ITEM 2: Review of Car Parking Charges 2018

1. Purpose of Report

   a. To inform members of proposed changes to car parking charges as recommended by the Chief Executive and the Finance and Audit Group.

2. Recommendations

   a. The Authority is recommended to note the amendments to car parking charges as agreed by the Chief Executive in consultation with the Finance and Audit Group on the 29th August 2018, and set out in paragraph 6b.

3. Implications

   a. Financial – There are no overall financial implications to the core car park income budget. The introduction of a maximum charge at Housesteads and Steel Rigg will have a small detrimental impact on net income, however, the increase in the annual pass will offset this. The change to the minimum charge at The Sill will generate estimated additional income of £8,600 over the course of 12 months. The increased income will assist in the achievement of The Sill Business Plan as already budgeted.

   b. Equalities - None

4. Background

   a. At the December 2016 Authority Meeting Members received a paper on a Review of Car Parking Charges. It was agreed to introduce a ‘sliding scale’ charging policy across the sites based upon visitor time spent within each car park. The sliding scale varies between car parks based upon the visitor offer available at each site and in order to use the cost of car parking as a means of visitor management within the Hadrian’s Wall corridor. In agreeing the new charges, members requested that the car parking charges be reviewed within 1 year in order to assess how they were working.

   b. At the Authority meeting of 14th December 2016, it was agreed to authorise the Chief Executive to make amendments to the car parking charges within overall financial targets, following discussions with relevant partners and in consultation with the Finance and Audit Group

5. 1 year review of car parking charges

   a. At the Finance and Audit Group on the 29th August 2018, the car parking charges were reviewed. The existing pricing structure has been in place for 12 months at The Sill and Housesteads and 9 months at Steel Rigg, Walltown, Cawfields and Brocolitia. When the charging structure was agreed there was limited data available and there was no way of knowing how many cars took advantage of option to move on to other sites. Assumptions were used to model this to try and ensure the changes would not limit our ability to make our budget targets. To date, bearing in mind we have not had a full year in 4 out of the 6 sites, there has not been an overall detrimental impact on budgets.
Housesteads
b. More vehicles have parked, making use of the extra space available. The charging system seems fairer to users, and reflects the predicted dwell time for visiting the site. (These were agreed with the National Trust and English Heritage). There is no upper limit to the parking fee here, and so it is possible that some customers end up paying, say, £16, if they leave their car on site all day. This has led to some complaints.

c. It is therefore recommended a maximum charge of £10 be introduced (equivalent to 6.5 hours). The financial impact would be minimal with only 388 vehicles paying over £10 over the past year (£500 net of VAT and commission).

Steel Rigg
d. Income here has risen significantly. The new charging regime was set up to make this car park more of a short stay, quick turnaround, venue, and this is shown by the increase in the number of vehicles that have been able to use the car park. The down side to this is that the Authority has received some complaints from users who stay there all day. As at Housesteads, the current charge has no maximum, and it is therefore recommend a maximum charge of £10 be introduced (equivalent to 5 hours). The financial impact would be minimal with only 101 vehicles paying over £10 over the past year (£300 net of VAT and commission).

Day Pass
e. Feedback from visitors at The Sill is that if they have taken a day trip and wish to visit a number of sites a day pass would be desirable. The introduction of a day pass at £10 is proposed. The financial impact based on the last year’s data would be minimal, but will greatly enhance customer experience.

Annual Pass
f. We do not have reliable comparative data for sales of the annual car park pass, but we do know the sales at The Sill have been a driver in the increased uptake of the permits which are estimated as increasing some 35 – 40%. Permits have generated £5,300 over the past 12 months. The current cost of the annual pass at £30 is considered low in respect of the proposed £10 day pass and it is recommended to increase the charge to £35 per annum. The financial impact of this assuming sales remained at the same level is up approximately £900.

The Sill
g. The Sill car parking income figures are performing well below the original Sill Business Plan target which was based on the £4 all day transferable ticket. The Medium Term Budget Plan has stretching net income targets against The Sill rising from £30,000 p/a to £80,000 p/a. Increasing car parking income has to be a key action in achieving this; given that currently around 50% of the original business plan estimate is being achieved.

h. It is recommended to increase the initial charge from £1 per hour to £2 minimum charge for a 2 hour stay, then £1 per hour up to a maximum of £5 for a full day. Data considered by the Finance and Audit Group showed that 49% of visitors paid the £1 charge only and the estimated net impact based on the previous year’s data would indicate net income (after VAT and commission to the National Trust) could see an annual increase of up to £8,600.
6. Conclusions and Recommendations

   a) The implementation of the revised car park charging structure during 2017 had been successful overall.

   b) It is recommended to note the decision of the Chief Executive in consultation with the Finance and Audit Group. The following changes for implementation are:
      - the implementation of a maximum charge at Housesteads and Steel Rigg at £10 per day;
      - the adjustment to the charging policy at The Sill, so that there is an increase in the initial charge to £2 minimum for a 2 hour stay, then £1 per hour up to a maximum of £5 for a full day;
      - the introduction of an all-day transferable ticket at £10 (subject to any system constraints); and
      - an increase in annual permits from £30 to £35 per annum.

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