
DECRIMINALISED PARKING

1.0 EXECUTIVE SUMMARY

- 1.1 Effective car parking provision, management and enforcement is important to the economy, traffic management and quality of life of our towns and villages within Argyll & Bute.
- 1.2 To improve traffic management, an amendment to the Road Traffic Regulation Act was introduced nationally whereby most parking enforcement could be taken over by Local Authorities. The process is referred to as Decriminalised Parking Enforcement (DPE). Parking offences under DPE become civil matters and are pursued by the Council.
- 1.3 With the withdrawal of the former Strathclyde Police's traffic warden service, the Council agreed to introduce Decriminalised Parking Enforcement (DPE), once undertaken, this process which allows for enforcement of on street parking, waiting and loading restrictions, cannot be reversed.
- 1.4 Once DPE is implemented the Police have no role in enforcing parking restrictions. However, endorsable and other 'moving' offences do remain the responsibility of the Police. Any fines issued by Parking Attendants are treated as civil debts and therefore income generated through the issue of PCNs, is retained by the Council and goes towards the scheme running costs or, if in surplus, other transport related schemes as defined in S55 of the 1984 Road Traffic Regulation Act. The use of off-street surplus income is unaffected by this change.
- 1.5 A financial modelling exercise was carried out and a business case produced which examined the financial sustainability of DPE against different scenarios which included existing policy in practical effect and alternative policy options. The financial modelling process demonstrated that the introduction of DPE when applied to the enforcement of existing Council car parking policy was financially sustainable.
- 1.6 DPE was introduced in May 2014 with advisory notices issued for the first month prior to Penalty Charge Notices being issued. The following report summarises the first year of operation and provides commentary on the proposals for the current year.
- 1.7 As part of the DPE process Local Authorities are required to submit an annual statement to Scottish Government detailing parking enforcement and financial performance. The DPE operations for 2014/15 got off to a steady start. The information contained in this report will form the basis of the council's 2014/15 submission to Scottish Government. Early indications for 2015 suggest an increase in the use of off street car parks.

1.8 The actual income level for 2014/15 was £177,141 based on a 9 ½ month operation from mid-June to end of March. On a straight pro rata basis this equates to £223,757 for a full year.

The annual net expenditure total outturn (part year) is £168,323 (including set up costs) against the business case annual net income total of £77,414.

RECOMMENDATION

It is recommended the report be noted.

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2.0 INTRODUCTION

- 2.1 Following the withdrawal of the former Strathclyde Police's traffic warden service, the Council agreed to introduce Decriminalised Parking Enforcement (DPE). Parking offences under DPE become civil matters and are pursued by the Council.
- 2.2 The council introduced DPE in May 2014. During the first month of operation warning notices were handed out then from mid-June Penalty Charge Notices (PCNs) were issued.
- 2.3 The following report summarises the first year of operation and provides commentary on the proposals for the current year.

3.0 RECOMMENDATIONS

- 3.1 That the report be noted.

4.0 DETAILS

- 4.1 Following the introduction of DPE in 2014 the Council is responsible for parking enforcement on street. Once DPE is implemented the Police have no role in enforcing parking restrictions. However, endorsable and other 'moving' offences do remain the responsibility of the Police. Any fines issued by Parking Attendants are treated as civil debts. Income generated through the issue of PCNs, is retained by the Council and goes towards the scheme running costs or, if in surplus, other transport related schemes as defined in S55 of the 1984 Road Traffic Regulation Act. The use of off-street surplus income is unaffected by this change.
- 4.2 DPE relates to on street enforcement. Active on-street enforcement ensures a parking turnover on street which helps effective traffic management and road safety. This also has the benefit of helping our town centres remain vibrant, busy places and has a direct impact on the patronage of off street car parks, which generally see an increase in use from longer staying motorists.
- 4.3 The introduction of DPE in Argyll and Bute coincided with:
 - The contractual extension of the Helensburgh CHORD works. The practical effect of this was that the Helensburgh area could not be fully enforced over the summer of 2014.
 - The introduction of co-mingled waste in the Mid Argyll and Oban areas. The environmental wardens, who carry out a range of duties including

parking enforcement were heavily involved in the roll out and introduction of co-mingled waste collections which had to be prioritised.

As a result the assistance to the parking service, from the environmental wardens, was significantly below that anticipated in the business case. Enforcement levels were further impacted as operationally 6 FTE parking attendants have been employed initially rather than the 8 anticipated in the business case.

DPE Business Case

- 4.4 At its meeting in April 2013 Council approved DPE be progressed. As part of the approval the financial assessment included a financial model that had a break-even point in the 5th year of operation. At the end of the 5th year of operation a financial surplus was also forecast. A high level financial extract from the business case presented to April Council is at Appendix 1.
- 4.5 The model detailed above was based on the following assumptions:
- 8 FTE parking attendants and one parking manager delivering a PCN income level of £427,277 in the first year based on £60/PCN
 - 8 FTE attendants (and parking manager enforcing part time) issuing 5 PCNs/ day /attendant
 - Additional support from 2 FTE from the existing environmental warden service.
 - Recovery rate 80% (15% at £60, 62% at £30 and 3% at £90).
 - Reduction in PCNs to slow as compliance improves, at 8%/ year over 3 yrs.
- 4.6 The actual income level for 2014/15 was £177,141 based on a 9 ½ month operation from mid-June to end of March. On a straight pro rata basis this equates to £223,757 for a full year. The number of FTE parking attendants over the period has been 5.5. The first month of operation focused on issuing warning notices to inform individuals of the change.
- 4.7 Appendix 1 gives a financial summary relating to both on and off street parking income. As part of the DPE process Local Authorities are required to submit an annual statement to Scottish Government detailing parking enforcement and financial performance. This format of presentation has been provided by the Scottish Government, A similar report will be used to submit our 2014/15 (part year) figures to the Scottish Government. It is proposed that future annual DPE reporting be brought in line with the financial year rather than the anniversary of DPE. Appendix 1 details the information and format required by Scottish Government.
- 4.8 The Business Case approved by Council in April 2013 was based on a forecasted annual net income of £77,414 for the first 12 months of operation. In the operation period May 2014 – 31 March 2015, the annual expenditure total was net expenditure of £168,321.
- 4.9 The data summarises the DPE activity from 2014/15:-
- The number of PCNs issued for on-street parking contraventions = 3856
 - The number of PCNs paid within 14 days = 2140 (55.5%)
 - The number of PCNs paid after 14 days but before serving of charge certificate = 726 (18.8%)

(A total of 74.3% before charge certificate served)

- The number of PCNs paid after charge certificate served = 234 (6%)
- The number of cases going to adjudication = 10
- The number of cases that are part paid through Sheriff's Office = 23
- The number of cases not paid (still in the system or with the Sheriff's Office) = 363
- The number of cases where no further action is taken (e.g. PCN is written off or is cancelled due to Parking Attendant error or successful representation) = 360

With the number of cases sitting either in the system or with the Sheriff's Office there is a lag in the financial information available. There can be a significant time period between a PCN being issued and the case getting to the Sheriff's Office. This results in the reported outturn being lower than the anticipated income to be received. This should be evened out as years progress and monies are recovered from old cases, albeit with the Sheriff's Office costs being deducted.

With the benefit of the information above and the first years operation, a revised operating financial model will be developed covering future 5 years operation. The model will be developed to achieve the surplus in year 5. This will be developed to enable comparisons against the original business case.

Improvement Plan

- 4.10 Following the introduction of DPE and with the benefit of the experience gained from the first years, a more focused enforcement regime will be carried out on the ground. Whilst PCN targets are not used for individual parking attendants the enforcement team can be more effectively deployed based on knowledge gained through the first year's operation and from an analysis of performance data now available.

On and Off Street Car Parking Income

- 4.9 The table below shows the budgeted income for 2015-16 profiled across the year, actuals for April, May and June 2015 and actuals for 2011 – 12 to 2014 - 15.

At the end of June budgeted income was £164,611, the year to date actuals are £220,855. From the introduction of DPE in mid May 2014 there has been a general increase in parking income. However, some months have been lower than comparable earlier years prior to DPE. Weather, events and a number of other factors will influence individual's travel and the use of car parks and on street charging parking. The figures below provide an indication that DPE has resulted in more compliant parking behaviours with parking income generally increasing. Whilst it is considered too early into the process to provide robust financial forecasts due to limited historical information, increases in income are considered to be a direct result of enforcement on street which has been designed to increase the turnover of on street parking to support the local economy and help our town centres remain vibrant, busy places.

Car Parking Income Budget – on street and off street (income from parking meters, permits and associated income)						
	2011-12 actual	2012-13 actual	2013-14 actual	2014-15 actual	2015-16 actual	2015-16 budget
April	28,685	49,418	44,437	31,120	37,462	29,541
May	89,661	58,898	81,831	67,789	68,008	73,739
June	102,394	65,455	71,377	65,713	115,385	61,331
July	93,376	78,250	107,712	77,340		74,809
August	79,774	136,208	96,578	144,021		132,600
September	115,711	88,776	88,494	64,148		55,450
October	68,726	73,355	74,743	101,903		87,071
November	42,822	38,180	42,221	57,075		46,470
December	38,075	36,281	13,984	15,886		9,382
January	21,479	16,175	34,005	31,002		26,071
February	27,925	45,737	22,475	52,281		28,505
March	39,740	31,651	32,468	118,934		42,109
Totals	748,367	718,383	710,325	827,212	220,855	667,078

Whilst the figures above indicate an increase in income following the introduction of DPE, there will need to a number of years of operation to enable robust financial forecasts to be produced. Furthermore, through the ongoing parking review there will be a need to ensure that any changes to operational policy do not have a net negative impact on income.

5.0 CONCLUSION

- 5.1 The council introduced DPE in May 2014. During the first month of operation warning notices were handed out then from mid-June Penalty Charge Notices (PCNs) were issued.
- 5.2 The knowledge gained following the first year of operation and the available performance data has provided sufficient information to better target the deployment of the parking attendants.
- 5.3 The general trend for parking income following the introduction of DPE has increased, this is demonstrated in the table in paragraph 4.9 above.

6.0 IMPLICATIONS

- 6.1 Policy DPE and Parking Policy
- 6.2 Financial As Appendix 1
- 6.3 Legal Road Traffic Act and SSSIs for Argyll and Bute Council
- 6.4 HR None
- 6.5 Equalities None known
- 6.6 Risk None
- 6.7 Customer Services None

7.0 APPENDICES

Appendix 1 – Extract from original business case
Appendix 2 DPE Income and Expenditure 2014/15

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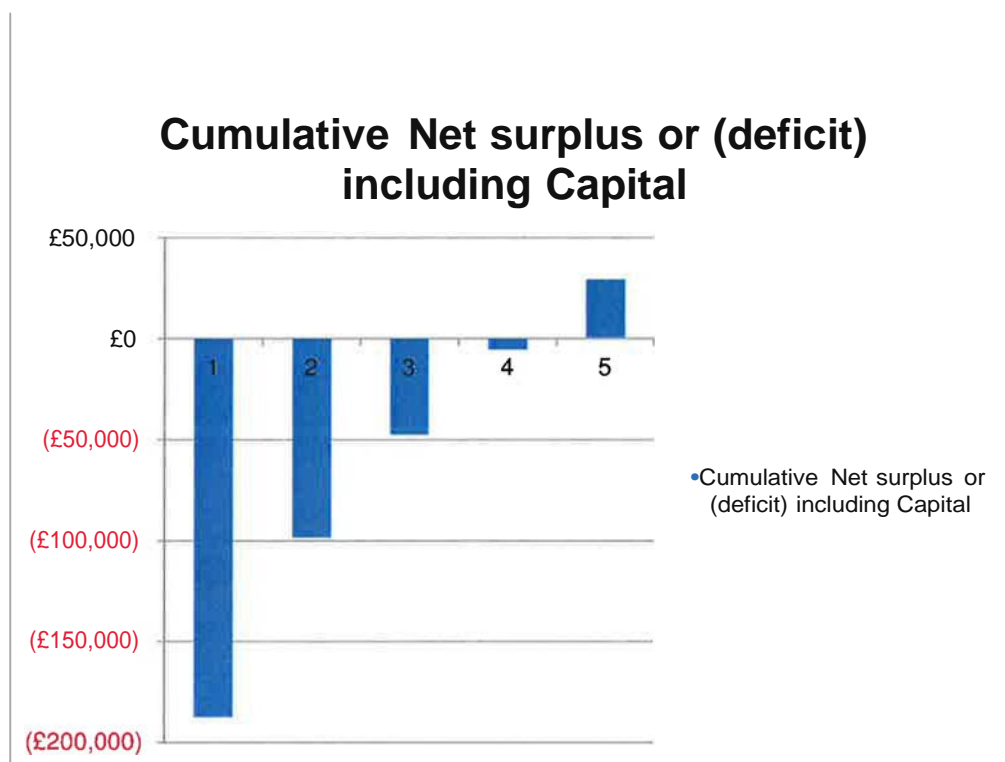
For further information please contact: Jim Smith Head of Roads and Amenity Services

Extract from Council Report April 2013 - Financial Implications of OPE from 2014 to 2019

18 FINANCIAL ASSESSMENT.

18.1 A business model has been prepared which assesses the financial implications of OPE during the five year period from May 2014 to April 2019. A summary extract from this financial model is available in [Appendix B](#). The assessment shows an initial Start-Up cost of £265,000 and a net deficit of £187,586 after the first 12 months. This figure will rise to provide a surplus of £73,815 after the 5th year of OPE. This is illustrated in Figure 2. In accordance with Section 55 of the Road Traffic Act 1984 any surplus made from OPE will be reinvested in parking, road maintenance and public transport schemes.

18.2 The Council has made provision within its Budget for 2013/14 for the Start Up costs associated with OPE.



Appendix 2

Comparison of business case and year 1 actual

INCOME	Year 1 Business Case Forecast £	Year 1 actual (part year – 9 ½ month period). £
PCN Payments	410,277	177,139
Appeal/debt recovery	17,350	
Total	427,627	177,139
EXPENCES		
Operational Management	50,000	32,745
Employee Costs	*	89,087
Enforcement Equipment	220,000	159,572
Ticket and permit processing	80,214	64,057
Total	350,214	345,462
Annual expenditure total	77,414	(168,323) **
Summary		
Start-up expenditure	(265,000)	(265,000)
Annual net surplus contributing to payback	77,414	-
Setup balance	(187,586)	(265,000)

*Forecast employee costs are included in the Enforcement Equipment costs

** Managed within the 2014/15 budget outturn.

The original business plan included anticipated income that would cover the initial investment over a 5 year period, as below.

	Year 1	Year 2	Year 3	Year 4	Year 5
Capital and Start up expenditure	(£265,000)	(£187,586)	(£98,592)	(£47,741)	(£5,742)
Annual Net Surplus or (deficit)	£77,414	£88,994	£50,851	£41,999	£35,020

The comparison table above clearly shows that in the first year of operation the anticipated income was not achieved and the contribution factors have been already highlighted in paragraph 4.3 above.

A revised financial model will be devised to represent the proposed activity within DPE for the next five years.

DPE CAR PARKING**INCOME AND EXPENDITURE 2014/15 (Part Year – first year of operation – 9 ½ months)****Argyll and Bute**

Income (£)	
Penalty charges – DPE	£177,141
Charges for removal of vehicles	-
Annual income total	£177,141

Expenditure (£)	
set up costs	
Car park purchase	-
Signs and lines	-
Enforcement equipment	£1,442
Parking attendant equipment	£77,040
Back office set up costs/equipment	£51,855
Other capital/set up costs (broken down if appropriate): e.g. training, legal fees	-
Set up costs total	£130,337
Operating costs	
Employee costs	£124,611
Signs and lines	-
Enforcement equipment	-
Parking attendant equipment	-
Back office running costs	-
Premises	-
Transport	£10,804
Adjudication	-
Other operating costs	£79,710
Operating costs total	£215,125
Annual expenditure total (capital + operating costs)	£345,462

Annual Balance 2014/15	
Annual Balance (i.e. income minus expenditure)	-£168,321