

Cabinet Report



Listening Learning Leading



Report of Head of Housing and Environment

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To: CABINET

Dates: South 3 December and Vale 4 December 2020

Civil parking enforcement

Recommendations

- (a) To support an application by Oxfordshire County Council to the Department for Transport for the introduction of a Special Enforcement Area (SEA) and bus lane enforcement powers across the districts of Cherwell, South Oxfordshire and Vale of White Horse to provide Civil Parking Enforcement (CPE).
- (b) To support the proposal for Oxfordshire County Council to manage CPE and to authorise the Head of Housing and Environment in consultation with the head of legal and democratic to negotiate and enter into any formal legal agreements required between South Oxfordshire District Council/Vale of White Horse District Council and Oxfordshire County Council.
- (c) (South only) To recommend Council to approve the addition of a new scheme in the approved capital programme of £60,000 as the council's contribution to Oxfordshire County Council's implementation costs, and to approve a revenue supplementary estimate of £30,000 in the 2020/21 budget for costs to be incurred by the council.
- (d) (Vale only) To recommend Council to approve the addition of a new scheme in the approved capital programme of £60,000 as the council's contribution to Oxfordshire County Council's implementation costs, and to approve a revenue supplementary estimate of £30,000 in the 2020/21 budget for costs to be incurred by the council

Purpose of Report

1. In July 2018, both South and Vale Council meetings agreed in principle to request that Oxfordshire County Council (OCC) delegate civil parking enforcement to the districts.
2. South Oxfordshire and Vale of White Horse District Councils formally approached OCC to work jointly to investigate the feasibility of implementing CPE within our districts. The scope was broadened to include Cherwell District Council and the county as a whole. CPE is already in place in Oxford City and West Oxfordshire districts.
3. Officers are now seeking approval and finances to support OCC to make a formal application to the Department for Transport to implement CPE across South and Vale.

Corporate Objectives

4. CPE is a defined project within the Vale of White Horse District Council Corporate Plan 2020-2024, no.5 'Working in partnership'.
5. CPE is a defined project within the South Oxfordshire Corporate Plan 2020-2024 no. 4 'Improved economic and community well-being'

Background

6. South Oxfordshire and Vale of White Horse District Councils approached OCC to formally consider a CPE application in August 2018 and discussions have been on-going since then.
7. OCC approved the submission at its cabinet meeting on 13 October 2020.
8. Officers have carried out briefing sessions open to all South and Vale Councillors on 11 November 2019 and 20 October 2020. The questions and answers from the sessions are attached as appendix A, A1 and A2.
9. Appendix B is a study by a specialist parking consultant (RTA), commissioned jointly by OCC, Cherwell, South Oxfordshire and Vale of White Horse district councils to investigate the feasibility of creating a civil enforcement area across the three districts. This extensive study covered all aspects of CPE such as legal context, benefits and disbenefits, financial implications, the application process, Traffic Regulation and sign and line maintenance requirements and the recommended approach. The study contains appraisals on 15 different scenarios for the introduction of CPE and recommends Option N.
10. Option N is the introduction of CPE with the district councils retaining their off-street enforcement using their current external providers (Saba for South and Vale) and OCC procuring a contractor for the on-street service.
11. Appendix C is a business case which has been provided by a joint OCC, Cherwell, South and Vale council officer group. The business case reviews the findings and summarises the RTA study in Appendix B. The group jointly supports Option N as the preferred scenario.
12. Oxfordshire is in the final three percent of authorities who are yet to implement CPE, there is a risk that implementation will be mandated to us should we choose not to act now. Appendix D shows a map of non-CPE districts across the UK.
13. When making an application for CPE, authorities can either apply to be a CEA (civil enforcement area) or a SEA (special enforcement area). A CEA covers civil parking enforcement of waiting and loading restrictions whilst a SEA includes additional powers to also enforce dropped kerb obstruction offences.
14. Officers recommend that South and Vale support Oxfordshire County Council to apply to become a SEA as this will enable the authority to enforce a wider range of parking offences and better meet our duties under the Traffic Management Act 2004 of keeping traffic moving on the road network. This would also ensure continuity across the County as Oxford City and West Oxfordshire are both currently managed via SEAs. By being able to enforce dropped kerb offences we will also be able to deal with issues directly without the need to pass residents to other agencies.
15. 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 SEA specify whether powers for Bus Lane Enforcement are also required so they can be included. It is recommended OCC apply for these powers to give scope for future enforcement activity if required.

16. Ensuring parking restrictions are adhered to is important to help ensure that congestion and road safety are being managed, and that the economies of town centres and high streets are supported. This is not a high priority for the police, who will generally only enforce where there is a danger or obstruction being caused.
17. CPE for on-street parking is already in place for West Oxfordshire (managed by the District Council as agents to OCC) and Oxford City (managed by OCC). This has been in place for 10 and 23 years respectively.
18. A joint officer group from OCC, Cherwell, Vale, and South Oxfordshire District Councils have been working in partnership to explore options and potential business cases for implementing CPE, with support from a specialist consultant. This work has now been completed and demonstrates that there is business case for CPE that is financially viable (Option N).
19. South and Vale currently have their own external provider for off street parking enforcement (Saba) and OCC has an existing enforcement contract to manage on-street restrictions in Oxford. In the short term, utilisation of these existing contracts to provide a service is preferable, with a longer-term ambition of a single parking contract across Oxfordshire. This is subject to legal and procurement review with district support.
20. Officers are now seeking formal approval to continue to progress and implement on street CPE as set out in this paper.

Risks and opportunities

21. This project is considered to support later stages of the Covid-19 'recovery' efforts, in a variety of ways.
 - support in helping to ensure cycling and bus corridors are free from obstructions making journeys more attractive.
 - enable bus links within new developments to be better managed.
 - support off-street parking and trips to shops and amenities through co-ordinated management of on-street restrictions. Close working between OCC and district councils will be required on duration and pricing strategy for on-street parking.
22. In the longer term it is believed that a single parking service across Oxfordshire covering both on and off-street parking is likely to be the most effective approach. However, there are a number of challenges involved in this, and it will not be feasible during the initial phases of this project. The joint OCC/district officer group will continue to explore potential options and timings. Particular considerations are existing contractual arrangements and assumptions within budgets regarding income.
23. There will be costs associated with set up and the running of CPE. However, if the existing OCC enforcement contract can be used, in particular the 'back office' systems, and some on-street pay and display (P&D) bays can be introduced to provide additional revenue, then it is expected an on-street enforcement service can be provided at a cost neutral position. As OCC will be responsible for managing the on-street service this removes the financial risk from the district councils.

Financial Implications

24. The anticipated income and expenditure in running the CPE service in South, Vale and Cherwell are set out in the table below. This assumes OCC manage CPE on street and South and Vale continue to manage off street responsibilities.
25. A growing deficit is reported as the cost of a penalty charge notice (i.e. income) is fixed by the Department for Transport whilst the model used builds in a three percent inflationary factor for operating costs which is predominantly made up of staffing costs. Year 1 shows a greater deficit due to the inclusion of start-up expenditure.

	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)	(£32,635)	£1,770	(£3,218)	(£8,356)	(£13,648)	(£56,087)
Surplus (Deficit) after P&D income	£43,065	£77,470	£72,482	£67,344	£62,052	£322,413

26. To mitigate the estimated deficit of £56,087 over the initial five years of the scheme District and OCC officers have identified some potential locations which are suitable for the introduction of on-street P&D parking. Officers estimate that after covering operational costs and expenditure, the net revenue from this proposal would recover an average of £75,700 per annum over the three districts (South, Vale and Cherwell), which equates to £378,500 over five years. Penalty Charges from potential future bus lane fines has not been included and would be in addition.
27. To achieve this a commitment of implementing a minimum of 168 on-street parking charges at locations including (but not limited to) Banbury, Bicester, Abingdon and Wallingford is required. In addition to the finance aspect, it is expected to bring wider benefits to local businesses in managing the demand for parking. OCC will decide where to install ticket machines basing their decision on dialogue and intelligence.
28. This is a joint project between the Districts and OCC for the benefit of our residents, and as such it is proposed setup costs would be distributed between the Districts and OCC. It is proposed that all the costs and income of operating the scheme reside with the managing authority, OCC. Whilst there is a risk, such an approach is deemed appropriate to reward and incentivise the enforcing authority. The proposed distribution of set up costs between authorities is proposed as below:

Table 1 Set-up costs for CPE

Item	Cost	Cost owner
Rectifying defects to signs and lines	£250,000	OCC
Updating appeals software for new areas	£20,000	South, Vale and Cherwell
Publicity and advertising costs	£60,000	South, Vale and Cherwell
Start-up costs for new pay and display bays	£100,000	South, Vale and Cherwell

Allocation of total setup costs of £430,000.

- OCC – £250,000
- Cherwell, Vale of White Horse and South Oxfordshire – £60,000 per district

29. Officers have considered the use Community Infrastructure Levy (CIL) to fund the payment to OCC. However, this is not funding the provision, improvement, replacement, operation or maintenance of infrastructure that comprise the only acceptable uses of CIL monies.
30. The level of PCNs (penalty charge notices) is set by legislation (and there are higher and lower amounts depending on the infringement £70 reduced to £50 and £60 reduced to £40)). The PCNs levels are slightly lower than the current ECN levels at Vale (£80 reduced to £40) and at South (£70 reduced to £35 and £50 reduced to £25). The lower levels of PCNs will reduce the income slightly but experience from other local authorities show that this reduction in income from 'fines' is largely compensated by increased level of usage of car parks and so an increase in Pay and Display income, as enforcement on-street is introduced. Overall, therefore, a loss in income to the councils from this change is not anticipated.
31. Additional in year funding of £90,000 is required at both councils. Councils are recommended to approve an addition to the capital programme (at South the approved capital budget) of £60,000 per council as a contribution to OCC's implementation costs. This will be funded from capital receipts. Council is also recommended to agree to a revenue supplementary estimate of £30,000 per council to fund internal set up costs. This will be funded from revenue reserves.
32. It should be noted that the allocations would be based on actual costs, therefore the final contribution of £60,000 to OCC per council may be less than the estimates within this report. OCC commit that the district councils would not be requested to contribute further should costs go over the estimates provided.
33. South and Vale will be required to make new parking orders for their off-street car parks to align with the CPE enforcement regime on-street. Officers estimate a cost of £30,000 for each council to amend the legal orders, change tariff boards and update back office processing systems.
34. It is anticipated OCC's £250,000 contribution will be funded from the 'Bus Journey Time Improvement Fund' as this allows for a fully enforceable network contributing to reducing congestion and obstructions to bus services on the highway.
35. To note also that OCC are obliged under the Road Traffic Management Act to use any surplus income made from on-street parking restrictions to improve the county highways.
36. Any council decision that has financial implications must be made with the knowledge of the council's overarching financial position. For South, the position reflected in the council's medium-term financial plan (MTFP) as reported to Full Council in February 2020 showed that the council was due to receive £2.2 million less in revenue funding than it planned to spend in 2020/21 (with the balance coming from reserves including unallocated New Homes Bonus). Following the revised budget agreed in October, this has increased to £3.2 million. For Vale, the position reflected in the council's medium-

term financial plan (MTFP) as reported to Full Council in February 2020 showed that the council was not required to use reserves to set a balanced budget for 2020/21. However, this has changed following the revised budget agreed in October.

37. This funding gap at both councils was predicted to increase to over £6 million per council per annum by 2024/25. As there remains no certainty on future local government funding, following the announcement of a one-year spending review by government, and as the long-term financial consequences of the Coronavirus pandemic remain unknown, this gap could increase further. Every financial decision made needs to be cognisance of the need to eliminate this funding gap in future years.

Staff Implications

38. The proposed model assumes continuation of existing operations by South and Vale for enforcement of their own off-street car parks with the expectation this would continue while contracts end over the next five years. (The Saba contract is due to expire in July 2025). During this period councils will work together to consider options to align on and off-street enforcement as existing enforcement contracts end.
39. OCC has a related project to digitise their TRO records (traffic regulation orders which govern the signs and lines on-street). This will support efficient operation of CPE. Due to the wider benefits this brings to OCC, and their intention of progressing this regardless of the decision around CPE, the costs of implementation have been excluded from the CPE business case modelling and will be funded from existing OCC Highway Systems and Records budgets. OCC estimate the cost of digitisation of records will be a cost of £30,000 and an annual software licence fee of £18,000 per annum.
40. As part of the service delivery, OCC will be responsible for considering any transfer of staff who are carrying out any current on-street parking enforcement either by Thames Valley Police or town councils.

Equalities Implications

41. No equalities implications have been identified through the development of this proposal.

Legal Implications

42. The arrangement to support OCC in the application for CPE and the set-up costs will require an agreement between South and OCC and Vale and OCC to include a one off contribution of up to £60,000 from each council.
43. Legal will be required to review the current off-street car park operations by the districts as there will be changes to the car park orders to allow the districts to enforce the off street car parks using updated legislation which is linked to CPE on-street.

Indicative Programme

44. If cabinet approval to progress the project is agreed by all four authorities (Cherwell, South Oxfordshire, Vale of White Horse and OCC), then the proposed indicative key dates to implementation is as below:

MILESTONE	DATE
Draft application developed for the introduction of a SEA in districts.	Oct 20-Dec 20
Comms Plan agreed with District Councils	Dec 20
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
Formal comms roll out to wider stakeholders & community groups	July 21-Nov 21
Designation Order created and CPE brought into effect	Nov 21

Conclusion

45. The joint OCC, Cherwell, South and Vale officer group have considered the findings of the specialist consultant study and support the recommendation of Option N, that is for OCC to apply to the DfT for a Special Enforcement Area covering South Vale and Cherwell and that the service is managed in-house by OCC using an external contractor.

Appendices

- Appendix A, questions and answers from all councillor briefing 20 October 2020
- Appendix B RTA feasibility study May 2020
- Appendix C CPE business case
- Appendix D map of Local authorities with CPE