

NORTH YORKSHIRE COUNTY COUNCIL**TRANSPORT, ECONOMY AND ENVIRONMENT
OVERVIEW AND SCRUTINY COMMITTEE****5 SEPTEMBER 2012****COUNTYWIDE CIVIL PARKING ENFORCEMENT BUSINESS CASE****Report of the Corporate Director – Business and Environmental Services****1.0 PURPOSE OF REPORT**

- 1.1 To seek the Committee's views on the countywide Civil Parking Enforcement business case prior to consideration by the Executive.

2.0 BACKGROUND

- 2.1 A previous report was brought to this committee on 21 September 2011 providing an update on the Civil Parking Enforcement (CPE) project.
- 2.2 In North Yorkshire the County Council, as local highway authority, is responsible for on-street parking on the local highway network and the District Councils and National Parks are responsible for most public off-street car parks. These responsibilities will be unaffected by the introduction of CPE.
- 2.3 The Traffic Management Act 2004 provides the legal framework for local highway authorities to apply for and then operate CPE. The introduction of CPE means that the powers to enforce on-street parking restrictions are transferred from the police to the local highway authority. CPE enables the local highway authority to influence driver behaviour by issuing Penalty Charge Notices (PCNs) for contraventions of parking restrictions.
- 2.4 In North Yorkshire CPE has been successfully operational in Harrogate Borough since 2002 and in Scarborough Borough since 2007. Harrogate and Scarborough Borough Councils operate CPE on and off street within the respective boroughs, the on-street operation under agreement with the County Council.
- 2.5 The County Council has made a commitment in the third Local Transport Plan (LTP3) and the County Council Parking Strategy to introduce CPE in the remainder of the county.
- 2.6 A partnership approach to the countywide CPE project has been adopted involving the County Council, the district councils and the police, with officers meeting regularly to develop the proposal.

3.0 THE REASON WHY THE COUNTY COUNCIL IS DOING THIS

- 3.1 The County Council, as local highway authority, has a legal obligation to keep the highways free moving, safe and available to all users. One of the ways the County Council is able fulfil this legal duty is through the use of parking and waiting restrictions. However, currently the County Council has no control over the enforcement of existing on-street restrictions outside of the Harrogate and Scarborough Boroughs, and this also limits our ability to introduce new restrictions.
- 3.2 Due to other statutory obligations and pressures it will become increasingly difficult for North Yorkshire Police to commit sufficient resources to enforce on-street parking and waiting restrictions. There is also the potential for the Police to decide to stop enforcing on-street parking restrictions altogether. The introduction of CPE throughout the county will avoid a future scenario where there is no on-street enforcement, which would have a detrimental impact on traffic management. This is the only way in which a body other than the police can assume these responsibilities.
- 3.3 The introduction of countywide CPE is integral to the LTP3 commitment to manage, maintain and improve transport networks and services' as a hierarchy of intervention. CPE powers will enable the County Council to better manage the road network throughout the county and contribute towards achievement of the LTP3 objectives. The benefits include:
- Reducing congestion
 - Improving localised air quality
 - Improving road safety
 - Maintaining access to and encouraging use of public transport
 - Balancing on and off street parking supply and demand
 - Helping businesses with collections and deliveries
 - Enabling residents to park near to their properties
- 3.4 It should be noted that under CPE the police retain sole responsibility for the parking offences listed below:
- dangerous parking
 - obstruction
 - failure to comply with police 'no parking' signs placed in emergencies
 - any vehicle where security or other traffic policing issues are involved

4.0 THE REASON WHY THIS AFFECTS DISTRICT COUNCILS

- 4.1 The district councils in North Yorkshire, with the exception of Harrogate and Scarborough, currently carry out enforcement in their off-street car parks under the Road Traffic Regulation Act 1984. The Department for Transport (DfT) has indicated that they want to see off-street car parks managed by district councils included in the CPE designation order. This would mean that on and off street enforcement is undertaken under the Traffic Management Act 2004.

- 4.2 The DfT adopt this stance because they want to make the new arrangements easier for the public to understand. There would be consistency in the issue of Penalty Charge Notices (PCNs) and in the way that challenges, representations and appeals are dealt with. In other words the contravention of a parking restriction committed on or off street will be dealt with under the same process.
- 4.3 The County Council has been told by the DfT that they would not support a proposal from us for a district where CPE is introduced on-street under the Traffic Management Act 2004 and the district council continue to enforce off-street under the Road Traffic Regulation Act 1984. Indeed the CPE Operational Guidance to local authorities states that *'the Secretary of State recommends that a CPE application is delayed if a district or borough is not prepared to include its off-street car parking within a Civil Enforcement Area'*. The County Council is therefore proposing to apply for a CPE designation order which includes off-street car parks subject to approval by the district councils.

5.0 PROPOSED MODEL OF OPERATION

Process

- 5.1 The business case for a countywide CPE model of operation has been prepared collaboratively between the County Council, Harrogate Borough Council and Scarborough Borough Council with input from all district councils through an officer working group.
- 5.2 This business case represents the final stage in a three stage process as detailed below:
- Stage 1 - Outline business case
 - Stage 2 - Financial appraisal
 - Stage 3 - Business case development
- 5.3 The outline business case stage compared the relative overall performance of a number of operational models based on cost and risk. The purpose of this work was to eliminate the unfeasible operational models and identify those worth taking forward to the financial appraisal stage.
- 5.4 The financial appraisal stage concluded that a countywide operation and extensions of the Harrogate and Scarborough operations were the best performing options in financial terms. All other potential options were dismissed at this stage because they were considered to be financially unviable. One of the options dismissed at this stage was the creation of new stand alone CPE operations at a district level.
- 5.5 It was recognised that a single countywide operation was not realistic in the short to medium term because successful CPE operations are already in place in both Harrogate and Scarborough Boroughs with separate agreements requiring three years' notice to terminate.

Proposal

- 5.6 The proposed business case for countywide CPE is that the Harrogate and Scarborough operations are extended as set out below:
- Scarborough Borough Council managing the on and off street enforcement operation in Ryedale, Hambleton and Richmondshire
 - Harrogate Borough Council managing the on and off street enforcement operation in Craven and Selby
- 5.7 This proposal is considered to represent a natural geographic split and maximises the experience and expertise built up in the existing Harrogate and Scarborough operations. This is felt to be important as under CPE the process of considering challenges, representations and defence of appeals is a complex legal process.
- 5.8 There is also a need to retain customer access points in both Harrogate and Scarborough because of the substantial number of PCNs issued and permits administered.
- 5.9 It is proposed that there will be a review of the model of operation after a period of three years to ensure that it continues to be the most effective way of delivering countywide CPE.

Benefits of a joint on and off street operation

- 5.10 The County Council is proposing a joint on and off street model of operation because it is considered to be the most cost effective way of introducing CPE and provides consistency for the general public.
- 5.11 All of the business case work undertaken has demonstrated that it would cost more to set up additional stand alone CPE operations at a district level. That is why in terms of on-street enforcement the County Council is proposing to extend the Harrogate and Scarborough operations.
- 5.12 It would be possible for a district council to establish a stand alone off-street CPE operation under the Traffic Management Act 2004 within the individual district. However, it needs to be recognised that the legal process when a PCN is disputed requires officers to be trained in the relevant legislation and how to apply it. There will also be set up costs requiring investment, for example technology and systems that are capable of managing the processing of PCNs. The experience of Harrogate and Scarborough shows that it takes time to establish an effective CPE operation.
- 5.13 The business case work has demonstrated that a stand alone off-street CPE operation within an individual district would cost more to establish and deliver than the proposal presented in this report. The viability of a stand alone off-street CPE operation within an individual district is also questionable given the relatively small number of PCNs that would be issued.

5.14 It is considered that in the longer term there will be potential efficiencies for both the County Council and district councils from the proposed model of operation. Indeed the CPE Operational Guidance to local authorities states that *'there should be significant efficiency gains in having a unified civil parking enforcement operation'*.

The key opportunities for efficiencies are set out below:

- Rather than individual Notice processing operations within each district council there will only be operations within Harrogate and Scarborough Borough Councils. This should result in either direct financial savings to district councils or free up staff resource to deal with other duties.
- The travel costs associated with Civil Enforcement Officers (CEOs) can be shared between the County Council and district councils as the CEO will be able to enforce on the public highway and in off-street car parks at the location visited
- There will be economies of scale, for example in procuring supplies and delivering staff training

5.15 The proposed model of operation will mean that the same CEO can enforce both the public highway and off-street car parks. Separate operations would mean that an on-street CEO would be unable to enforce off-street contraventions and vice versa for an off-street CEO.

6.0 RESPONSIBILITY FOR OFF-STREET PARKING

6.1 Neither the introduction of CPE nor the proposed model of operation will affect the district council function of parking authority responsible for off-street car parks.

6.2 The proposed model of operation simply means that rather than delivering the enforcement of off-street car parks as an in house service, district councils will be buying in a CPE service from either Harrogate or Scarborough Borough Council. Whilst the district council will not be the employing authority they will still retain complete local control over where off-street enforcement takes place. This will be achieved through a service level agreement between the respective councils and ongoing engagement at an operational level.

6.3 Furthermore, the district council will not be committing to the proposed model of operation indefinitely. For example the legal agreements currently in place between the County Council and Harrogate / Scarborough Borough Councils to deliver on-street enforcement on behalf of the County Council state that either party can terminate the agreement at three years notice. If there is a breach in the agreement (i.e. failure to deliver the functions to a satisfactory standard) then the agreement can be terminated within 12 months. The County Council is proposing that similar agreements are put in place between the district councils and the Borough Council delivering the enforcement service (either Harrogate or Scarborough).

- 6.4 All off-street surplus income from pay and display parking, permits and Penalty Charge Notices, after the costs of buying in the CPE service have been met, will remain with the district councils as it does now.

7.0 ON STREET ANALYSIS (COUNTY COUNCIL RESPONSIBILITY)

- 7.1 The County Council is proposing to set up the operation with one full time equivalent on-street Civil Enforcement Officer (CEO) per district. This on-street enforcement resource will be in addition to the off-street enforcement resource determined by individual district councils. The Police currently employ two traffic wardens shared between Craven, Hambleton, Ryedale, Richmondshire and Selby.
- 7.2 The projected on-street budget for the proposed new operation is summarised in the table below. It can be seen that the operation in the five current non-CPE districts is likely to run at a relatively small deficit. The costs are higher in year one because of the expenditure associated with start up.

On-street budget with 1 x on-street CEO per current non-CPE district			
	Cost (£)	Income (£)	Balance (£)
Year 1	166,639.23	113,617.50	- 53,021.73
Year 2	137,629.11	103,256.25	- £34,372.86
Year 3	137,629.11	92,895.00	- £44,734.11

- 7.3 None of the five current non-CPE districts will generate an on-street surplus. The likely on-street deficit across the new operation for years 1-3 is relatively small when set in the context of the combined Harrogate and Scarborough surplus which in 2010/11 was £1,978,322.
- 7.4 The projected on-street deficit in the five current non-CPE districts would be covered by the on-street surplus currently generated in Harrogate and Scarborough. The remaining on-street surplus will be spent in proportion to where it is generated i.e. within Harrogate and Scarborough Boroughs.

8.0 OFF-STREET ANALYSIS (DISTRICT COUNCIL RESPONSIBILITY)

Costs

- 8.1 The proposed business case sets out a three year cost to deliver the off-street CPE operation for each district council. These costs are based on continuing to deliver the current level of off-street enforcement. The amount of off-street enforcement can be altered in the future at the discretion of the district council, but this would clearly impact upon the costs in the business case.
- 8.2 It must be emphasised that this project is about implementing countywide CPE. The off-street costs relate to the enforcement of off-street car parks and the processing of PCNs. The costs also include other related activities for a CEO, for example inspecting parking equipment, fixing minor faults and reporting defective signing. The costs in the business case do not include:

- Permit administration
- Cash collection
- General car park maintenance

8.3 The off-street enforcement costs for individual district councils have been based on the current level of off-street enforcement as provided by the district councils. It is and always will be for district councils to determine the level of off-street enforcement.

Penalty Charge Notice income

8.4 District Councils currently set the Excess Charge Notice rate under the Road Traffic Regulation Act (1984) which allows local discretion. Under CPE the Penalty Charge Notice rate is governed by the Traffic Management Act 2004 and it is not possible to set discretionary rates. Even by applying Band 2 charges, which are the highest possible, the current district council Excess Charge Notice rates are nearly all higher as shown by the table below.

	Band	Higher Level Penalty Charge	Lower Level Penalty Charge	Reduced Charge	Number of days reduced charge is valid
CPE	1	£60	£40	50%	14
	2	£70	£50	50%	14
Current	Craven	£60		£35	14
	Ryedale*	£92		£46	7
	Hambleton	£75		£50	14
	Richmondshire	£60		£30	14
	Selby	£50		£30	7

*If you have a valid ticket or permit Ryedale DC may, in certain circumstances, levy a reduced Discretionary Charge if the Excess Charge has been correctly issued but the customer can produce a valid ticket or permit which, for some reason, was not correctly displayed.

8.5 The estimated reduction in income (based on income per PCN) for the district councils is set out in the table below. This has been calculated by multiplying the number of Excess Charge Notices currently issued by £23.90, which is the average income generated for each off-street PCN issued across 102 existing CPE operations taking into account non-payment and cancellations. This figure is similar to the average income per off-street PCN issued in Harrogate (£24.21) and Scarborough (£21.86).

District	ECN's issued 2010/11	ECN income 2010/11	Estimated PCN income (ECNs issued x £23.90)	Estimated annual reduction in PCN income
Craven	962	£26,827	£22,991.80	- £3,835.20
Ryedale	1,013	£35,750	£24,210.70	- £11,539.30
Hambleton	1,277	£58,425	£30,520.30	- £27,904.70
Richmondshire	899	£30,310	£21,486.10	- £8,823.90
Selby	290	£8,469.60	£6,931.00	- £1,538.60

9.0 COUNTY COUNCIL UNDERWRITING POTENTIAL OFF-STREET INCREASED OPERATIONAL COSTS / LOSS OF INCOME

- 9.1 It is proposed that in order to achieve district council support for the proposal the County Council offers a guarantee that moving to this new model of operation will be at worst cost neutral to the district council.
- 9.2 Where a district council can demonstrate through an open book accounting arrangement that moving to this model of operation will cost them more and/or it reduces their likely income from PCNs, then the County Council would initially underwrite any deficit for a period of up to three years after which the position will be reviewed.
- 9.3 There is evidence to suggest that better on-street enforcement encourages increased use of off-street car parks resulting in increased pay and display income and a higher number of Notices being issued. Where this can be proven the County Council expects that any increase in revenue from pay and display and/or more PCNs being issued is balanced against the additional costs / reduction in income per PCN before any deficit is funded by the County Council. There would need to be a calculation at the end of each financial year to determine whether or not a deficit has been incurred by the district council.
- 9.4 It is also proposed that the County Council fund the set-up costs associated with the:
- requirement to consolidate existing off-street parking places orders into one order to enable the new enforcement method (CPE) under the Traffic Management Act 2004
 - requirement to amend off-street car park signing to reflect the new enforcement method
- 9.5 There is ongoing engagement with the district councils to finalise set up costs and project any potential deficit for years 1 – 3 of the operation.

10.0 EQUALITIES IMPLICATIONS

- 10.1 Consideration has been given to the potential for any adverse equality impacts arising from the proposal. It is the view of officers that the proposal does not have an adverse impact on any of the protected characteristics identified in the Equalities Act 2010.

11.0 FINANCIAL IMPLICATIONS

- 11.1 The financial implications for the County Council are detailed in paragraphs seven and nine.

12.0 NEXT STEPS

- 12.1 The proposed business case needs to be approved by all local authorities involved before an application can be submitted to the DfT.
- 12.2 DfT has recently introduced two 'windows' throughout the calendar year where applications will be dealt with. The completed application needs to have been formally accepted by the DfT by the end of October 2012 for them to make the proposed order by mid-April 2013. Countywide CPE would then be introduced in early summer 2013.
- 12.3 The district councils are all currently aiming to take a report to their Members for consideration of the proposal to satisfy DfT requirements.
- 12.4 A report will be presented to the County Council Executive on the 25 September 2012 seeking approval to submit the business case to the DfT.
- 12.5 The proposed timetable for CPE implementation is set out in the table below.

Final Business Case approval as of May 2012	
Completed application submitted to DfT	31 October 2012
Proposed order made by the DfT	Mid-April 2013
CPE implementation	Summer 2013

13.0 RECOMMENDATION

- 13.1 That the Committee take a view on the countywide Civil Parking Enforcement business case prior to consideration by the Executive.

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Background Documents: None