

Civil Parking Enforcement – Business case

Purpose

1.	To report on the findings of a study jointly commissioned by Oxfordshire County Council, Cherwell District Council, Vale of White Horse and South Oxfordshire Council on the options to introduce Civil Parking Enforcement (CPE) within the districts.
2.	To present a business case and recommended next steps to progress an application for CPE within the districts to the Department for Transport

1. Introduction

- 1.1 Since 1991, local councils have been able to apply to the Secretary for State to take on powers for Civil Parking Enforcement (CPE), which allows local authorities to issue penalty charge notices (PCNs) for parking and bus lane contraventions under civil law. In districts and boroughs where CPE is not in place, enforcement is still carried out by the police under the Road Traffic Regulation Act 1984 (RTRA 84).
- 1.2 To take on powers for civil enforcement, County Councils are required on behalf of District & Borough Councils to make an application to the Department for Transport and thorough assessment is needed to understand all the elements of how CPE will be successfully introduced and operated. This information forms part of the application and demonstrates to the Department for Transport that the highway authority would provide a service that conforms and delivers benefits set out within the Traffic Management Act 2004 (TMA).
- 1.3 Discussions regarding CPE have been ongoing and a working group of Oxfordshire County Council (OCC), South Oxfordshire District Council (SODC), Vale of White Horse (VWHDC) and Cherwell District Council (CDC) have agreed to jointly investigate the feasibility of implementing CPE within each respective District. CPE is already in place in Oxford City and West Oxfordshire.
- 1.4 To assist in the development of a robust business case, a feasibility study has been commissioned to investigate the creation a Civil Enforcement Area and Special Enforcement Area (CEA/SEA) across the whole of the 3 Districts of Cherwell, South Oxfordshire District and Vale of White Horse administrative areas
- 1.5 The commissioned study has been undertaken by RTA Associates who are experienced in Decriminalised Parking Enforcement and have undertaken similar studies for other authorities including Knowsley and Wokingham.

- 1.6 The extensive feasibility study has covered all aspects of Civil Enforcement including;
- Legal context
 - Benefits and disbenefits
 - Options for operating CPE
 - Financial implications
 - The CEA/SEA application process.
 - Traffic Regulation Orders and sign and line maintenance requirements.
 - Recommended approach – including short and long-term options.
- 1.7 The study has been written to provide a 5-year business case for several options that are available to County should the decision to proceed with CPE be taken.
- 1.8 The purpose of this summary report is to outline the key information from the feasibility study prepared by RTA associates, and to present recommendations based on its findings.

2. Overview of Civil Parking Enforcement (CPE)

- 2.1 The introduction of the Traffic Management Act 2004 placed an explicit duty on local authorities to plan and manage how traffic and road users moved around on the road network. The act also provides additional powers to do with parking, including increased scope to take over the enforcement of driving and parking offences from the police.
- 2.2 The national picture shows that 314 out of 327 local authority areas now enforce under civil powers, which represents 96% of councils in England and Wales. In Oxfordshire, only Oxford and West Oxford have CPE, which means that in South Oxfordshire, Vale of White Horse and Cherwell the majority of restrictions are enforced under criminal law by the police.
- 2.3 Under sections within the RTRA 84, District/Town Councils retain some powers to issue Excess Charge Notices (ECNs) for motorists parking in contravention of on-street ‘parking places’, which is limited to residents parking bays and pay and display bays. Currently agency agreements are place between OCC and Henley, Abingdon and Wallingford to carry out on-street parking enforcement of parking places within their areas. Off-Street car parks are managed by the District Councils, with enforcement contracted out to third party providers.
- 2.4 The authorities that are part of the commissioning group each use their own external provider for on or off-street parking enforcement. The County recently entered into a 5-year contract with Conduent Transportation to manage on-street restrictions in Oxford and the provision of IT software associated with back office notice processing and appeals.

- 2.5 For off-street enforcement, CDC currently have a contract with APCOA which is due to end in May 2022, and South & Vale use SABA Group, which has 5 years left, ending in August 2025.
- 2.6 In the three districts of Oxfordshire that currently do not have CPE in place, enforcement takes place under different legislation and by different agencies and authorities. This creates confusion for road users, residents and councillors about who is responsible for enforcement in their areas.
- 2.7 Levels of enforcement activity between on-street parking restrictions and off-street car parks are also inconsistent with the Police having limited resources to attend to parking contraventions. This influences levels of compliance and where motorists choose to park. The local and wider impact of these factors affects the success on the collective strategic local transport objectives and the vibrancy of the local economy.
- 2.8 The RTA report highlights that whether County are managing the CPE service, or the Districts as agents to County, the restrictions can be enforced wherever and whenever they are needed on the highway and this creates a very flexible service. This flexibility allows a responsive enforcement service which fulfils the traffic management requirements provided by CPE to “improve traffic flows”.
- 2.9 A clear improvement of CPE is that enforcement would take place under the same legislation for both on and off-street enforcement. Parking fines would no longer be considered in the courts, and a PCN issued for a contravention of an on-street restriction will follow the same nationally standardised appeals process for an off-street ticket. A national independent adjudication service also considers appeals that are not resolved by the issuing authority.
- 2.10 The introduction of CPE gives further opportunities to consider further parking measures to manage the demand for parking including the introduction of parking charges and residents parking schemes. The compliance and subsequent benefits of these types of restrictions is directly related to effective enforcement.

3. How is a CPE introduced – Key considerations

- 3.1 Local authorities wishing to take on the powers for CPE need to make an application to the Department for Transport for the creation of Civil Enforcement Area (CEA) or Special Enforcement Area (SEA) which goes further enabling local authorities to enforce two additional offences of double parking and parking at dropped footways.
- 3.2 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 help fund the scheme.

- 3.3 On-street and off street PCN surpluses are ring-fenced under Section 55 of the Road Traffic Regulation Act 1984 for certain highway related matters. The on and off-street accounts are to be kept separate and monies raised off-street are retained by the District Council with off-street surpluses to be used to maintain existing or provide new off-street parking places.
- 3.4 The powers to carry out Civil Bus Lane Enforcement under the Transport Act 2000, requires a separate designation order and it is recommended by the Department for Transport that applications for a new CEA/SEA specify whether powers for Bus Lane Enforcement are also required so they can be included.
- 3.5 The application process to introduce a CEA/SEA is extensive and local councils are encouraged to work closely with the Department for Transport. It is important that contact is made at an early stage so prior planning can take place with the Secretary of State around dates when applications can be put through parliament. New CEA/SEAs are introduced by the creation of a designation order and it is not unusual for several councils to be on the same Statutory Instrument, with enforcement commencing on the same date.
- 3.6 The feasibility study highlights the importance of strong leadership and governance of the project with several services undertaken by the County Council and Districts, plus the Police to a much lesser degree, who would be involved in some way in implementing of CPE. The suggested way of co-ordinating these groups is via a CPE Project Team or Steering Group, which is chaired by a senior officer.
- 3.7 With the increase in service the report also recommends a single parking manager is in post with responsibility for all operational matters involved in on-street parking, including enforcement and administration. Strategic and design issues relating to parking should continue to be kept under a responsibility separate from the service delivery issues. The three Districts combined represent only a small percentage increase on the contract covering Oxford City.
- 3.8 A major part of the preparation for commencing Civil Enforcement, is ensuring that Traffic Regulation Orders (TROs), signs and lines associated with parking restrictions are accurate, enforceable and comply with current Traffic Regulations. This is to ensure the motorist understands the restrictions in place and traffic orders can be robustly enforced through the appeals process.
- 3.9 It is now recognised that the conversion of text-based Traffic Orders to a map based orders is essential to deliver an efficient and effective civil enforcement service. This especially benefits the appeals process, where staff can quickly prepare a relevant extract map, and details of the Order, and enclose these with the adjudicator case file.

- 3.10 The costs of the overall assessment provided by RTA, include a review to consolidate and digitise existing Traffic Regulation Orders. A related project lead by OCC to digitise the council's TRO records is already underway and due to the wider benefits this brings, there is intention of progressing this work regardless of the decision around CPE. The costs of implementation (around £180k) should therefore in future be excluded from the CPE business case modelling.
- 3.11 In considering making an application for CPE, the business case needs to support the financial viability of delivering an effective and efficient service to the public. Applications for a new CEA/SEA need to demonstrate that a comprehensive financial assessment has taken place which considers both the start-up costs and running costs once Civil Parking Enforcement is underway. As with all types of financial assessments, it is important that the estimated figures are as realistic as possible.
- 3.12 The detailed feasibility study prepared by RTA Associates will assist in bringing forward a comprehensive and precise application for consideration by the DfT and give confidence that thorough assessments have been made for the introduction and management of new CEAs/SEAs.
- 3.13 Prior to applying for CPE, the lead authority is required to carry out extensive consultation with stakeholders, agencies and neighbouring authorities to gain support for a CEA/SEA being introduced. Responses to these consultations are required as part of the application process.
- 3.14 Discussions should begin as early as possible with the Police, Traffic Penalty Tribunal and Traffic Enforcement Centre notifying them of the Council's intention to apply for CPE powers.

4. Appraisal of enforcement options

- 4.1 Under the Traffic Management Act, applications for the designation of new CEAs/SEAs can only be made by County Councils, Metropolitan District Councils and Unitary Authorities. However, highway authorities retain the ability to delegate their functions, including parking enforcement to other councils. The District Councils already undertake parking enforcement of off-street council owned cars parks using external contractors, this therefore presents several potential operational models for enforcement under CPE.
- 4.2 The financial appraisals undertaken by RTA Associates, have used detailed financial models to test the financial viability of each option. This is based broadly on a project recovering its total set-up and operational costs within a period of 5 to 7 years.

- 4.3 The modelled options only look at the impact of the new CPE areas, and do not take include consideration the whole parking revenue account, e.g. existing paid parking. There are number of factors included in the appraisals but the key indicators for assessment include;
- The number of PCNs which are likely to be issued;
 - The number of staff deployed hours required to patrol the areas defined;
 - The value of the PCN;
 - To a lesser degree, the effectiveness of the debt recovery operation.
- 4.4 A level of enforcement has been specified in the model which is appropriate for the local circumstances, with a total of 146 deployed hours over all 3 districts. The deployment of CEOs (including supervisory staff) is estimated at an average of 31 hours a per week each for SODC and VWHDC and 84 hours per week for CDC for on-street areas. This is to allow for a minimum of 7 days per week operations, covering enforcement hours when required.
- 4.5 The rates of by which PCNs will be issued has been based upon RTA Associates previous experience of broadly similar areas, although a conservative view being taken of the projected numbers. The rate of issue for on-street enforcement is estimated at 29 PCNs per fte CEO, per week. This breaks down to 0.74 PCNs issued per deployed hour. The number of PCNs issued per year is outlined for each option shown in table below.
- 4.6 The business case has carried out appraisals on 15 different scenarios for the introduction of Civil Parking Enforcement which include;
- D (D1 & D2) District Councils individually carry out their own enforcement (in house) under and agency agreement from OCC (on and off-street).
- E (E1 & E2) District Councils individually carry out their own enforcement but use an external contractor (on and off-street).
- F (F1 & F2) A joint service of South Oxon and Vale of White Horse to match existing arrangements covering on and off-street enforcement. F1 looks at using an external contractor at current rates and F2 looks at using an external contractor using industry rates.
- G A joint service of Cherwell, Vale of White Horse and South Oxon, for on and off-street enforcement using an external service provider based on existing contract rates.
- H A joint service of Cherwell, Vale of White Horse and South Oxon, for on and off-street enforcement using an external service provider based on industry average contract rates.
- J A joint service of Cherwell, Vale of White Horse and South Oxon, for on-street enforcement only using an external service provider based on industry average contract rates.

- K A joint service of Cherwell, Vale of White Horse and South Oxon, for on-street enforcement only using an external service provider based on industry average contract rates.
- L A joint service of Cherwell, Vale of White Horse and South Oxon, for on-street enforcement as dual role with environmental enforcement. This would be based on option K using an external service provider based on industry average contract rates.
- N The introduction of on-street enforcement as a joint service for all 3 Districts. Covering on street CPE only, using OCC's existing external provider. District Councils to retain off-street enforcement using their existing external providers.

DISTRICT	Test	PCN Level	Collection rate	Number of PCNs	Years to cumulative operational surplus On street Ex.capital	Annual surplus (deficit) in year 3	Surplus (Deficit) pre-commencement, including capital	Surplus (Deficit), after 5 years, including capital
CDC	D	£70/£50	75%	5460	Never	(£127,000)	(£349,000)	(£1,023,000)
SODC	D1	£70/£50	75%	2015	Never	(£86,500)	(£271,000)	(£715,000)
VWHDC	D2	£70/£50	75%	2015	Never	(£86,300)	(£274,000)	(£715,000)
CDC	E	£70/£50	75%	5460	Never	(£122,000)	(£336,000)	(£986,000)
SODC	E1	£70/£50	75%	2015	Never	(£57,100)	(£269,000)	(£566,000)
VWHDC	E2	£70/£50	75%	2015	Never	(£56,700)	(£269,600)	(£563,000)
SODC/VWHDC	F	£70/£50	75%	4032	Never	(£60,100)	(£488,000)	(£809,000)
SODC/VWHDC	F1	£70/£50	75%	4030	Never	(£57,900)	(£512,000)	(£822,000)
SODC/VWHDC	F2	£70/£50	75%	4030	Never	(£23,200)	(£510,000)	(£646,000)
ALL 3	G	£70/£50	75%	9490	Never	(£166,600)	(£843,000)	(£1,736,000)
ALL 3	H	£70/£50	75%	9490	Never	(£84,900)	(£836,000)	(£1,321,000)
ALL 3	J	£70/£50	75%	9490	Never	(£127,000)	(£843,000)	(£1,516,000)
ALL 3	K	£70/£50	75%	9490	Never	(£45,300)	£795,000	(£1,060,000)
ALL 3	L	£70/£50	75%	5810	Never	(£240,000)	(£802,000)	(£2,026,000)
ALL 3	N	£70/£50	75%	5617	Never	(£3,218)	(£773,000)	(£811,000)

- 4.7 General findings were that the introduction of CPE on its own in-house, is not financially attractive if the pay back must cover set up and running costs.
- 4.8 If CPE were to proceed, separate funding for the set up and running costs would need to be identified in advance, as the feasibility study identifies that a return on the investment is not enough to make repayments for the overall service. The Councils would need to identify budgets to be able to provide funding towards the set up and running of the on-street service.
- 4.9 The business case highlights that a review of existing signs and lines is required prior to CPE being introduced. The initial estimates within the business case report identified that this would be in the region of £510,000, however, sample survey work carried out by officers at OCC, estimates a more realistic figure to be £250,000. Any surplus generated through the CPE project could be used off-set these costs.

- 4.10 A related project to digitise the council’s TRO records will support efficient operation of CPE. Due to the wider benefits this brings, and intention of progressing this regardless of the decision around CPE, the costs of implementation (around £180k) should therefore be excluded from the CPE business case modelling.

5. Recommended approach

- 5.1 The business case supports **business case N**, as being the most financially viable which would see OCC’s existing on-street enforcement arrangements extended to cover the new CEA/SEAs in Oxfordshire. The County Council have recently entered into a new 5-year contract with Conduent Enforcement Services, which subject to procurement could be used for this purpose.
- 5.2 Under this model existing back office services, including appeals and administration would be accommodated with the existing Parking Services team with a minimal cost required to fund 1 FTE administrator to the team.
- 5.3 Based on the preferred short-term approach of Oxfordshire County Council managing CPE on-street with the District Councils continuing to manage off-street responsibilities (over a 5-year period), It is anticipated income and expenditure in running the service are set out in the table below:

	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Estimated Annual Income	£146,650	£168,045	£168,045	£168,045	£168,045	£818,830
Estimated Annual Operating Costs	£179,285	£166,275	£171,263	£176,401	£181,693	£874,917
Surplus (+) Deficit (-) (excluding setup costs)	-£32,635	£1,770	-£3,218	-£8,356	-£13,648	-£56,087
Surplus (+) Deficit (-) (excluding setup costs but implementing on-street parking charges.	£43,065	£77,470	£72,482	£67,344	£62,052	£322,413

- 5.4 To mitigate the estimated deficit of **£56,087** over the initial 5 years of the scheme, locations have been identified in the centres of Banbury, Bicester, Abingdon & Wallingford which would be suitable for the introduction of on-street parking charges. Based on existing rates for on and off-street parking at these locations, charges would be set at £1.00 hour in Banbury and Bicester and 60p an hour in Abingdon and Wallingford.
- 5.5 It is estimated that after covering operational costs and expenditure, the net revenue from this proposal would recover an average of £75,700 per annum over the 3 districts, which equates to £378,500 over 5 years.
- 5.6 The introduction of paid parking would make the introduction of CPE financially viable and would bring wider benefits to the local economy by encouraging the turnover of parking spaces whilst encouraging users to think about their travel choices, especially for short journeys.

- 5.7 A substantial amount financial investment is required to introduce new CEA/SEAs, which includes updating traffic orders, ensuring signs and lines are compliant and putting place systems and processes to manage appeals for PCNs. Due to the importance of this element, officers at OCC have carried further assessments to provide more robust estimates, which includes;

SET UP COSTS – All 3 districts

Rectifying defects to signs and lines	£250,000
Updating appeals software for new areas	£20,000
Publicity and advertising costs	£60,000
Start-up costs for new Pay and Display Bays	£100,000

TOTAL £430,000

- 5.8 The feasibility study has also identified costs to review and digitise Traffic Regulation Orders for the three districts at an estimated cost of £180,000. This project has wider benefits to the highways service and external users so is being funded independently from the CPE proposals.
- 5.9 Under model N, off-street enforcement in the short-term would continue to be managed by the District Councils who have existing contracts with third party providers. In CDC car park enforcement is current contracted to APCOA which is due to end in May 2022, and South & Vale use SABA Group, which has 5 years left, ending in August 2025.
- 5.10 With the introduction of an CEA/SEA off-street enforcement would also change with ECNs being replaced with PCNs. The back-office processes would also need to adapt to new legislation and there maybe additional costs to setup new IT systems and administrative processes.
- 5.11 It is noted that the levels of fines levied under civil law are lower than those issued under criminal law. This may affect revenue for the District Council’s off-street car park accounts. However, the feasibility study identifies that the introduction of on-street parking charges often results in higher usage of off-street car parks where charges could also be considered.
- 5.12 To provide a cost effective and joined up approach to enforcement, the longer-term aspiration would be a single parking service (on and off-street) across Oxfordshire covering both on and off-street parking. However, it is recognised that with existing council financial resilience and existing contracts in place, this would not be possible at the inception of CPE.
- 5.13 Initially, on-street enforcement would be undertaken by Conduent on behalf of the County Council and off-street car parks would be enforced by existing providers, but with a change to civil enforcement. As contracts come to an end, opportunities will arise where the County and District Councils can consider the potential benefits to align enforcement services.

6. Summary and Recommendations

- 6.1 The decision to proceed with the implementation of CPE is an important first step in moving towards the longer-term aspirations of a whole management approach for parking enforcement in Oxfordshire.
- 6.2 The introduction of CPE will bring multiple benefits, including increased compliance of parking restrictions with associated improvements to traffic flow, road safety and a reduction in obstructive and dangerous parking.
- 6.3 Under CPE, enforcement activity would be controlled locally, giving a higher level of control and flexibility to manage the demand for parking. The communities in each of the districts will see positive economic and social benefits from improved kerbside controls.
- 6.4 From the initial baseline of enforcement at CPE's inception will come opportunities to develop the service to meet local needs, and the feasibility study supports that CEA/SEAs can be successfully introduced where the on-street parking charges are used in addition to support the service.
- 6.5 The study identifies that business case N, which would see an extension of the existing OCC on-street enforcement operations to cover Cherwell, Vale of White Horse and South Oxon as being preferable to the other scenarios assessed. The enforcement of district owned car parks would continue to be managed by them under this arrangement until there was an opportunity for this to be reviewed.
- 6.6 In the short term the extension of the Conduent contract will allow CPE to be introduced. Longer term it is recommended that the provision of off-street car park enforcement is reassessed as contracts come up for review and District Councils are given the opportunity to synergise with operations for on-street enforcement.
- 6.7 If a decision was made to proceed with the recommended option N, a clear programme would need to be created that sought political support and involved key stakeholders including the police and Town Councils at an early stage.
- 6.8 The need to agree a timeline with the Department for Transport is also a key aspect in the implementation process and their feedback should be sought prior to the preparation of any detailed programme for the introduction of CPE.
- 6.9 An indicative timeline of the key milestones is set out below, but this would be subject the steps in sections 6.7 and 6.8 above being undertaken;

MILESTONE	DATE
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Completion of feasibility study & development of financial model	June 20
Early consultation with the DfT for Transport regarding potential dates.	July 20
Cabinet approval sought for an application to be made based on the recommendations within this report.	Oct 20
Development of the Draft Application for the introduction of a CEA/SEA in each of the districts.	Oct 20-Dec 21
Commencement of review of signs, lines and TROs	Jan 21-Aug 21
Commencement of the Statutory Consultation process	Feb 21-April 21
Application submitted to the DfT	April 21
DfT review & parliamentary process	April 21-Nov 21
Establishment of formal 'back office'	July 21-Nov 21
Designation Order created and CPE brought into effect	Nov 21

7. Risk Management

- 7.1 The business case makes a number of assumptions, and whilst a conservative approach has been taken, there is a risk that the number of Penalty Charge Notices issued is less than predicted. This can best be mitigated through Civil Enforcement Officer deployment plans.
- 7.2 By taking a staged approach and utilising as far as possible existing contracts, the risks are low, allowing councils to better understand likely challenges and opportunities better prior to perusing the preferred model of a single parking service.
- 7.3 Parking does cause issues for the councils and its residents, and if action is not undertaken when there is the ability to do so, may cause reputational challenges.
- 7.4 To avoid any future disputes, a clear agreement will need to be in place prior to the setup and introduction of Civil Enforcement between the County and District Councils on how any costs incurred will be managed.
- 7.5 The impact of the covid-19 pandemic has seen a marked change in how the public move around on the transport network. Although the road usage is likely to increase as government restrictions are eased, it is unknown at this stage whether demand for parking, especially in town centres and employment hubs will return to pre covid-19 levels. Any model for enforcement will need to be flexible in approach to meet changing demands for on-street parking.