

The background of the slide features a large, light blue coat of arms of the City of Edinburgh. The coat of arms includes a crown at the top with four thistles, a shield divided into four quarters (top-left: a saltire, top-right: a cross, bottom-left: a ship, bottom-right: an eagle), and a ribbon at the bottom with the motto 'Ane for A'.

# **AGENDA ITEM**

**8**

## **Decriminalised Parking Enforcement**

**Falkirk Council**

**Title: Decriminalised Parking Enforcement**

**Meeting: Executive**

**Date: 27 September 2016**

**Submitted By: Director of Development Services**

**1. Purpose of Report**

- 1.1 This purpose is to set out options together with the next steps to introduce Decriminalised Parking Enforcement for the Falkirk Council area.

**2. Recommendations**

**2.1 The Executive is asked to agree:-**

**(1) to progress by pursuing option F from within the business model described in this report and note the financial implications of the current DPE business case**

**(2) that a phased implementation of traffic signs and road markings remedial works on a priority basis should be undertaken to align with available budgets;**

**(3) that further reports will be submitted to the Executive to update on progress.**

**3. Background**

- 3.1 In 2013, the Chief Constable undertook a review of traffic warden provision, advised that he proposed to withdraw the service and sought the Council's views on his proposal. The Executive on 19 November 2013, approved a response to the Chief Constable from the Council which was not in agreement with Police Scotland's proposal. On 23 December 2013, Assistant Chief Constable Mawson wrote to the Council confirming the decision to withdraw the traffic warden service and advising that police officers would continue to be involved in enforcement where parking was dangerous or causing significant obstruction, and also enforcement in relation to disabled parking bays. He further advised that this decision would take effect from 3 February 2014 (subsequently extended to 28 February 2014).
- 3.2 By implication, the Chief Constable was intimating his withdrawal from the generality of parking enforcement. In addition, the correspondence from the Local Police Commander advising of the review made reference to the ability of councils to seek powers to enforce on-street parking on their own behalf which is commonly known as Decriminalised Parking Enforcement (DPE).

- 3.3 In the face of this decision the initial approach of officers was to explore whether it would be an option to retain a police traffic warden service. It was confirmed by the Local Commander that such a service could be provided on a transitional, short term basis, if the local authority was prepared to contribute to the cost of its provision.
- 3.4 At the Falkirk Council meeting of 12 March 2014, the Director of Development Services was authorised, in consultation with the relevant portfolio holders, to seek to agree a Service Level Agreement with the Local Commander. As a result, a joint Level Service Agreement between Falkirk and Stirling Councils and Police Scotland, secured a traffic warden parking enforcement service initially until 30 June 2015, subsequently extended to 31 March 2016 with an option for further extensions as agreed between the parties.
- 3.5 On 25 February 2016, Chief Superintendent John Hawkins wrote on behalf of the Chief Constable to the Council advising that, as a result of the remaining traffic wardens deciding to leave the employment of Police Scotland, Police Scotland intended, in accordance with the terms of the Agreement, to terminate the Agreement as of 31 March 2016 but provided reassurance of the commitment of the police service to continue to support the Council in the period before the implementation of any decriminalised parking regime. Unless and until it is decided to pursue such a course of action and DPE is implemented, breaches of on-street parking regulations will remain criminal offences with the responsibility for any enforcement sitting with Police Scotland.
- 3.6 Assurance has been provided by the Local Police Commander that police officers will continue, in the interim, to exercise these enforcement powers in the context of overall policing operational pressures and priorities. Liaison between officers of Police Scotland and the Council will continue in relation to the implementation of these arrangements moving forward.

#### **4. Considerations**

- 4.1 The Road Traffic Act 1991 allows local authorities to formally make an application to the Scottish Government to allow Scottish Ministers to make a Designation Order which decriminalises parking enforcement across the whole of a local authority area. There are several benefits to adopting DPE, one of which is that enforcement of both on-street and off-street parking can be undertaken in a coordinated and comprehensive manner under a single policy.
- 4.2 Should Council propose to adopt DPE then this would cover all publicly adopted roads within the Falkirk Council area with the exception of high speed roads and rural dual carriageways. Police Scotland would continue to be responsible for enforcement of traffic regulation on these roads on the grounds of road safety and for all endorsable offences such as dangerous parking or obstruction. Police Scotland would also retain enforcement duties on all roads in relation to all moving traffic offences. In addition, trunk roads and motorways managed by Transport Scotland would not be included in the Falkirk Council designation order. It is proposed that implementation of DPE would take place over the whole of the Falkirk Council administrative area in one step as opposed to a phased implementation in discrete geographical areas. It is understood that this is the favoured approach of Police Scotland.

It is also unlikely that the Scottish Government would approve an application for a phased implementation of DPE.

- 4.3 If DPE is initiated under a Designation Order this cannot be reversed.
- 4.4 A 5 year business model has been prepared which assesses the marginal effect of implementing DPE considering both on-street and off-street revenue streams. Before approving an application from a local authority for DPE powers, the Scottish Government must be satisfied that the business case demonstrates the scheme will operate on, at least, a financially neutral footing by the end of the first 5 year operating period. The business model is based on a penalty charge notice (PCN) fee of £60 being the current charge. The level of PCN fee is set by the Scottish Government. The business model assumes that the level of PCN remains at £60 for the duration of the initial 5 year period and that there are no increases, or indeed reductions, in off-street parking charges during this same 5 year period.
- 4.5 Under Section 55 of the Road Traffic Regulation Act 1984 any surplus from on-street penalty charges must be ring-fenced for parking, public transport or road management purposes. The use of off-street parking surplus income would remain unaffected and would not be ring-fenced by the introduction of DPE.
- 4.6 The business model demonstrates that to produce a positive return, Falkirk Council would have to undertake on-street and off-street parking enforcement as well as back office administration and PCN processing. Some local authorities have out-sourced parts of DPE operations to private companies although, as explained later in paragraph 6.1.9, it has been determined that this arrangement is not viable for Falkirk Council.
- 4.7 The Scottish Government expects local authorities to undertake a review of existing waiting restrictions in their area prior to submitting an application for DPE. This requirement ensures that DPE can be properly enforced, from commencement, where traffic signs and road markings are compliant with statutory regulations. This is vital to the success of DPE and ensures it does not fall into disrepute. Site surveys have been carried out of all publically adopted roads in the Falkirk Council area to highlight inconsistencies with regard to waiting, loading and parking restrictions in terms of the regulations. Based on these surveys, an estimate to address remedial works to traffic signs and road markings has been produced. The remedial cost is estimated at £550,000. This sum has been included in the business case as part of overall start-up costs estimated to range from £648,000 to £699,000 depending on the version of business model. The overall start-up costs can be broken down into 3 main constituents as listed below:
- Operational Management costs – £64,000 for “back room” equipment, for amendments to current traffic regulation orders and £550,000 for remedial works to traffic signs and road markings.
  - On-Street and Off-Street Enforcement costs – ranging between £15,450 and £42,530 for parking attendant uniforms, equipment used by parking attendant's ie hand-held PCN issuing machines and training of parking attendants.
  - Ticket and Permit Processing costs – ranging from £18,550 and £42,470 for purchasing and installation of PCN processing equipment and staff training.

- 4.8 The £550,000 remedial cost for traffic signs and road markings has been broken down into costs, as shown below:

Grangemouth, Polmont and Bo'ness	£123,000
Falkirk, Camelon and Hallglen	£247,000
Brightons, Maddiston, Rumford, Wallacestone and outlying settlements	£39,000
Denny, Dunipace, Bonnybridge and High Bonnybridge	£68,000
Larbert, Carron and Stenhousemuir	£73,000
Total	£550,000

It can be seen that the cost of the road markings and traffic signs remedial works makes up the largest proportion of the start up costs. Implementation of these works would be on a phased priority basis to align with available budgets.

- 4.9 The successful implementation of DPE will require the involvement of several Council Services and Police Scotland. To address the staffing, ICT, financial and public awareness issues it will be necessary to form a Project Team or Steering Group, chaired by a senior officer from Development Services. It is thought likely that the Steering Group would include representatives from, among others, Finance, Human Resources, Legal Services, ICT, the Press Office and Police Scotland. Further, as implementation of DPE progresses, it will be necessary to provide further update reports to Members.

## **5. Consultation**

- 5.1 Informal consultation has been undertaken with all neighbouring local authorities, namely Clackmannanshire Council, Fife Council, North Lanarkshire Council, Stirling Council and West Lothian Council, and Police Scotland. The consultation sought confirmation that an application for DPE powers made by Falkirk Council would most likely be acceptable to the consultees. Responses have been received from Police Scotland, West Lothian Council and Fife Council confirming, subject to the details contained in the statutory consultation, that they have no objection to Falkirk Council applying for DPE powers. Fife Council, having only recently adopted DPE powers, offered to provide advice based on their experience.
- 5.2 Consultation with the public is not a statutory requirement, however, should the decision be taken to submit Falkirk Council's business case to the Scottish Government, for the implementation of a DPE scheme, it is considered appropriate to engage with and inform the public of the Council's proposals as part of that submission.

## **6. Implications**

### **Financial**

- 6.1.1 Consultation with Finance colleagues will be required and it is anticipated that this will be achieved via financial input to the proposed Project Steering Group.

- 6.1.2 The model demonstrates the financial changes that will occur as a result of implementing DPE. It is therefore a marginal assessment and not a total full cost assessment. The model affords a period of 3 months to allow ticket issuing operations to reach predicted levels and makes an allowance of 3% per annum inflation to expenditure over the initial 5 year period.
- 6.1.3 The model predicts start-up costs of DPE, the expenses incurred, the revenue stream that will result and the cash-flow, all over the initial 5 year period. The model permits testing of a combination of circumstances which is considered to most accurately reflect the situation following the implementation of DPE. Alternative scenarios have also been modelled to determine the limits of financial viability of the project. Ultimately, the model indicates the “break-even” date when the total income exceeds the total expenditure by the Council, this being an indication of the viability of the project. The continued viability of any DPE project is wholly dependent on the income realised from issuing Penalty Charge Notices (PCN). Therefore, a significant consideration is the level of enforcement and the numbers of Parking Attendants (PA) required to achieve that level of enforcement.
- 6.1.4 The level of enforcement required in the Falkirk area has been determined utilising the Council’s Traffic Regulation Order (TRO) database and estimating the total length of restrictions that would require to be patrolled. The number of PAs required to ensure appropriate levels of enforcement has been determined based on the experience of other local authorities who currently operate DPE. When determining the number of PAs required, the model allows for sickness, holidays, shift working etc. The level of enforcement is defined as the frequency of visits by PAs to the various key areas in the Council and the varying types of restrictions in the areas. It is assumed that no enforcement will take place on a Sunday. During the week, it has been assumed 1 or 2 visits per day to restrictions where limited waiting, time limited parking is permitted, although this position may have to be reviewed.
- 6.1.5 Enforcement of the Council’s current off-street car parks has been included in the model. A review of the existing numbers of PAs and parking tickets was undertaken. The analysis determined that there was scope to reassign 0.7 full time equivalent (FTE) PAs from off-street parking enforcement to on-street enforcement whilst maintaining an equivalent level of enforcement within the car parks. Indeed, to be viable the business model suggests that this reallocation is a necessity. The number of PAs (including supervisor staff) required to ensure an acceptable level of enforcement is estimated to be 3.2 FTEs on-street and 3.3 FTEs for off-street enforcement. This assumes reassigning 0.7 of the current 4 existing FTE PAs from off-street to on-street parking enforcement duties. This will have implications for those reassigned staff in terms of their existing conditions of employment.
- 6.1.6 The annual financial projections are based on PCNs being issued by the Councils PAs with a collection rate of 75% as shown in Table 1. It should be noted that average paid collection rates around the UK vary from 72% to 80%. The business model anticipates approximately 7 on-street PCNs will be issued per PA day. This figure compares favourably with the baseline figure used by other authorities outside capital cities of 8 PCNs issued per PA day. Like many of the assumptions used in the business model, this is a conservative estimation which results in a reasonable degree of confidence in the model.

6.1.7 The basis on which the versions of the model have been prepared is to establish a base model, which is the best projection of the most likely outcome of implementing DPE in isolation with all services provided in-house. The model is then varied to determine the effect of making changes to a single and then a combination of issues.

Eight versions of the model were analysed, in addition to the base model, and these are described below:

- Base Model: The base model demonstrates the effect of implementing DPE within Falkirk Council in isolation from the off-street enforcement with all services undertaken in-house.
- Version A: Base model varied with a 10% increase in the predicted PCN's issued on street.
- Version B: Base model varied with a 10% decrease in the predicted PCN's issued on street.
- Version C: Base model varied by out-sourcing all PCN processing whilst maintaining in-house enforcement.
- Version D: Base model varied by out-sourcing all enforcement whilst maintaining in-house PCN processing.
- Version E: Base model varied by reducing the collection rate from 75% to 70%.
- Version F: Base model varied by reassigning part of the current off-street enforcement resource to on-street enforcement.
- Version G: Base model varied with a 10% increase in the predicted PCN's issued on street and reassigning part of the current off-street enforcement resource to on-street enforcement.
- Version H: Base model varied with a 10% decrease in the predicted PCN's issued on street and reassigning part of the current off-street enforcement resource to on-street enforcement.

Model Version	Collection Rate %	Total Number of PCN's	No of years to achieve Break Even (incl Capital Setup Costs)	No of years to achieve Break Even(excl Capital Setup Costs)	Annual surplus (deficit) in Year 5 in £000's	Set-up Costs Pre-commencement including capital costs £000's	Surplus (Deficit) after 5 years, including Capital costs £000's	Surplus (Deficit) after 5 years, excluding Capital costs £000's
Base	75	4774	Never	Never	(3)	(699)	(702)	(43)
A	75	5223	Never	5	6	(699)	(658)	1
B	75	4324	Never	Never	(12)	(698)	(744)	(84)
C	75	4774	Never	Never	(3)	(673)	(677)	(51)
D	75	4774	Never	Never	(28)	(648)	(772)	(157)
E	70	4774	Never	Never	(12)	(699)	(746)	(86)
F	75	4774	20	2	52	(690)	(433)	220
G	75	5223	13	1	61	(690)	(389)	264
H	75	4324	Never	2	43	(689)	(474)	178

**Table 1**

6.1.8 Table 1 above summarises the financial outcomes of the different versions of the business model. It should be noted that income from both off-street and on-street parking enforcement is included in the model. The table highlights that those versions of the model that show a viable business case, viz: versions F, G and H, all require the reassignment of part of the current off-street enforcement PAs. It should be noted that the Council will have to

adopt an active approach to enforcement to ensure the scheme can be self-financing.

- 6.1.9 Model version A demonstrates that when set-up costs are included in the calculations, increasing the rate at which PCNs are issued does not have a positive effect on the viability of the business model. It is unlikely DPE would ever achieve a surplus in revenue. The reason for this is that to accommodate an increase in enforcement would require an increase in FTE parking attendants. The increased staffing costs would not be off-set by the increase from additional income from PCNs. Version B of the model, assumes a decrease in the rate at which PCNs are issued, with an associated reduction in FTE parking attendants and does not result in a viable business model. Again, it is unlikely DPE would ever be self-financing. The remaining parking assistants would not issue sufficient PCNs to fully cover the ongoing costs associated with maintaining a DPE scheme. Neither model versions C or D, out-sourcing either ticket processing or enforcement duties respectively, demonstrate a viable business case. The cost of buying in services from external Contractors outweighs the income derived from the issue of PCNs. Model version E, 70% collection rate, does not demonstrate a viable business case.
- 6.1.10 Model version F, reassigning existing off-street parking attendants to on-street parking enforcement duties, demonstrates a viable business model, reaching an annual surplus of £52,000 by Year 5 excluding start-up and capital costs. The business model demonstrates that an annual operating surplus is predicted from Year 1. Model version G, a combination of reassigning existing off-street parking attendants to on-street parking enforcement duties and increasing the rate at which PCNs are issued has a positive effect on the viability of the business model.
- 6.1.11
- 6.1.12 Model version H, a combination of reassigning existing off-street parking attendants to on-street parking enforcement duties and decreasing the rate at which PCNs are issued has a positive effect on the viability of the business model. However, taking inflation and initial capital set up costs into consideration, it does not result in a viable business model.

## **Resources**

- 6.2.1 The business model has determined the FTE staffing levels required for both off-street and on-street parking enforcement and the back-room administration staffing requirements. The numbers of FTEs for off-street parking enforcement is based on the numbers of parking spaces that require to be monitored, the travelling time for travel between car parks and the rate at which PCNs are issued off-street. Likewise, the numbers of FTE staff required for effective enforcement of on-street parking is based on the length of waiting and parking restrictions acknowledging that certain areas and types of restriction require different levels of enforcement, travelling to different areas and the normal rate at which PCNs are issued on-street. The staffing levels for back-room tasks, ie an enforcement manager and administration staff, has been determined to accommodate the additional workload anticipated from introducing DPE. The business model indicates that the introduction of DPE would require an additional 0.1 FTEs in backroom staffing, the majority of additional work being due to the processing of PCNs. With the appropriate equipment, PCN processing is highly automated. It is therefore anticipated that this can be accommodated within

current staffing levels and that no increase in administrative staff would be required. The business model also assumes that operational management duties arising out of the implementation of DPE would be absorbed by the current off-street car parking management team.

- 6.2.2 Falkirk Council currently employ 4 full time staff for undertaking the various tasks associated with off-street parking enforcement. The business model indicates that, based on the considerations mentioned in paragraph 6.2.1, effective enforcement of the off-street car parks can be undertaken with 3.3 full-time equivalents. The business model indicates that effective on-street enforcement will require 3.2 full-time equivalents. If the 0.7 FTE surplus off-street PAs identified in the business model is reallocated to on-street enforcement, the business model indicates that an additional 2.5 FTEs will be required to be recruited. In this respect, input from Human Resources to the proposed Project Steering Group will be required.

### **Legal**

- 6.3.1 Consultation with Governance colleagues will be required and it is anticipated that this will be achieved via legal input to the proposed Project Steering Group.

### **Risk**

- 6.4.1 Without DPE, breaches of on-street parking restrictions can only be enforced by Police Scotland as their operational resources permit. There is a risk with this approach that the public will disregard waiting restrictions to the detriment of town and village centre parking management with an associated negative impact on shops, businesses, residents and road safety. DPE would resource and allow effective enforcement of both on and off street parking in a co-ordinated and comprehensive manner across the Council area.
- 6.4.2 At all stages, the approach adopted when producing the business model has been a conservative one. An assumed collection rate of 75% again is at the lower end of average paid collection rates around the UK which vary from 72% to 80%. The use of a full complement of trained PA's equipped with hand-held technology will assist with mitigating the risk of underachieving calculated income receipts from PCN's.

### **Equalities**

- 6.5.1 The implementation of DPE would replace the previous Police Scotland enforcement regime and effectively, the public would see no change. In this respect, an equality and poverty impact assessment is not considered necessary.

### **Sustainability/Environmental Impact**

- 6.6.1 DPE aligns with Scottish Government policies on restraining the future growth of traffic in urban areas. It also complements other Scottish Government policies such as the encouragement of the use of public transport, the restraint of commuter-based parking and the consideration of workplace charging. Better parking enforcement is an effective deterrent to

future growth of traffic and improves accessibility. Restraining traffic growth also benefits air quality and reduces emissions.

## **7. Conclusions**

- 7.1 The business model, as it currently stands with an estimated cost for traffic signs and road markings remedial works, demonstrates that a financially viable business case can be made for implementing DPE, albeit with a break-even return period of 20 years.
- 7.2 Version F of the business model, reassigning existing off-street PAs to on-street enforcement duties, is the best value option. Version G of the model indicates that reassigning staff and increasing the rate at which PCNs are issued would reduce the period of return and should therefore be an aspiration for the scheme.

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## **Appendices**

None

## **List of Background Papers**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- Feasibility Study Report prepared by RTA Associates

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 504830 and ask for Russell Steedman