and starting a domino effect of closures that have been in evidence in other towns in the UK."

"Parking charges are already high compared to other towns/cities. Our customers already say that this impacts their decision to come to the town centre regularly so this planned increase will be extremely negative for the footfall in the town, nevermind those of us who already have to pay excessively to park for work."

"All these increases will force shoppers to go to the out-of-town retail parks where parking is free, or encourage them to shop on-line instead. The high street is struggling enough for trade already without Shropshire Council making the situation even worse by increasing parking charges."

"The car parks in the town centre are vital to shoppers and our customers. Seeing an increase of already high car parking charges will see a significant drop in footfall for all businesses, especially local businesses who already have to work twice as hard to bring in a profit."

"As well being adversely affected by over £1000 per year personally, it provides a disincentive for locals to use the "High Street" for shopping with the huge hikes in parking - pushing them to shop more online, or shop on the Retail Parks or in Telford. There is no Bus Service on a Sunday, so you are discouraging shopping on a Sunday by charging for parking."

"The proposed increase in prices would have a detrimental impact on my independent business. To the point where I would consider relocating away from the town centre."

"These increases are just a surcharge on people who support town centre traders, they are disproportionate, inappropriate, and do not represent increased operating costs."

"I work at an independent retailer in the town. If I had to pay the proposed prices to park my car it would be a quarter of my wages. I can't afford that. It would also put visitors off coming to our town."

"These increases are way above inflation and are fiscal madness. They will severely damage the town as a shopping and tourist destination."