

CABINET

Wednesday, 15 February 2017

IMPLEMENTATION OF CIVIL PARKING ENFORCEMENT IN EAST SUFFOLK (REP1510)

EXECUTIVE SUMMARY

1. The Police have no funding for parking enforcement activity. Prioritising resource means activity is seriously limited.
2. An alternative delivery model is permitted in law whereby parking enforcement is transferred from the police to local authorities and income from tickets stays with the Authority thus – potentially - enabling self-funding.
3. Suffolk County Council is promoting a county-wide approach, and Districts are coordinating a proposal to take on enforcement. District Authorities taking on CPE is the model being supported by Suffolk Public Sector Leaders' Group.
4. The deficit for East Suffolk is potentially £240,695 annually and there are decisions to be made on how best to achieve break even, using a range of alternative revenue sources such as on-street pay and display or the development of new car parking facilities.

Is the report Open or Exempt?	Open
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Wards Affected:	All Wards in the District
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Cabinet Member:	Councillor Colin Law, Leader of the Council
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Supporting Officers:	<p>Kerry Blair Head of Operations kerry.blair@eastsoffolk.gov.uk 01502 523007</p> <p>Carolyn Barnes Transport & Infrastructure Manager carolyn.barnes@eastsoffolk.gov.uk 01394 444436</p>
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1 INTRODUCTION: THE STRATEGIC CASE - WHY ARE WE DOING THIS?

- 1.1 Of the 327 District Councils in England, just 25 are not designated as Civil Enforcement Areas (CEAs). The County of Suffolk hosts six of those 25 where parking violations are still enforced by the police. With the ever increasing complexity of incidents and investigations, the ability of the constabulary to continue to service enforcement will become ever more challenging.
- 1.2 The impact of this lack of enforcement is seen in communities across the district, with mounting discontent over ‘unpoliced’ illegal parking – in particular at pinch points around schools. There are significant safety issues associated with this, and under current arrangements District Councils are powerless to enforce a solution. CPE would provide those powers.
- 1.3 An alternative delivery model is permitted in law whereby parking enforcement is transferred from the police to local authorities. Suffolk Constabulary is not permitted to retain any income from parking enforcement with all monies being sent to the Treasury. Where parking enforcement is transferred to local authorities, income from tickets stays with the Authority thus – potentially - enabling self-funding
- 1.4 If WDC decides not to take on responsibility for CPE, there is the potential that Suffolk County Council could take on enforcement responsibility within the district, including taking decisions on where to introduce on street parking. The case for District Councils assuming control over these matters is – in part – that authorities can introduce a parking strategy that supports other local priorities, such as tourism.

2 THE CUSTOMER CASE

- 2.1 Suffolk Constabulary is currently responsible for the enforcement of action against illegal parking in all areas of the county other than Ipswich. Current enforcement is very reactive and does not match Community expectations and demands.
- 2.2 The key focus of the Safer Neighbourhood Teams (SNT) is on dealing with issues concerning:
 - Vulnerability and safeguarding
 - community engagement
 - demand management
 - crime reduction.
- 2.3 The Police have no funding for parking enforcement activity. Prioritising resource means activity is seriously limited. Therefore there is an agreed desire to move the responsibility for the enforcement of on-street parking restrictions in Suffolk from the Police to local authorities.
- 2.4 In addition to the community dissatisfaction with enforcement levels, there may be demand for more Residents’ Parking Zones (for example in Beccles and Southwold). These could be considered and enforcement would be at no additional cost.

3 RISKS

- 3.1 Whilst there are a number of community benefits associated with local authorities running CPE, there are also risks which need to be taken into account before reaching a decision.
- 3.2 The principle risks are:
- 3.2.1 Incorrect assumptions in the modelling: The business case has been prepared using data provided by Mouchel in its detailed report. Whilst there is no reason to believe that these data are incorrect, equally it is difficult to validate these assumptions. If the assumptions around the levels of PCN income are incorrect, for example, then the deficit for running CPE could be greater than anticipated in the business case.
- 3.2.2 If this were to be the case, options would need to be explored to offset this greater loss. There are a number of options available to WDC for achieving this objective. These options include developing income from new parking facilities, and introducing charged on street parking where it was deemed locally appropriate. There would need to be consideration given by members to the likely political impact of any such action.
- 3.2.3 Contractual issues: Unlike other District Councils in Suffolk, SCDC/ WDC would be operating CPE through our partnership with Norse. Whilst this provides a useful 'buffer' between the council and the public, the councils would need to have confidence in the company's ability to deliver the service at the quoted rate. In addition, we would need to make contingency arrangements for delivering a statutory service were Norse unable to service the contract.

4 BACKGROUND OF CPE IN SUFFOLK

- 4.1 CPE has been in operation within Ipswich since 2005, undertaken by Ipswich Borough Council as agents to Suffolk County Council as the Highway Authority. The Suffolk Civil Parking Enforcement Working Group (SCPEWG), made up of the Police, SCC and the seven districts and borough councils, was set up to review how CPE could be extended across Suffolk. Mouchel were contracted by Suffolk County Council (SCC) on behalf of the members of SCPEWG to carry out a high-level financial analysis of setting up a Suffolk-wide CPE operation.
- 4.2 The principles agreed by the Suffolk Public Sector Leaders were:
- 4.2.1 A whole system approach is required that ensures all on road and off road parking and enforcement is fully coordinated, acknowledging need for flexibility. Associated bureaucracy is minimised as far as practicable;
- 4.2.2 Financial considerations - It is recognised that Districts will have differing starting positions and have specific issues. Any solution must recognise and address any concerns this may bring;
- 4.2.3 Based on the premise that Suffolk will move to CPE, setting a realistic timescale for implementation is vital, taking into account the 10 step application process, local issues, transitional arrangements and available resources;
- 4.2.4 There must be a positive impact on partnership working and public perception.

5 HOW DOES THIS RELATE TO EAST SUFFOLK BUSINESS PLAN?

- 5.1 One of the Planned actions for the whole of East Suffolk is to “Encourage Suffolk County Council to devolve enforcement of On-street Car Parking to the District Councils”.

6 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 6.1 Department for Transport and Welsh Office Circular 1/95 Guidance on Decriminalised Parking Enforcement outside London specified that local authority parking enforcement introduced under the RTA 1991 should be self-financing as soon as practicable. The DfT have advised in their draft guidance for CPE applications under the TMA 2004 that while this is still a sensible aim, compliant applications for CPE will be granted without the scheme being self-financing. They further state that authorities should bear in mind that if their scheme is not self financing, then they need to be certain that they can afford to pay for it from within existing funding. The Secretary of State will not expect either national or local taxpayers to meet any deficit.
- 6.2 Three models of patrol operation were assessed and the preferred one is for three separate operations: West Suffolk, Ipswich and East Suffolk:
- St Edmundsbury and Forest Heath to be patrolled by the West Suffolk operation.
 - Ipswich to be patrolled by the Ipswich operation.
 - Suffolk Coastal and Waveney to be patrolled by the East Suffolk operation.
 - Babergh and Mid Suffolk to be patrolled by the other three operations, with boundaries to be determined.
- 6.3 The results of Mouchel’s analysis were taken to the Suffolk Public Sector Leaders Group (SPSLG) on 16th September and it was recommended that:
- 6.3.1 The preferred option is taken forward to full business cases by SCC and the district and borough councils.
- 6.3.2 All Councils aim to seek formal political agreement to the proposed arrangements and business case sign off by the summer of 2017.
- 6.3.3 All councils aim to introduce CPE by spring 2019.
- 6.3.4 SCPEWG will continue to oversee progress.
- 6.3.5 Regular progress reports will be provided to SPSLG/SCOLT (Suffolk Chief Officers Leadership Team).
- 6.4 These recommendations were accepted and further updates given at subsequent SPSLG meetings on 18th November and 20th January. It was agreed that all local authorities seek formal agreement through their relevant decision making process by 31 March 2017.
- 6.5 The aim of the East Suffolk business case is to refine the Mouchel estimates taking the current operations provided by Norse into account. A decision can then be taken on the way forward. There are two separate affordability considerations: first, the cost of set-up and secondly, the ongoing annual enforcement. The latter needs to incorporate any impact on the off-street car park revenue (increased revenue potentially from more ticket sales alongside a reduction in ECN revenue).
- 6.6 Set-up costs

- 6.6.1 Mouchel estimated the set-up costs as if it were a completely new operation. Their estimate for the whole of Suffolk was £1,457,398. The set up costs will be spread over three financial years and mainly funded by the Police and Suffolk County Council. The current understanding is that each of the six District/Borough Councils taking on CPE will be expected to contribute £10,000 with the remaining costs funded by the Police (£190,000) and the balance by Suffolk County Council. We await confirmation of this funding.
- 6.6.2 Of these estimated costs, Mouchel attributed £514,472 to East Suffolk. However, East Suffolk already runs parking enforcement operations through Norse and they have estimated the set-up costs of extending their current operations to be £318,129. The current arrangement will be replaced by these new operations.
- 6.6.3 All the Local Authorities are performing similar exercises to see if the set-up costs can be reduced through efficiencies linked to their current operations.
- 6.7 Ongoing annual enforcement:
- 6.7.1 Mouchel estimated that the county-wide operation would run at a deficit of £1,734,270 per year (without including inflation) of which £664,498 was attributed to East Suffolk. This figure was reached using many assumptions including:
- 6.7.1.1 income is only from issuing Penalty Charge Notices (PCNs)
- 6.7.1.2 a deployment plan with a team of CEOs, a patrol manager and a radio controller
- 6.7.1.3 a single back office function (possibly provided by IBC).
- 6.7.2 Table 1 – Mouchel’s estimated income, costs and deficit under CPE in East Suffolk

	Income	Costs	Deficit
SCDC	202,198	465,630	263,432
WDC	349,043	750,109	401,066
East Suffolk	551,241	1,215,739	664,498

- 6.7.3 Norse has re-budgeted the deployment plan and found savings primarily in direct employment costs and vehicles. Upon comparison of the assumptions Mouchel have used to calculate patrol time against Norse’s current operations, the time a CEO spends patrolling in a year has been found to be 77.9% of their time, instead of 71.5%. This is due to differences in leave, absence, breaks and shift patterns. This is effectively a productivity gain over the model which allows the agreed scope of patrolling, and in turn the PCN levels estimated in the report, to be achieved with less overall CEO resources.
- 6.7.4 Impacts on off-street car park revenue:
- 6.7.4.1 With enforcement of on-street restrictions, it is likely that people will be more inclined to pay to park in the car parks rather than park illegally on the streets. It is impossible to estimate the effect with any certainty but taking the 2015/16 ticket sale revenue of £1.3m in SCDC and £1.5m in WDC and an uplift of 2%, which does not seem unreasonable, this would result in an additional £26,000 and £30,000 respectively. The estimated outturn for 2016/17 is higher at £1.5m in SCDC and £1.9m in WDC, which at 2% uplift would give £30,000 for SCDC and £38,000 for WDC (i.e. a further additional £12,000).

6.7.4.2 When Suffolk is designated as a Civil Enforcement Area, East Suffolk’s local authority car parks must be managed under CPE legislation. Currently Excess Charge Notices (ECNs) are £80 for cars and motorcycles (reduced to £40 in Suffolk Coastal and £50 in Waveney if paid within 14 days) and £200 for Coaches, HGVs and PSVs (reduced to £100 if paid within 14 days) .

6.7.4.3 Under CPE the level of a Penalty Charge Notice (PCN) is set by central government and currently there are two bands, each with two levels of charges. Authorities can choose which Band to use, and not surprisingly all use Band 2. These amounts were set way back prior to September 2000 but we have been told in no uncertain terms that the current amounts will not be increased despite the fact that LA’s and the LGA think they should be. We are told that this decision is to avoid the accusation of using the motorist as a “cash cow”.

Table 2 - Differential Penalty Charge bands outside London

Band	Higher level penalty charge	Lower level penalty charge	Higher level penalty charge paid within 14 days	Lower level penalty charge paid within 14 days
1	£60	£40	£30	£20
2	£70	£50	£35	£25

Note, the higher penalty charges are for serious contraventions as specified by the DfT and the lower level is for less serious. For example, serious includes:

- Parked or loading / unloading in a restricted street where waiting and loading / unloading restrictions are in force
- Parked in a residents' or shared use parking place or zone without either clearly displaying a valid permit or voucher or pay and display ticket issued for that place, or without payment of the parking charge

and less serious include:

- Parked without payment of the parking charge
- Parked after the expiry of paid for time.

6.8 There will therefore be a reduction in the amount of fines, estimated at around £60,000 as shown in Table 3. The effect of the reduced PCN level is already included in Mouchel’s income estimate but it is worth being aware of this reduction to the current income stream. If SCC take on the powers then this effect will be felt even if East Suffolk choose not to take on the enforcement, as all Local Authority car parks would come under CPE legislation regardless.

Table 3 - Off-street ECNs reduced to PCN levels

	Current ECN income	Revised PCN income	Difference
SCDC	150,440	139,209	11,231
WDC	176,160	126,998	49,162
East Suffolk	326,600	266,207	60,393

6.9 Single back-office assumption

It has been agreed that East and West Suffolk work with the assumption that they run their own back offices. Ipswich Borough Council have estimated that it would cost them an additional £126,200 to do the back office processing for East Suffolk on-street; £98,541 for East Suffolk off-street.

6.10 Agreement to cover parts of Mid-Suffolk and/or Babergh

There is provisional agreement for East Suffolk to cover parts of Mid-Suffolk - west to the A140 and south to the A1120. Any additional cost for on-street enforcement will be recompensed by SCC and off-street enforcement by Mid Suffolk, as the agreement is that it would be undertaken on a cost neutral basis. It is worth noting that East Suffolk would be expected to enforce in Mid-Suffolk's car parks as well as on-street but there are not any charged ones in the agreed area and it is unlikely that any charges will be introduced in the near future as the villages like Metfield, Hoxne and Mendham are too small.

6.11 Enforcement hours and Level of Patrol: the frequency of patrols is a significant factor and a desirable level has been established based on research.

6.11.1 Enforcement will be carried out between 08:00 and 18:00 on Monday to Saturday. Plus 26 Sundays in peak season.

6.11.2 In Lowestoft, enforcement will be carried out between 08:00 and 20:00 as they have some resident parking schemes which run until late in the evening.

6.11.3 Enforcement will be carried out on all bank holidays except Easter Sunday and Christmas Day. On the other bank holidays, the usual number of CEOs will be deployed but an operational decision may be made to deploy more of them to busy areas such as town centres and seaside areas, rather than in the villages.

6.12 Financial Conclusions

6.12.1 Taking Mouchel's figure for PCN income plus Norse's estimate for Extra Sunday PCN income, Norse's estimated costs to perform enforcement and an anticipated increase in car park ticket sales the deficit for East Suffolk is estimated to be £240,695 annually (Table 4).

Table 4 - Estimated Income, costs and deficit under CPE in East Suffolk

	PCN Income (as per Mouchel)	Extra Sunday PCN income	Norse estimated costs	Increased car park revenue (at 2%)	Deficit
SCDC	202,198	16,904	353,709	26,000	108,607
WDC	349,043	29,180	540,311	30,000	132,088
East Suffolk	551,241	46,084	894,020	56,000	240,695

6.13 Ideas for meeting the Deficit:

There are decisions to be made on how best to achieve break even, possibly using alternative revenue sources such as on-street pay and display etc.

6.13.1 Norse has had an initial look for the potential places where on-street charging could be introduced and has suggested the following as an example of what could be achieved.

- 6.13.2 Resident and business parking spaces could be introduced and are assumed to be for free parking and use as loading bays. These could be controlled by permits, which could be charged, but no income has been assumed for this exercise. The on-street revenue estimate allows for an element of time-restricted free parking.
- 6.13.3 In addition, in areas where there is deemed to be sufficient demand, alternative car parking provision could be introduced in order to increase revenue levels.
- 6.13.4 Table 5 below is not a proposal to introduce paid on street parking in these locations, but is intended to demonstrate the potential that exists to close the gap from *existing* uncharged locations.
- 6.13.5 Any decisions to introduce alternative revenue streams through new charging arrangements would be subject to cabinet approval.

Table 5- Possible on-street parking locations and financial impact

Town	Location	Residents & Businesses (free)	On-street charging (including an element of time-restricted free parking)	Estimated revenue
Felixstowe	Sea front	160	292	122,640
Aldeburgh	Town centre	38	108	47,952
Southwold	Sea front	30	60	42,000
Lowestoft	Sea front	140	130	75,270
Beccles	Town centre		79	48,585
				336,447

7 PROGRAMME MANAGEMENT

- 7.1 SCC will lead on the county wide project management; the application to the Secretary of State; and the review and update of signs, lines etc.
- 7.2 There are also ongoing internal programme governance and project management requirements. It is also necessary to consider the internal officer resources needed for the transition. Such costs were not included in Mouchel's brief but there is a great deal of work to do including:
- 7.2.1 This business case, writing and taking reports to cabinet, full council etc. This is estimated at 0.4 FTE for 5 months (November 2016 to March 2017).
- 7.2.2 Equality Impact Assessment
- 7.2.3 Sustainability Impact Assessment
- 7.2.4 Partnership Impact Assessment.
- 7.3 Legal agreements, which the Head of Legal and Democratic Services has said can be dealt with using internal resources:
- 7.3.1 An Agency Agreement with SCC (based on the SCC/IBC agreement)
- 7.3.2 A SLA with Mid Suffolk District Council for performing their enforcement
- 7.3.3 A SLA with SCC for updating and maintenance of lines/signs (a fast response is required if causing enforcement difficulties)

- 7.3.4 A SLA with SCC for processing new requests for restrictions (e.g. new double yellow lines). These TROs take 18 months as the process includes legal steps and full public consultation. This is a power SCS will not devolve to the DC/BCs.
- 7.3.5 A SLA for introduction of on-street paid parking. SCC will devolve these powers but with a veto on location based on pre-defined highways safety issues. We do want this power as we are taking on 100% of the financial risk and introducing charged on-street parking is one way to meet the deficit. TRO-making is a complicated and time-consuming process, including public consultation.
- 7.3.6 If required, a SLA with single back office provider (if this assumption is taken forward).
- 7.4 Financial Services impacts:
- 7.4.1 Complying with “English authorities outside London must keep an account of all income and expenditure in respect of designated (i.e. on-street) parking places which are not in a Civil Enforcement Area, designated (i.e. on-street) parking spaces which are in a Civil Enforcement Area and their functions as an enforcement authority”.
- 7.5 Current enforcement impacts:
- 7.5.1 Rewriting the existing off-street parking places orders - estimated at a 0.5 FTE for 8 months including reviewing what is currently in the TROs, rewriting them to rationalise them across WDC and SCDC, public consultation and advertising.
- 7.5.2 If a review of the parking charges is required this will require involvement of other officers, councillors and Norse staff.
- 7.5.3 £2500 for advertising new TRO/s
- 7.5.4 Cost of changing all car park signs.

8 WHAT HAPPENS NEXT?

- 8.1 Suffolk Public Sector Leaders met 18 November and 20 January and agreed:
- 8.1.1 Option 1 remains the preferred option.
- 8.1.2 Members to agree funding implications for On Street Parking Account.
- 8.1.3 Members to agree the principles of Service Level agreements (SLAs) with Suffolk County Council for the maintenance of associated signs and lining and the introduction of new Traffic Regulation Orders. SPCEWG to then establish the terms and conditions of the SLAs.
- 8.1.4 Based on the outcomes, all local authorities to seek formal agreement of Option 1 through their relevant decision making process by 31 March 2017.
- 8.2 To achieve formal political agreement and business case sign-off by 31 March 2017, given that SCC’s election moratorium starts on the 23 March 2017 we have been told that we must collectively have taken the proposal through whatever political mechanisms are needed by the 21 March SCC Cabinet meeting. As the proposal is to take on an entirely new function that is being delegated from another body we need full Council approval. To achieve this timeline we shall need to meet the following dates:
- Forward Plan: 23 December 2016 – completed
 - Cabinet briefing 27 January 2017 - this meeting
 - Cabinet 15 February 2017 – deadline for reports – 1 February 2017

- Council 22 February 2017 - deadline for reports – 8 February 2017.

9 CONSULTATION

- 9.1 Police, Suffolk County Council and all Suffolk District and Borough Councils via The Suffolk CPE Working Group.

10 OTHER OPTIONS CONSIDERED

- 10.1 Not supporting implementation of Civil Parking Enforcement in Suffolk, thus continuing with the enforcement level currently provided by the Police
- 10.2 East Suffolk declining to take on the delegated function of Civil Parking Enforcement.

11 REASON FOR RECOMMENDATION

- 11.1 Suffolk needs to catch up with the rest of the country to ensure enforcement is carried out successfully whilst ensuring the necessary legal agreements are in place and the council's interests are protected.

RECOMMENDATIONS

1. To support Suffolk County Council in seeking the transfer of Civil Parking Enforcement powers to the Local Authorities.
2. To take on the function of Civil Parking Enforcement delegated from Suffolk County Council.
3. To delegate to the Head of Operations in consultation with the Cabinet Members for Resources and Economic Development and subject to Cabinet Approval details of:
 - a. An Agency Agreement with Suffolk County Council relating to Civil Parking Enforcement.
 - b. A SLA with Mid Suffolk District Council for performing their enforcement
 - c. A SLA with SCC for timely updating and maintenance of lines/signs
 - d. A SLA with SCC for processing new requests for restrictions
 - e. A SLA with SCC for introduction of on-street paid parking.
4. To delegate to the Head of Operations in consultation with the Cabinet Members for Resources and Economic Development and subject to Cabinet Approval decisions on where to locate on-street paid parking restrictions and where applicable, the tariffs to be charged.