

**Committee** FINANCE AND RESOURCES

**Date:** 19 February 2007

**Report:** A COMPARATIVE REVIEW OF CAR PARKS AND TOILETS

### **Purpose of report**

1. To provide a comparative review of the Authority's car parks (and co-located public toilets), and to recommend decisions on the future of those facilities identified as having the least value in terms of meeting the Authority's objectives.

### **Strategic Planning Framework**

2. The information and recommendations contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework, and in particular its objective 'to manage all aspects of the Authority's business so as to make the most effective use of our resources' (Best Value Performance Plan 2006/07).

### **Background**

3. The BVPP for 2006/07 includes a target to "Consider the future of Castle Bolton and Linton Car Parks and Toilets" (Recreation Management, Objective 5D ( c ) ), these being the least cost effective and least used of such facilities that the Authority provides.

### **Purpose and Service Delivery: how well are the Authority's objectives delivered?**

4. Each property has been assessed using the property review questionnaire, a copy of which is included at **Appendix 1**. Question 1.1 asks for scores (1=low, 10=high) to be allocated based on how well a property meets the Authority's purposes, and then on how well it meets service delivery.

5. The Authority's car park and toilets are intended to meet the second purpose, to 'promote opportunities for the understanding and enjoyment of the special qualities of National Parks by the public'. Consideration was given as to how close each site is to areas that exemplify the park's 'special qualities' (for example, Aysgarth Falls) and proximity to a National Park Centre (which provide an 'understanding of the special qualities'). Medium scores were allocated to the former, higher scores to the latter (as that links in more closely to our delivery of other services). In answering both parts of this question, account was also taken of visitor numbers (**Appendix 2**) as a measure of response to these questions.

6. The results for this question, across all car parks, are as follows:

Toilets/Car Park	Q1.1 'meet NP purposes'	Q1.1 b ' service delivery importance'	Total
Aysgarth	8	8	16
Buckden	5	4	9
Castle Bolton	2	2	4
Clapham	5	4	9
Dent	5	2	7
Grassington Colvend	8	8	16
Grassington Wood Lane	0	0	0
Hawes	9	9	18
Horton	7	7	14
Kettlewell	5	5	10
Linton Falls	2	2	4
Malham	9	8	17
Stainforth	6	6	12

7. A total score of less than 5 out of 20 indicates that the property is not fulfilling National Park objectives or purposes in any significant way, and should be considered to be disposal or a change of management (e.g. leased). Scores above 5 (at this stage) support either keeping the car park in its present form or possibly – depending on other matters (see below) - that a change of management could be appropriate. In this case, Grassington Wood Lane Car Park meets no component of either criteria, and Linton Falls and Castle Bolton car parks score slightly less poorly: all have 'total' scores of below 5.

### **Financial comparisons**

8. **Appendix 3** shows the direct net 'cost' of each car park/toilet site for a projected five-year period, taking as a basis for this projection the most recent complete financial year's results, i.e. 2005/06. This net figure is in most cases an income one, because in general car park receipts outstrip operating costs.

9. There are some caveats around these figures:

- They are prone to some limited variation between years, with increased expenditure due to urgent repairs or vandalism, and the income generated from car parks is subject to the number of visitors.
- They don't include management time or any expenditure that may be incurred from time to time on interpretation (such as information boards). Nonetheless, they do give a clear 'comparative' picture of the financial context of each car park.
- They do not as yet include the possible impact of the decision to charge residents for car parking. Any effect is most likely to be experienced only for those car parks in 'urban' settings (Grassington Colvend and Hawes), but indications are the impact will be relatively small.

10. However, the detail in Appendix 3 is sufficient to allow comparison on typical costs (and income) incurred, and analysis of this is provided within the following section.

### **Detailed Consideration of sites**

11. The outcomes of the 'Purpose' and 'Service delivery' assessments, together with the financial projections allow the Authority's car parks to be divided between three classes: (A) properties that should be retained, (B) properties that should be retained but could be considered for leasing and (C) properties that should be considered for disposal or leasing.

#### **A. Properties to be retained**

12. This group includes Aysgarth, Grassington Colvend, Malham, and Hawes. These properties score highly in terms of meeting National Park purposes and as part of service delivery, and all generate a good income.

13. None of these properties should be considered for leasing (for example, in the instance that the Authority received a request from a Parish Council to take over the running of a car park). Apart from the loss of income (which could be offset by a comparatively high lease charge), these car parks and their facilities (including toilets) are integral to each National Park Centre (and the Dales Countryside Museum), and a separable lease for the car park alone would be very difficult to manage successfully.

#### **B. Properties that should be retained but that could be considered for leasing.**

14. This group includes Buckden, Kettlewell, Horton, Stainforth, and Clapham. All these properties record 'medium' scores (between 9 – 14 points out of a possible total of 20) under section 1 of the questionnaire (meeting NP purposes; supporting service delivery), and - with the exception of Stainforth - all have reasonable income levels.

15. At present, Dent Parish Council leases the car park and toilets at Dent from the Authority.

16. Where the Authority is approached by a Parish Council with a view to leasing a car park to that council, theoretically the value of the lease will be set to ensure that it generates the same net income as when the car park is operated by the Authority; any decision to lease will include an appraisal of the advantages and disadvantages of leasing (which are summarised in **Appendix 4**) for that specific car park. However, because the disadvantages arguably outweigh the advantages, there is no recommendation at this stage that any of these properties should be considered for leasing.

17. When the lease for Dent Car Park comes up for renewal in 2010, a paper covering the factors listed in Appendix 4 will be presented to Members for decision.

18. Stainforth is projected to show a net financial loss over the five-year period, part of which is due to the cost of planned refurbishment works linked to developing that site in

relation to the Pennine Bridleway, but in the main is due to low visitor numbers. However the site will become an important link in the Pennine Bridleway which may increase visitor numbers, and it scores well in terms of purposes and service delivery.

### **C. Properties that could be considered for disposal**

19. The three properties that fall into this category are Castle Bolton, Linton Falls and Grassington Wood Lane. All these properties scored poorly under Section 1 of the assessment questionnaire. They should therefore be considered for disposal (or possibly for leasing). Further details on each property are given below.

20. **Castle Bolton.** The Authority leases this property (at a rent of one shilling per annum if demanded) from the Bolton Estate; it includes a small toilet block and a small car park for approximately 20 cars. The car park and toilets currently run at a considerable loss and closure would also save some office time in management costs. The terms of the lease require that the area of the car park be reinstated to its original condition (a field), which would involve removal of hard-stand surfaces and the toilet block (and considerable cost); there would also be the cost of time involved in arranging for lease termination, and some early termination fees for the cleaning contract if ended before March 2008. However, reinstatement costs may not be necessary if the Bolton Estate (or another lessor) wished to retain the car park as part of the Bolton Castle visitor facility, and postponing any action until after March 2008 would avoid any cancellation fees in relation to the cleaning contract.

21. **Linton Falls.** This comprises a small tarmac car park that can hold 35 cars, and a toilet block of single storey construction consisting of natural stone and a pitched roof. Linton Falls is projected to show a net financial loss over the five-year period, part of which is due to the cost of planned refurbishment works which will be necessary, but in the main is due to low visitor numbers which are always going to be restricted due to the car park's small size. If the property were to be sold, it would generate a capital receipt. An alternative would be to close the toilet facility and retain the car park, so saving money. However that could lead to local litter-related problems or to a loss of income if visitor numbers fell because of that closure. Postponing any action until after March 2008 would avoid any cancellation fees in relation to the cleaning contract, but work needs to be undertaken to explore possible options (see recommendations).

22. **Grassington Wood Lane.** This comprises an area of car parking close to the police station in Grassington, which has 16 spaces all of which are for resident passes only. Historically, no income has been received for the site, though it may now be responsible for a small amount of income from the sale of residents' parking passes. The site does not meet the NP purposes nor has any worth for service delivery. However, the area of the car park is believed to have been gifted to the Authority by a local resident, so a change in status could be problematic and, at the least, involve significant officer time in negotiation. However, the facility at present does not meet any of the Authority's objectives, and should be considered for disposal.

## **Conclusion**

23. The outcome of this review has been to identify certain properties that no longer contribute to the work of the Authority, either because they don't directly deliver National Park purposes or support other services, or because they make no useful financial contribution. A number of recommendations are proposed.

24. Due to the amount of officer time that is likely to be required to implement the recommendations below, and the fact that the contract agreements for cleaning and car park machine maintenance, it is proposed that any actions relating to the recommendations (below) will be spread across the two financial years 2007/08 and 2008/09.

## **RECOMMENDATIONS**

25. That Members agree to:

- (i) Retain the car parks and toilets at Aysgarth, Grassington, Malham, Hawes, Buckden, Clapham, Kettlewell, Horton, and Stainforth.
- (ii) Officers entering into discussions with the landlord at Castle Bolton with a view to transferring or terminating the lease.
- (iii) Officers to undertake further investigations into the practicalities of disposing of Grassington Wood Lane Car Park, and to investigate the potential and practicalities for disposal or leasing of Linton Falls Car Park and Toilets,
- (iv) When the Dent Car Park lease comes up for renewal, take into account the issues raised by this review.

Recommendations (ii) to (iv) would be the subject of further reporting to this committee.

**Paul Drake**  
**Projects & Estates Officer**

24 January 2007

Background documents: none

## Property Review Questionnaire

Property Name:  
 Brief Description:  
 Date:  
 Completed by:

### Section 1 – Assessment of Property

**Q1.1** Please complete the questionnaire below:-

How does the property fulfil NP purposes, Score between 1 and 10, 1 being low, 10 being high	
How important is the property for service delivery. Score between 1 and 10, 1 being low, 10 being high	
<b>Total</b>	

**Q1.2** Does the property score more than 5 points, if yes go to Question 1.3, if no go to the Section 2

**Q1.3** Could the property possibly achieve the purposes and service delivery by another owner, or another manager (leased), If yes go to the Section 3, If no, the conclusion is to retain the property and this should be noted in Section 6 recommendations.

### Section 2 - Review on whether to retain or dispose or change management of a property

**Q2.1** Please complete the questionnaire below:-

<b>Please read the following statements and tick the box you agree with.</b>	<b>Agree</b>	<b>Disagree</b>	<b>Possibly</b>
The site is <b>not</b> highly valued in supporting biodiversity objectives (either habitat or for a particular species)			
The site is <b>not</b> highly valued for landscape or historical objectives			
The site is <b>not</b> highly valued for access reasons			
This site does <b>not</b> form an integral part with other sites whether owned by the NP or not			
The site does <b>not</b> have worthwhile potential that could be effectively developed to meet the NP purposes			
Another organisation could do as good as job of managing the site (own or lease)			
We could possibly persuade anyone else to take on this site (own or lease)			
Leasing the property to another organisation would provide benefits to the community			

If answered agree or possibly to any of the questions above, carry out a detailed appraisal as detailed in Section 4

If answered Disagree to the questions above, the decision is to retain the property, and should be recorded in Section 6 Recommendations.

**Section 3 - Review on whether to change management of a property (ownership or lease)**

**Q1** Please complete the questionnaire below:-

<b>Please read the following statements and tick the box you agree with.</b>	<b>Agree</b>	<b>Disagree</b>	<b>Possibly</b>
Another organisation could do as good as job of managing the site (own or lease)			
We could persuade someone else to take on this site (own or lease)			
Leasing the property to another organisation would provide benefits to the community			

If answered Agree or possibly to any of the questions above, carry out a detailed appraisal as detailed in Section 5.

If answered Disagree to the questions above, the decision is to retain the property, and should be recorded in the recommendations.

**Section 4 – Detailed Appraisal to retain/dispose or change management**

<b>4.1 Cost appraisal</b>	<b>Income</b>	<b>Expenditure</b>
	<b>£</b>	<b>£</b>
Projected Income over the next 5 Years (show how calculated)		
Projected maintenance costs over the next 5 years (show how this is calculated)		
Projected running costs over the next 5 years (show how calculated)		
Other Income or Expenditure, give details		
Total		

**4.2 Other considerations**

Please also refer to statements agreed or possibly agreed to in Section 2.

- Advantages to the NP of disposing the property
- Disadvantages to the NP of disposing the property
- Advantages to the NP of leasing the property
- Disadvantages to the NP of leasing the property

**4.3 Interaction of cost appraisal and other considerations**

#### 4.4 Conclusion

(Input Conclusions and then go to Section 6 Recommendations)

### **Section 5 – Detailed Appraisal to retain or change management (lease)**

5.1 Cost appraisal	Income	Expenditure
	£	£
Projected Income over the next 5 Years (show how calculated)		
Projected maintenance costs over the next 5 years (show how this is calculated)		
Projected running costs over the next 5 years (show how this is calculated)		
Other Income or Expenditure, give details		
Total		

#### 5.2 Other considerations

Please also refer to statements agreed or possibly agreed to in Section 3.

- Advantages to the NP of leasing the property
- Disadvantages to the NP of leasing the property

#### 5.3 Interaction of cost appraisal and other considerations

#### 5.4 Conclusion

(Input Conclusions and then go to Section 6 Recommendations)

### **Section 6 – Recommendations**

The review is complete and the recommendation is to retain/dispose/ change management (delete as appropriate)

**Visitor numbers**

(Based on car park ticket sales for the calendar year to December 2005)

<b>Ticket Sales, 2005</b>	<b>Total</b>
AYSGARTH	35101
BUCKDEN	9370
CLAPHAM	13044
GRASSINTON COLVEND	58552
HAWES	26287
HORTON	11675
KETTLEWELL	21303
LINTON	4150
MALHAM	30273
STAINFORTH	2309
<b>TOTAL</b>	<b>212064</b>

No data available for Castle Bolton as only served by an honesty box.

**APPENDIX 3**

**Car Park Financial Data**

A 5 year projection based on information for the financial year 2005/06.

<b>Projected figures, 5 years (£'000)</b>	Aysgarth	Buckden	Castle Bolton	Clapham	Dent	Grassington Colvend	Grassington Wood Lane	Hawes	Horton	Kettlewell	Linton	Malham	Stainforth
Income	330	111	4	153	15	666	2	253	140	218	41	367	24
Refurbishment and maintenance costs	-15	-5	-15	-2		-19	-1	-2	-2	-2	-15	-19	-15
Running costs (cleaning, cash collection etc)	-120	-93	-46	-107		-169		-109	-98	-96	-81	-131	-97
<b>Total</b>	<b>195</b>	<b>13</b>	<b>-57</b>	<b>44</b>	<b>15</b>	<b>478</b>	<b>1</b>	<b>142</b>	<b>40</b>	<b>120</b>	<b>-55</b>	<b>217</b>	<b>-88</b>

## Leasing car parks: advantages and disadvantages

### (i) Advantages

- Potentially, lower administration and management costs.
- We will receive a fixed annual rent income (unlike the current fluctuating amounts)
- We may receive more income than if we were operating the car park (because usage rates might fall during the lease period).
- If leased to a parish council there may be a benefit to the local community in terms of employment (cleaning and maintenance service) and the council may be able to generate more profits through very close management. Such an arrangement has the potential to increase the local community's sense of ownership and involvement in the management and provision of visitor services. These outcomes would link to the Authority's ancillary purpose of seeking 'to foster the economic and social well-being of local communities within the National Park.'

### (ii) Disadvantages

- We may receive less income than if we were operating the car park (because usage rates might rise during the lease period). It would be challenging to calculate 'break-even' rental charge, particularly where the effects of charging residents for car parking are unknown (that issue could, of course, be factored in, but would generate a higher rental charge).
- The considerable staff time involved in setting up and negotiating lease arrangements.
- Officer time spent ensuring that all leased properties are managed and maintained to the same standards as those retained by the Authority. The public may perceive that leased car parks are still being run by the Authority.
- A significant proportion of the cost of providing each car park facility is made up of cleaning and cash collection work. This is delivered through contracts that cover all of the Authority's properties, and the effect of removing one property from the contract rota will not give a proportionate saving from those contracts. So the costs allocated to the other car parks will go up, reducing their profitability. At the moment, the cleaning/car park collection/machine leases run to March 2008 and there would be some fees for early termination.
- Long term maintenance and refurbishment issues may not be adequately resolved during the lease term. This could land the Authority with a one-off liability for a major refurbishment once the lease term ends. In the case of Dent, the lease runs for 5 years, and contains a requirement to repair and otherwise maintain the premises.

- To comply with Financial Regulations, the Authority needs to undertake a proper tendering exercise, to ensure that best value is achieved for the lease and to present the leasing opportunity to potential interested parties. This would complicate any proposed arrangement resulting from an approach by a parish council.
- VAT. At the time of writing, there is a test case relating to whether VAT should be charged on car parking income. The outcome of this case may materially affect the value of car parking income, because either (i) if it is decided that VAT is not payable (It's currently being paid over by the Authority to the government), the net income will increase...so the value of the car parks to the Authority will go up, or (ii) if VAT is payable, it will have no effect on the Authority, but Parish Councils (who may not be in a position to offset VAT payable against VAT receivable on purchases) will find the arrangements more expensive.