



DERBY CITY COUNCIL

COUNCIL CABINET
14 JUNE 2005

ITEM 27

Report of the Director of Development and Cultural Services

Decriminalised Parking Enforcement

PROPOSED ACTION

- 1.1 That Cabinet resolve that the administration and enforcement of parking restrictions, under a Decriminalised Parking Enforcement regime, should be undertaken in-house.
- 1.2 That Cabinet approves, as part of the financial model for the introduction of Decriminalised Parking Enforcement, a Penalty Charge Notice (P.C.N.) level of £60.
- 1.3 That the remaining decisions concerning the implementation of Decriminalised Parking Enforcement be delegated to a Project Board, in conjunction with the Director of Finance, and subject to reporting back to seek Cabinet approval of capital costs and any other budgetary implications. It is considered that the Project Board should comprise the Assistant Director Highways, Transportation and Waste Management and the Cabinet Members for Planning, Transportation and Environment, and Personnel, Equalities and Direct Services.

SUPPORTING INFORMATION

- 2.1 Cabinet have previously resolved to implement Decriminalised Parking Enforcement (DPE) across the City. RTA Associates, specialist consultants in this field, were appointed in 2004 to help prepare a financial and operational model to enable progress to be made in delivering DPE.
- 2.2 A financial model has been produced by RTA which will form the basis of any application to the Secretary of State to enable us to assume the responsibilities for enforcement of parking restrictions. In order to continue to develop the financial model, and to commence work on operational considerations, there are some key decisions that are required to be made now.

- 2.3 There is a decision to take regarding the staffing arrangements for the administration, penalty charge notice-processing and appeals procedures associated with DPE. There are certain parts of these processes that must be performed by the City Council, as Highway Authority, and cannot be delegated. Also, there are other sensitive, customer functions that are traditionally kept in-house. Further, experience from other Authorities has shown that dealing with correspondence, particularly in terms of customer care, are areas where contractors tend to perform weakest, and yet is of the utmost importance to the Council. Often, those who wish to appeal against a P.C.N. are not satisfied with receiving a response from a contractor and insist upon contacting the Council, hence the potential benefits of using a contractor do not materialise. As it will be necessary to maintain an in-house administrative team anyway, it is proposed that the whole of the administrative, notice-processing and appeals function be undertaken in-house.
- 2.4 The situation regarding the enforcement function, another key decision to be made, is more complex in that it is entirely feasible for the whole process to be procured under contract.
- 2.5 There are many advantages and disadvantages associated with out sourcing the enforcement of DPE. While there are potential financial benefits of out sourcing, perhaps as high as £100k per annum, there are disadvantages in respect of the potential impact on existing staff and the perception of the public who may view an external contractor as simply a revenue generating, profit orientated, organisation. Additionally, and critically at a time when there are significant changes afoot to the relative roles that the Council and Police perform within the community, an in-house force should offer greater flexibility in the deployment of resources on the ground. For these reasons it is recommended that enforcement of restrictions be undertaken in-house.
- 2.6 Consideration will be given on how best to establish the enforcement role within the Council. It may prove beneficial to base the enforcement staff in Commercial Services to ensure greatest flexibility and the Director of Development and Cultural Services will explore this option in consultation with the Director of Commercial Services.
- 2.7 The final key decision involves the level of Penalty Charge Notice (PCN) required to ensure that the project is self financing. While the financial model provided by RTA Associates indicates a larger income stream than was first anticipated, it has also shown greater costs, particularly start-up costs. A financial assessment of income and expenditure based on a PCN level of £40, reduced to £20, and £60, reduced to £30 has been undertaken. The level of charge, albeit that the options are set by central government, is an area where the Council has a choice. Due to the significant costs associated with DPE, it is recommended that the PCN level is set at the maximum level available, £60, as the £40 option does not return a self financing scheme.
- 2.8 The Council currently levies an Excess Charge of £50 reduced to £35 in off-street car parks and on-street limited waiting areas. The proposed Penalty Charge needs to be consistent across all areas. The proposed charge level is therefore slightly lower than the current level for those who pay quickly but slightly higher for those who do not.

- 2.9 There are a great many more detailed, and in the main operational decisions, that will need to be taken as the project develops. For example, the standard of enforcement will impact on staffing and the scheme costings. It is therefore proposed that a project board be established using Prince 2 project management principals to guide the project through to completion. Cabinet are asked to delegate all future decisions in this matter to the board. The board will comprise the Assistant Director Highways, Transportation and Waste Management and the Cabinet Members for Planning, Transportation and Environment, and Personnel, Equalities and Direct Services. Decisions with direct or indirect financial implications would also require the agreement of the Director of Finance.
- 2.10 DPE will enable the Council to respond to the very many requests, received at Area Panel and elsewhere, for better parking enforcement throughout the city. During our recent Best Value review of Services to Road Users there was overwhelming support for an enforcement regime, under DPE, that was reactive to local need. Enforcement of parking restrictions will help keep our roads free of obstruction and will ensure pedestrians, as well as vehicle users, encounter less obstruction in their daily lives. The anticipated commencement date for DPE, subject to the Secretary of States approval, is July 2006

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Background papers:	None or list
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

- 1.1 The cashflow statement below shows a self financing scheme by 2007/08 based on 37,000 PCN's at £60 operated with an internal enforcement function. This is an illustrative costing at this stage and will need to be developed further as decisions are reached as set out in the report. Should the income or expenditure projections differ markedly in future, Cabinet approval would be required in line with Financial Procedure Rules.

Decriminalised Parking Enforcement Revenue Cashflow Based on a self-financing model – 37,000 PCN's at £60.

	06/07	07/08	08/09 to 12/13
	£000's	£000's	£000's
Income	663	862	4,310
Expenditure			
- capital financing/pump priming repayment	0	123	497
- ongoing running costs	745	745	3,725
	745	868	4,310
NET deficit/(surplus)	82	6	(88)
Cumulative NET	82	88	0

- 1.2 The cashflow takes into account the repayment of one-off revenue and capital set-up costs. £180k from the pump priming fund has already been included in the approved 2005/06 to 2007/08 revenue budget. This will be used in 2005/06 and 2006/07 and repaid from 2007/08 onwards. The cashflow also allows for repayment from 2008/09 onwards of further capital financing costs for capital set-up costs. These are currently estimated at up to £440k. As the scheme is self-financing it should be possible to fund these from unsupported borrowing, if necessary.
- 1.3 Such capital expenditure is not provided for in the current capital programme and a further Cabinet report will be required to give the necessary approval when the set-up costs are confirmed.

Legal

- 2.1 As set out in the report.

Personnel

- 3.1 It is possible that a number of Traffic Wardens might transfer employment to the City Council. Consultation will take place with Derbyshire Constabulary should this become likely to occur and staff and unions will be consulted as proposals develop.

Equalities impact

4.1 None.

Corporate objectives and priorities for change

- 5.1 The proposal comes under the Council's Objectives of protecting and supporting people as DPE will combat the difficulties that arise from indiscriminate parking, for all highway users.
- 5.2 The proposal furthers the priority of developing the management of the city and district centres to improve their attractiveness and viability .