



REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 12TH DECEMBER 2017

SUBJECT: DECriminalisation of Parking – Stage 1 Report

REPORT BY: CORPORATE DIRECTOR – COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 For members of the committee to consider the outcomes from the options appraisal undertaken to date on the implications of taking on Civil Parking Enforcement Powers, and to offer views on how these findings should be developed further, in order to propose the most economical, effective and efficient service delivery model for the Council.

2. SUMMARY

- 2.1 On 16 February 2017 Gwent Police confirmed in writing to all five Gwent local authorities that they intend “to withdraw its officers and staff from activities that involve enforcing parking restrictions” as of 1st April 2018. Gwent is the only area of Wales where the local authorities have not taken on Civil Parking Enforcement powers, and the communication from Gwent Police now forces the local authorities in the area to decide whether or not to take on these powers.
- 2.2 The five local authorities subsequently commissioned a study to investigate the feasibility of creating a Civil Enforcement Area and Special Enforcement Area (CEA/SEA) across each administrative area and for the whole of Gwent. The resulting financial viability of these options shows a mixed picture across the five local authorities however, for CCBC it shows that all options can generate an annual surplus but are unlikely to generate enough income to cover the set up costs after 5 years.

3. LINKS TO STRATEGY

- 3.1 Road safety delivery contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:
- A prosperous Wales,
 - A healthier Wales,
 - A more equal Wales,
 - A Wales of cohesive communities, and
 - A globally responsible Wales.
- 3.2 Engineering Services Division Objective: *To work towards a safer environment through positive measures to reduce road accidents and particularly by protecting and providing for vulnerable road users.*

4. THE REPORT

4.1 Background

Following initial communications and discussions on Civil Parking Enforcement (CPE) initiated by Gwent Police, they confirmed in writing to all five Gwent local authorities on 16 February 2017 that they intend “to withdraw its officers and staff from activities that involve enforcing parking restrictions” as of 1st April 2018. Gwent is the only area of Wales where the local authorities have not taken on CPE powers, and the communication from Gwent Police now forces the local authorities in the area to decide whether or not to take on these powers.

4.2 CPE Study

The five local authorities have commissioned RTA Associates Ltd. to undertake a study to investigate the feasibility of creating a Civil Enforcement Area and Special Enforcement Area (CEA/SEA) across each administrative area and for the whole of Gwent, and the resulting financial viability of these options. A CEA/SEA is an area in which parking contraventions are dealt with under civil procedures, using the powers of the Traffic Management Act 2004. Within a CEA/SEA the responsibility for the enforcement of virtually all on-street parking passes from the Police to the Highway and Traffic Authority. The income from the on-street penalty charge notices (PCN) issued is retained by the Highway Authority to be used to fund the scheme, with on-street and off-street PCN surpluses and on street pay and display income being ring-fenced under Section 55 of the Road Traffic Regulation Act 1984 for certain highway related matters.

CCBC is responsible for all of these matters on-street as the Highway Authority and directly responsible for off-street matters in the Council owned car parks. The study investigated whether CPE is a viable power to be acquired, and the implications of doing so, were CCBC to decide to proceed.

4.3 Study findings for CCBC

The general conclusion reached is that the creation of a CEA/SEA can be financially viable within CCBC but, less so if set up costs are to be repaid from the scheme. All options resulted in a revenue operational surplus.

4.3.1 The financial modelling process tested the following options:

- The introduction of on-street enforcement, without any other major changes to the management of parking within CCBC, and using the Penalty Charge levels as made available by Government – the Base model.
- The Base model with enforcement services externalised (B1).
- The Base model with administration services externalised (B2).
- The Base model with all services externalised (B3).
- Model B3 with 10% less on street PCNs (B4), as a sensitivity test to provide a more conservative financial model if the projected PCNs are not achieved.

4.3.2 The broad conclusions from this exercise were:

1. The project overall is viable as it stands as it shows a small surplus but the set up costs must be covered from alternative funding. The detailed costs are highlighted in section 4.4.
2. The operational surpluses for all options are insufficient to pay back the set up costs within 5 years, with the exception of full externalisation.
3. An active, but not aggressive, programme of enforcement is a basic requirement for a financially viable project; this applies to the issuing of parking tickets, and to the pursuit of debt.
4. The most cost effective method would be to outsource all the parking enforcement and administration. This could be run at an operational surplus and could eventually repay the set up costs over a 5 year period.

4.4 Cost implications for CCBC

In order for CCBC to adopt the powers required for CPE using a fully in house service – the Base Model, the total set up costs would be in the region of £492,000 of which, it is estimated that £390,000 is required to undertake the TRO review and remedial works to signs and lines. Note the total set up costs varies slightly for each option. The table below shows the average annual surplus and deficit after 5 years of operations estimated for each option.

Item	Base model	B1	B2	B3	B4
Public relations	5,000	5,000	5,000	5,000	5,000
Consultancy costs	10000	10000	10000	10000	10000
TRO review	73,000	73,000	73,000	73,000	73,000
Signs and lines remedial works	300,000	300,000	300,000	300,000	300,000
Signs and lines conversion	17,000	17,000	17,000	17,000	17,000
TRO conversion	3,500	3,500	3,500	3,500	3,500
Set up training	1,500	1,500	1,500	1,500	1,500
Sub total	410,000	410,000	410,000	410,000	410,000
On Street equipment set up	42,500	11,000	42,400	12,000	12,000
Off street equipment set up	14,500	0	13,800	0	0
Ticket and processing equipment set up	25,000	25,000	15,800	16,000	16,000
Sub total	82,000	36,000	72,000	28,000	28,000
TOTAL SET UP COSTS	492,000	446,000	482,000	438,000	438,000

Highlighted £390,000 TRO review and remedial works

- 4.4.1 All models assume 3-5% of contraventions are issued a PCN, 11,250 PCNs issued annually, 75% collection rate of PCNs. These are considered to be conservative assumptions but model B4 has been added as a further sensitivity test reducing the income with a 10% reduction of on-street ECNs issued.
- 4.4.2 The main savings and cost efficiencies using the contracted out option (model B3) is in the ongoing cost of labour supply and the initial set up costs for the enforcement hardware, the IT software and the administration team that the contractor will spread out within their rates over the 5 year contract.
- 4.4.3 A project to review the on-street traffic regulations throughout the County should be commenced and this is a large undertaking. These costs comprise about 80% of the capital set up costs identified in the business model. If these costs can be covered elsewhere by the County Council, then they can be removed from the business plan. The review needs to be undertaken to inform the decision making process (at a cost of approximately £70k). The remedial works to amend any lines and signs (estimated at around £320k) could then be phased over 2-3 years but would restrict where enforcement could be undertaken.

4.5 Study findings for a collaborative Gwent option

4.5.1 The joint modelling process tested the following options:

- Model J1: Provision of CPE functions with enforcement retained by each authority individually and the whole of the administration undertaken by one of the Gwent authorities.
- Model J2 is as J1 but the administration undertaken by a 3rd party authority with the current Wales Penalty Processing Partnership rates used.

- Model J3 is where all the enforcement and administration is provided by one Gwent authority for all the 5 partners.
- Model J4 is as for J3 but all services provided under one contract by a national contractor through a procurement exercise. The model has used current market rates from recent tenders.

4.5.2 The broad conclusions from this exercise were:

- The project overall is more financially secure and has greater resilience in adopting a joint approach.
- Outsourcing the whole parking provision under one contract (J4) to an external contractor is shown to be the most cost effective method. This is the only financial business case that achieved an operational surplus across all five authorities.
- Using a Gwent authority to provide all the services costs an extra total of £659,000 over 5 years (J3) compared to J4.
- Comparing J4 to all the 5 authorities working as individuals (summation of models B3 in each authority), shows a combined saving of £1.56million over the 5 years.

4.5.3 It should be borne in mind that the advantages of a Gwent CPE approach are greater for some of the authorities than others. CCBC is one of only 2 authorities that are predicted to maintain a revenue operational surplus for all financial models. The average annual surplus and deficit after 5 years for CCBC is included in the table below.

Item	J1	J2	J3	J4
SET UP COSTS FOR GWENT				
Operational management set up	77,200	77,200	68,400	66,500
On Street equipment set up	144,200	144,100	144,100	57,100
Off street equipment set up	37,000	37,100	37,100	0
Ticket and processing equipment set up	177,800	102,100	177,800	103,500
Sub total	436,200	360,500	427,400	227,100
(CCBC share of set up costs)	(88,800)	(76,000)	(86,800)	(45,600)
TRO review and remedial works	390,000	390,000	390,000	390,000
CCBC incidental costs (e.g. training & TRO conversion)	3,600	3,400	3,500	3,700
CCBC share of set up costs	88,800	76,000	86,800	45,600
CCBC surplus after 5 years	(183,000)	(193,000)	(292,000)	(398,000)
Total deficit after 5 years	299,400	276,400	188,300	41,300

4.6 Statutory process

4.6.1 To acquire the powers, CCBC will have to formally apply to the Welsh Government (WG) for a Designation Order which decriminalises parking enforcement across the whole of the Caerphilly County Borough. From the date set in this Order, Gwent Police will be unable to enforce the majority of parking related offences, and CCBC must be ready to undertake the responsibilities. Moving traffic violations would remain the responsibility of Gwent Police to

enforce and the full list of parking offences to be transferred to the Council would need to be agreed. The formal application element of the project is estimated to take around 8 to 12 months to complete, with the WG requiring a minimum of 6 months to process the application from date of receipt. The WG currently only accept applications in April and October each year but may make an exception for the last remaining 5 authorities in Wales who have not taken on these powers.

- 4.6.2 Experience indicates that to introduce civil enforcement will require an overall timetable of between 15 and 24 months as a minimum, from the date of a decision to proceed. To manage this project, a Project Steering Group and Project Manager role should be established, to include not only officers from the various internal sections that are concerned, but also ad hoc representatives from Gwent Police. Such is the importance of the project, it is suggested that major policy direction for the project should come from a group of Members and senior officers within CCBC, delegated with the responsibility for successful implementation of decriminalisation.
- 4.6.3 The timing of the submission of the formal application is quite important, as it commits CCBC to a start date, from which variation is not easily possible. This date is also the date when the Police lose the power to enforce parking in the County. The County Council must therefore be confident it can achieve the date. On the other hand, the application has to be submitted in good time to get the necessary Order prepared and approved.
- 4.6.4 If contracting out is to occur, thought needs to be given to the availability of confirmation of the application before any contract is signed, which can lengthen the overall timescale by perhaps about 3-6 months.

4.7 Benefits and advantages

4.7.1 The benefits to CCBC by introducing CPE include:

- Taking control of where, when and how the parking in the County is controlled. CCBC could enforce wherever and whenever they wish and this creates a very flexible service provision that can react to requests for assistance, special events and undertaking evening and weekend enforcement where deemed necessary.
- A coordinated parking enforcement service would be established, covering on and off-street parking.
- The service could eventually be self-financing, including the initial set up costs that will need to be funded accordingly.
- Improved compliance will be seen in permitted parking spaces.
- The implementation of proper enforcement creates a higher turnover of spaces and therefore reduces congestion around the amenities as drivers can find available space more easily than driving around until one becomes available.
- Reduced congestion and obstruction to traffic will also be a benefit to the community as those currently parking in contravention to the detriment of the free flow of traffic are moved on to legal spaces where it is appropriate to park.
- Growth in demand for vehicular access in particular to the main County centres would be restrained.
- The design of future parking schemes such as resident permit schemes, for which there may be a demand, could be undertaken in the knowledge that parking controls would be enforced by CCBC, as the County Borough Council and Highway Authority.
- Overall improved environmental conditions, including safer traffic conditions, and less pollution would result from less illegal parking, fewer cars, and better circulation.
- Parking enforcement would become more locally accountable and adaptable.
- Police resources would be freed up to be diverted to other purposes.
- An increase in use of off-street car parking facilities is expected, and the financial model assumes a 1% increase in off-street pay and display income.

4.7.2 The main point with CPE is that it is simply a change in the enforcement service from the police to local authority control and there are no anticipated major changes to the restrictions on site. It is therefore unlikely that the introduction of CPE will have an impact on the local economy or the shops. In fact, it has been known to have a positive impact where shopkeepers themselves were guilty of parking all day in limited waiting bays outside their own shops thereby preventing turnover of spaces and creating a reduction in footfall. Correct enforcement would alleviate this problem.

4.8 Disadvantages

4.8.1 The disadvantages to CCBC by introducing CPE include:

- Based on the current free parking provision on and off-street across the County, any increased enforcement of parking restrictions would simply move the majority of vehicles to the off street areas that are available.
- The main issue is that there is no opportunity to reverse the process once an Order is made. This implies that once civil, CCBC has to make the system work. This is not so large an issue as might be implied because if the resulting financial equation is not appropriate, it is a matter of adjusting the scale of the enforcement resource until a better balance is found. This would not be an attempt to issue more PCNs but to align the resource level to the income generated.
- The issue of physical violence after the start of CPE is also important to consider. In areas which have already adopted the powers, it has been found that Council CEOs are more prone to physical abuse and even attack than are Police personnel, so an excellent link to the police to request urgent assistance is essential.
- The most constructive attitude tends to be where the police recognise that having a larger number of uniformed people on the street can act as a benefit to their operations, acting as eyes and ears to assist them, as well as vice-versa.

4.9 Issues for consideration

4.9.1 Collaboration: Should CCBC decide to collaborate with the other Gwent local authorities to provide a joint service, for all the options considered in the financial models, an operational surplus is forecast for CCBC which increases with collaboration. This is not the case for all local authorities (whether operating individually or as a Gwent region) and may influence their decision making on whether to collaborate or not.

4.9.2 Engagement with Gwent Police: The current notification is that Gwent Police will withdraw from parking enforcement by April 2018. Even if a decision is taken now to adopt CPE powers, it would not be possible to have them in place and enforceable by April 2018. Discussions are ongoing with Gwent Police for them to delay any withdrawal of their services in relation to parking enforcement until the Gwent authorities are in a position to adopt the relevant powers if the authorities support the decision. Should the Gwent authorities not support taking on the powers of CPE, it is currently unknown whether Gwent Police would continue to support enforcement.

4.9.3 Community Safety Wardens: Some Authorities have expressed a wish that the CEOs have a dual role in that they enforce other aspects of street management such as litter dropping and dog fouling. The legislation governing the CEO precludes this dual enforcement role being undertaken simultaneously and it could also affect the financial predictions should the CEOs be doing something other than parking enforcement.

4.10 Considerations for Members

4.10.1 The key questions for Members to consider and for which views are sought in order for the Council to agree a position are:

4.10.2 Should the Council take on CPE powers?

1. Does the Council wish to have direct operational control or can the service be out-sourced?
2. Does the Council wish to operate a shared service with the other local authorities in Gwent in any way?
3. What level of public consultation and engagement is required? The general experience is that CPE on its own is not a topic which engenders a lot of public interest; where such interest does exist, it is usually either a strong view that "more enforcement" is required, or it stems from particular sections of the community who perceive it as a threat e.g. retail operators who think more enforcement will damage trade.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 Should CPE powers be progressed and a clear direction identified, the well-being implications for future generations may include: increased road safety through the reduction of inappropriate parking and freer traffic flow; less congestion through a higher turnover of spaces reducing road risk and improving air quality; a possible shift to more environmentally sustainable transport; police resources released to crime and disorder; a greater uniformed deterrent presence.

Consideration of CPE powers will be subject to the involvement of local communities through consultation once the initial direction is determined. The options include collaboration across the five Gwent local authorities, and with the private sector, should a commissioned service be the favourable option. CPE may prevent some problems that are apparent with the current limited police enforcement due to competing demand.

6. EQUALITIES IMPLICATIONS

- 6.1 An Equalities Impact Assessment screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified therefore, a full EIA has not been carried out.

7. FINANCIAL IMPLICATIONS

- 7.1 The financial implications will depend on the CPE option pursued, if pursued, and are broadly set out within the report at para 4.4.1 for CCBC independently and at para 4.5.3 for CCBC as part of a Gwent collaborative initiative.
- 7.2 More specific detail will be provided in the subsequent report once a clear direction has been identified.
- 7.3 If CCBC were to directly manage enforcement a slightly enlarged parking management structure would be required, including an additional 5.5 full time equivalent (FTE) Civil Enforcement Officers (CEO). Additional financial resources may be required depending on the option pursued and full details would be the subject of a future report.

8. PERSONNEL IMPLICATIONS

- 8.1 If CCBC were to directly manage enforcement a slightly enlarged parking management structure would be required, including an additional 5.5 full time equivalent (FTE) Civil Enforcement Officers (CEO). Additional resources may be required depending on the option pursued and full details would be the subject of a future report.

8.2 With regard to Options B1-3 and J1-4, there will be some personnel implications. These are currently being investigated and will be detailed further in the following Stage 2 report.

9. CONSULTATIONS

9.1 The comments received on this report from the list of consultees have been incorporated within the report.

10. RECOMMENDATIONS

10.1 To consider and discuss the findings of the review undertaken to date and to provide views on the scope of further detailed work that should be undertaken to inform a further report to the committee, prior to proposing a delivery model to the Cabinet that is best placed to serve the needs of the county borough and its citizens.

11. REASONS FOR THE RECOMMENDATIONS

11.1 To determine whether or not the Council should take on CPE powers and to understand the implications of any decision.

12. STATUTORY POWER

12.1 The Traffic Management Act 2004 and the Road Traffic Regulation Act 1984.

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Consultees: Cllr. Sean Morgan – Cabinet Member for Economy, Infrastructure, Sustainability and Wellbeing of Future Generations Champion
Cllr. Tudor Davies – Chair of Regeneration and Environment Scrutiny Committee
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Chris Burns – Interim Chief Executive
Christina HARRY – Corporate Director of Communities
Richard Harris – Acting Deputy Monitoring Officer
Gail Williams – Interim Head of Legal Services and Monitoring Officer
Marcus Lloyd – Acting Head of Engineering Services
Dean Smith – Principal Engineer (Traffic Management)
Mark S. Williams – Head of Community and Leisure Services
Mike Eedy – Finance Manager
Shaun Watkins – HR Manager
Anwen Cullinane – Senior Policy Officer – Equalities and Welsh Language
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