

## **FINANCE & ENTERPRISE SCRUTINY COMMITTEE**

### **Minutes of a meeting of the Finance & Enterprise Scrutiny Committee held on Thursday, 10 November 2016 at 6.00pm in Meeting Room G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

**PRESENT:** Councillors S Bentley, A Burford, N Dugmore, S A W Reynolds (Chair), R Sloan, C Smith, D Wright and Co-optees C Mason-Morris and R Williams.

**ALSO PRESENT:** Members of the Customer, Community & Partnership Scrutiny Committee - Councillors N England (Chair), L Murray, S J Reynolds, P Scott, J Seymour, B Tillotson and Co-optees P Doherty and D Johnson.

**IN ATTENDANCE:** Cllr A McClements, Cabinet Member for Transport, Customer & Neighbourhood Services; J Rowe, Director Customer, Neighbourhood & Wellbeing Services; A Astley, Assistant Director Customer & Neighbourhood Services; D Proud, Transport & Highways Development Service Delivery Manager; S Jones, Scrutiny Officer.

#### **FESC-01 MINUTES**

**RESOLVED** – that the minutes of the meetings of the Finance & Enterprise Scrutiny Committee held on 3 February 2016 be confirmed and signed by the Chairman.

#### **FESC-02 APOLOGIES FOR ABSENCE**

Cllr J Ashford (Customer, Community & Partnership Scrutiny Committee)

#### **FESC-03 DECLARATIONS OF INTEREST**

None

#### **FESC-04 CIVIL PARKING ENFORCEMENT**

The Chair welcomed everyone to the meeting including Cllr Burford as a new Member of the Committee, and invited those present to introduce themselves.

The Chair made opening remarks, that Civil Parking Enforcement (CPE) had been put forward as a suggestion for scrutiny earlier in the year and allocated by Scrutiny Management Board to the Finance & Enterprise Scrutiny Committee to lead in conjunction with the Customer, Community & Partnership Scrutiny Committee. She reminded Members that a motion to Full Council in July calling on the Council to commit resources to developing a business case with a view to making an application for a Civil Parking Enforcement Order had been referred directly to scrutiny. She further noted that a letter from Lucy Allan MP to the Assistant Director regarding CPE had been circulated to the Committee and that a submission on CPE had been received from Cllrs N Lowery and E Carter which would be considered during the review at the appropriate time.

The Chair invited the Cabinet Member to set out her position on CPE. Cllr McClements replied that she was open-minded and would value scrutiny looking at the issues and putting forward a view. Issues with parking had led her to task officers to look at the issues even before the motion had been put to Council. She acknowledged that many local authorities had introduced CPE but the decision had to be right for the borough. It was important to listen to the views of partners such as the police and Town and Parish Councils in market towns and rural areas, and to consider different delivery models so the decision was right for the borough.

The Assistant Director then gave a presentation providing the following information:

### **What is Civil Parking Enforcement (CPE)?**

- CPE is the transfer of parking enforcement from a criminal to a civil matter, also known as 'decriminalisation'.
- CPE only relates to on-street parking and is only enforceable through the installation of double yellow lines, parking bays, disabled bays etc.
- Under the Traffic Management Act, local authorities can apply to take on CPE powers. The process usually takes up to 18 months from the development of a business case to implementation.
- Once CPE powers are adopted, the local authority can issue Penalty Charge Notices (PCNs) (parking fines). Income from fines is used to fund the scheme including staff costs, ICT and ticketing equipment etc. Any surplus generated must be reinvested into the local community to improve local transport.
- Taking on CPE powers locally would not be linked to the introduction of parking charges in off-street car parks.
- Enforcement on off-street Council-owned car parks is already undertaken by the Council.

### **Types of restrictions**

- The main types of restriction that authorities with CPE powers become responsible for were:
  - Prohibition of waiting (double yellow lines)
  - Restricted waiting (single yellow lines)
  - Prohibition of loading (kerb tabs)
  - Restricted loading
  - Limited waiting
  - Disabled parking bays supported by an order
  - No Stopping, particularly school Keep Clear markingsMarkings would need to be in place in order to carry out enforcement.
- Taking on CPE powers would open up potential to implement other types of non-standard restrictions – resident parking schemes, controlled / restricted parking zones or footway parking – which would require further work and legal orders.

### **The current situation**

- West Mercia Police had withdrawn its Traffic Warden service in 2009 and 'regular' on-street enforcement had ceased.
- Since then, the Police had carried out sporadic enforcement until a pilot in 2014 when Wellington and Newport Town Councils entered an agreement with the Police to part-fund two Police Community Support Officers (PCSOs) to enforce in

those areas. The PCSOs were employed and managed by the Police and often issued verbal and written warnings during the trial to educate motorists with PCNs being issued as a last resort.

- Following the success of the trial, negotiations were underway between the Police and Town and Parish Councils to fund PSCOs for their area. Dawley, Madeley, Newport, Oakengates and Wellington had confirmed their commitment and pilots were coming on stream through a partnership approach.

### Possible CPE delivery models

CPE could be delivered in a variety of ways. Potential models included:

- Option 1 - The Council takes full responsibility for CPE and employs a dedicated parking enforcement team
- Option 2 - The Council takes full responsibility for CPE and delivers the service through a multi-disciplinary enforcement team who undertake other types of enforcement e.g. dog fouling, littering
- Option 3 - The Council takes CPE powers but delegates enforcement to Town and Parish Councils through their PCSOs with the Council offering back-office systems such as ticketing or debt collection.

### Potential costs of taking on CPE

Example costs were presented for option 1 (i.e. the Council employs dedicated enforcement officers). Costs had been modelled on the following assumptions:

- A team of four Civil Enforcement Officers (CEOs) including vehicles, uniforms, ICT equipment and training
- Using the Council’s existing external ICT system (used for off-street parking enforcement) to process PCNs
- Assumption that CEOs would issue an average of 0.8 tickets per hour (current average on off-street car parks was 0.6 per hour)

Using these assumptions, example costs had been modelled as:

CPE Outline Financial Performance – Years 1-3			
	Year 1	Year 2	Year 3
Total cost	164,572.60	131,865.01	134,739.88
Potential recovery	143,611.65	151,351.20	151,351.20
Balance (with 70% bias on estimated income)*	-£64,044.45	-£25,949.17	-£28,794.04

\* i.e. assumes a collection rate of 70%

Factors affecting income included:

- The delivery model
- The ability to attract other funding sources and partnership arrangements to share the costs of implementation
- The rate of tickets issued
- Plateau of enforcement affecting future income i.e. as motorists learn they will be penalised for contravening parking restrictions

### Things to consider when applying for CPE powers

- For CPE to be introduced, an Order has to be made by the Department for Transport (DfT) designating the area as a Civil Enforcement Area (CEA).
- In a Unitary authority area such as Telford and Wrekin, the Designation Order must include all on-street parking, and off-street parking activities controlled by the Council.
- There were three main elements for a successful application which would require a significant amount of work:
  - A robust financial appraisal and business case
  - A robust communication and consultation process
  - A robust definition of the proposed scope and activities that the designation order would cover.
- The process was likely to take 18 months from business case to implementation.
- If the Council took on CPE, the powers could be devolved to Town and Parish Councils. Town and Parish Councils cannot apply to DfT for the powers directly; designation to Town and Parish Councils can only come through full designation to the Council.

### **Suggested next steps for scrutiny to consider**

A number of areas were suggested of further work that scrutiny may wish to carry out:

- Data from the police on the number of tickets issued, enforcement time and costs
- Complaints /comments to the Council and police about parking enforcement
- Work with other authorities to explore alternative models and lessons learnt
- Work with partners to determine the appetite for partnership working and co-funding should the Council decide to apply for CPE powers
- Consider officer costs in terms of developing the business case through to operational delivery
- Cost of external support for preparing a business case

At the end of the presentation the Chair invited questions from members.

- *How much would a full business case cost to develop?*  
A certain level of information gathering could be carried out within existing resources – e.g. data from partners or internal data - but the level of investment that would be required for a full business case had not been costed in detail and would need to come back to the committee.
- *What coverage could be provided by four enforcement officers and would it be sufficient to cover the whole borough?*  
A team of four officers would equate to three officers operating 6½-7 hours per day, 7 days a week. The assumption of 0.8 tickets per hour had been built into the model but the number issued would depend on how the officers were allocated across the borough and targeted to problem areas. Distribution of resources would be looked at as part of any further work.
- *Would CPE confer any additional powers which could be used to address issues of pressure from student parking?*  
If CPE powers were designated to the Council there would be the potential to apply for additional orders for resident parking schemes such as parking bays,

resident parking permit schemes, yellow lines etc.. Resident parking restrictions were not part of the standard restrictions that Councils with CPE powers were required to enforce and would require a further process.

- *If powers were devolved to Town and Parish Councils, could they then decide how many enforcement officers to employ?*  
Yes, back-office functions could be centralised and managed by Telford & Wrekin Council but the Town and Parish Councils could decide how many enforcement officers they wanted to employ and manage. Four officers had been used as an example in the presentation to give a flavour of the costs but the number could vary. Some authorities where CPE had been introduced had developed the business case focused on income generation and driven by income targets. This had resulted in negative press reports leading some authorities to scale back their enforcement staff. The lesson from other areas seemed to be that it was better to start small and grow rather than the other way round.
- *A lot of work was done on yellow lines some years ago with a view to introducing CPE. Why did this not proceed when so much ground work had been done?*  
Work had been done on yellow lines as part of an exercise with the Police to update traffic orders but from the officers' point of view had not been linked to CPE at that time and officers had not been charged with looking at employing traffic wardens.
- *If the Council decided to apply for CPE powers what further work would be involved in putting Traffic Regulation Orders / yellow lines in place to enable enforcement?*  
There would not be a significant amount of additional work required but yellow lines and TROs would be updated in advance of applying for CPE. The Council would work with individual Town and Parish Councils to look at the issues in their area and how CPE could be used to tackle the issues.
- *Local authorities are required to have a Parking Policy as a prerequisite for CPE. Does Telford & Wrekin have one?*  
The Council does not currently have a parking policy as there are only two Council owned car parks but a policy would need to be developed for a CPE application.
- *Can you confirm the amount of penalty charges used to model the income?*  
Modelling was based on a £60 lower penalty and £80 higher penalty. Further details could be provided.
- *In response to various questions about the application process –*
  - There was provision under the Traffic Management Act for local authorities to adopt CPE and there was a legal process to go through. Authorities were required to submit an application and business case to the Department for Transport (DfT) for approval. DfT had relaxed the requirements for the financial business case slightly and the emphasis had shifted towards achieving compliance rather than generating revenue but a fully scoped and costed business case was still required.
  - Applications could be submitted in April or October.

- DfT would not accept applications based on speculative interest from Town and Parish Councils – the business case must detail the delivery model that would operate from Day 1 although the model could change over time
  - Once an authority had taken on CPE powers, responsibility could not be handed back.
  - Once powers were handed over, the local authority did not have to implement CPE but the police would cease to enforce and not enforcing would reflect badly on the authority.
- *On-pavement parking is an issue – how would CPE address this from Day 1?*  
Once CPE powers were granted, the Council could apply for Traffic Regulation Orders to restrict pavement parking in certain areas.
  - *Have you contacted other authorities – including other new towns such as Crawley or Milton Keynes - to look at their experience of CPE?*  
We have contacts in other authorities and have spoken to Shropshire in the past but in terms of other authorities would need to gather data to feed into the review.
  - *Why has the rate of ticketing been estimated on ticketing in car parks which may bear no relation to ticketing on streets?*  
The rate of 0.8 tickets per hour was based on figures from other authorities – some were higher, some lower – as well as the ticketing rate on the Council's car parks.
  - *If powers were devolved to Town and Parish Councils would they keep income from fines?*  
Depending on the model Town and Parish Councils would retain the income but it would also need to fund any back-office functions provided by the Council.
  - *Could the Council apply for residential orders without taking on CPE powers?*  
No, the Council would need to take on CPE powers to have the option of introducing non-standard restrictions.
  - *Would free parking continue if the Council took on CPE?*  
The Cabinet Member assured Members of the Council's continued commitment to free parking.
  - *Would the cost of CPE jeopardise Traffic Regulation Orders?*  
No, CPE could be implemented and the powers would pass from the Police to the authority.
  - *If CPE was devolved to Town and Parish Councils, could the Town and Parish Council subsequently decide to hand back responsibility to the Council?*  
Ultimately the CPE power is held by the Council and this could be one of the risks. Agreements with Town and Parish Councils would need to take this risk into account.
  - *What would be the cost of other Traffic Regulation Orders or other types of legal orders which would be required to introduce restrictions?*

There is a cost to TROs which can be used to restrict pavement parking. Resident parking permit schemes would require other orders and would have a cost.

- *How big an area can a TRO cover?*  
TROs can only be used for specific roads but authority or area-wide prohibitions are provided for under other legislation.
- *Can enforcement be carried out on foreign registered cars?*  
This would be checked and information provided back to the committee.
- *Has the cost of collection and unpaid fines been built into the cost modelling?*  
The costs had been factored in but there were a number of ways that costs could be shared depending on Town and Parish Councils.
- *What is the timeframe for the parish PCSO pilots and when could they be evaluated?*  
The pilots were in an advanced stage of negotiation and would probably start between December 2016 and April 2017 so there would be no substantive data to evaluate for 6 months.
- It was confirmed that it was not legal to pay enforcement officers on an incentive basis.

Members made a number of requests for further information and comments during the discussion:

- The Chair would like to see the costs for developing a full business case.
- There were various concerns about the capacity of four officers to enforce across the borough, especially given the number of schools, and how resources would be allocated to target hotspots. A Member requested costs to be modelled for 5-6 enforcement officers – it was suggested there could be a cost reduction from sharing vehicles.
- A Member requested a breakdown of one-off initial costs for implementing CPE such as updating lines, signs and TROs
- Areas for gathering further information were identified as:
  - Data from the Police for the last 2 years on the number and location of complaints, warnings and tickets issued, the number of unpaid fines and cost of collection. It was noted the data may be limited due to the lack of regular enforcement.
  - Information from Town and Parish Councils on complaints and hotspots in their area, and the appetite to invest financially
  - Feedback from the parish PCSO pilots over the next 12 months
  - Views of authorities which have or have not implemented CPE (Milton Keynes and Crawley were suggested)
  - Internal data on complaints or from Ward members

- A member made the point that it was not just a case of identifying where the issues were but to establish whether they would be addressed by CPE. There were financial risks to the Council and CPE should not be taken on unless there was a real benefit to estates and wards. Parking was an issue on some estates but it was unclear whether CPE would be the solution and could potentially exacerbate problems for the local residents. Work would need to be done to look at how CPE would impact on the issues and whether it would work.
- A co-optee commented on the parish funded PCSO trials and why the Council would take on the risk of enforcement outside those areas.
- A member questioned whether the cost of CPE would be significant as it would not require the Council to set up a huge new department, and why most other authorities had introduced CPE if it was so expensive. If Town and Parish Councils chose to fund enforcement in their area the cost to the Council would be smaller or cost neutral. He did not see the need for patrolling estates and felt that the cost of updating yellow lines would not be significant as that happened anyway. He noted that costs had only been modelled for Option 1 which was the most expensive option and he would like to see costs modelled for Options 2 and 3. The Assistant Director explained that the cost of other options depended on a commitment from Town and Parish Councils which had not been assumed but costs could be modelled once Town and Parish Councils had been consulted.
- There was a question as to whether the 70% income bias had factored in the rate of fines cancelled on appeal.
- It was suggested that resident parking permit schemes should take account of provision for visitors.
- A member raised a concern about parishes with small precepts where there may be a problem hotspot but they could not afford to take on devolved power. She also highlighted issues with parking around the Wrekin which could potentially block access for emergency vehicles. She also remarked that to address problems with parking on pavements there needed to be alternative places to park. Another member agreed that the issue in market towns was the shortage of car parks. Officers responded that the issue with increasing car parks was the availability of land and the cost of build. A co-optee questioned whether this presented an opportunity for the Council to generate income from car parks.
- A member commented that it was accepted that there were parking problems in the borough but it was necessary to determine where the issues were and how they could be tackled. There had been good work in preparing the costs to the Council but the cost to Town and Parish Councils would also need to be established. Regarding issues in the Gorge and around the Wrekin, it would need to be decided whether the Parishes could take on enforcement in these areas or if they should be enforced by the Council as they were tourist attractions used by visitors from all over the borough. He suggested that parking provision should be considered as part of the planning process and Members should set out their expectations to planning officers. He would also like to hear from Cllrs

Lowery and Carter and to have sight of their report. The Chair assured him that the report would be provided to the committee and considered at the appropriate time with other evidence.

- A member noted that a lot of the discussion had been about parking issues in market towns but there were also issues in residential areas.
- A member referred to concerns raised in the past by retailers in Wellington that restrictions could deter people from popping into the shops. He also highlighted problems on Trench Road created by non-compliance with restrictions. Another member said there had been a lot of changes in Wellington but he hoped there would be tolerances so that unloading and short stops were not penalised.
- It was suggested that the views of businesses would need to be sought.
- A member commented that Telford and Wrekin was experiencing some of the fastest growth in traffic and car ownership in the country which puts pressure on the road infrastructure. The committee would need to consider the cost of setting up CPE, the on-going cost of enforcement, growth projections and how to increase off-street parking. Milton Keynes was not a good example to look at because it was built as one new town whereas Telford and Wrekin has the town centre and the borough market towns. It would be important to look at the impact on retailers.

At the end of the discussion the Chair requested that the further information from the Police, Town and Parish Councils, the Council and other authorities be collected and brought back to the committee to consider at a future meeting.

Cllr McClements remarked that she felt there had been a useful discussion and the message that had come through was that further work was required. She added that there was a significant amount of data to gather which could not be rushed or done overnight but she remained open minded and key was to do what was right for the borough. She thanked the officers for their work in putting the presentation together.

The Chair thanked the Cabinet Member and officers and they left the meeting.

## **FESC-05     WORK PROGRAMME**

The Chair summarised that Scrutiny Management Board in July had allocated six meetings to each Scrutiny Committee for this municipal year and recommended that the Budget & Finance Scrutiny Committee's work programme should focus on budget scrutiny and the CPE review. She confirmed the dates circulated for the budget scrutiny meetings of 4, 12, 18 and 24 or 25 January and 1 February which should be in Members' diaries. Cllr Eade had confirmed the main opposition group would be putting forward alternative budget proposals which would be built into the schedule. She welcomed comments from members.

There was a discussion about the timetable for a report back on CPE and there was a question as to whether five meetings were too many for the budget scrutiny and it

was suggested that the final meeting on 1 February to agree responses to the budget proposals could also potentially include an item on CPE. The Chair commented that the CPE scrutiny work would also need to be timed to take account of DFT application submission dates and Town and Parish Council budget setting.

The meeting ended at 7.45pm.

Chairman: .....

Date: .....