



TRANSPORT SELECT COMMITTEE
25 May 2010

Operation of Civil Parking Enforcement in Surrey

Purpose of the report: To update the committee on proposed enforcement arrangements

Introduction

1. The county council is responsible for the management of on-street parking enforcement. Currently this function is discharged through agency agreements with the eleven district / borough councils.
2. In March 2010 the cabinet agreed to align the end date of all the agency agreements as 31 March 2011, subject to the agreement of the relevant district / borough council. There were three areas where the existing terms of the agreements extended beyond 31 March 2011 (Surrey Heath, Tandridge and Waverley). Notice of termination has been served on these three areas. Their agreements now run until 31 March 2011. There was one area (Runnymede) where the agreement already ends on this date, and the agreements with the other seven areas need extending to this date.
3. Informal discussions have been held with the district and borough councils, and the proposals detailed within this report were explained to the Surrey chief executives at their meeting on 14 May 2010.
4. This report considers two key issues
 - Future enforcement and administration of civil parking enforcement within Surrey
 - Financial split between civil parking enforcement and controlled parking zones

Background

5. In December 2009 this committee received the parking service annual report. This detailed how the service operates. The committee recommended that further studies be undertaken to reduce the financial losses to the county caused by the costs of on-street parking management.
6. The current parking strategy dates back to 2003. It was drafted before the county council took over responsibility for the enforcement of on-street waiting restrictions from Surrey Police. It is being revised in line with a number of other policies being promoted through the Local Transport Plan 3 (LTP3). This is being progressed in parallel to the recommendations within this report, and will be subject to scrutiny through the Surrey Transport Plan Task Group. This will include options for increasing revenue.
7. The terms of the agency agreements vary, but the county council is responsible for all costs incurred by our agents. The operating costs vary from agent to agent but under the terms of the agreements, the county council has limited control over what we are charged. In some districts the civil parking enforcement (CPE) operation is split between the part that takes place within controlled parking zones (CPZs) and the part that takes place outside CPZs. In these areas the on street parking operation within the CPZs is separately accounted for, with the relevant local committee being responsible for the use of any surplus of income or expenditure within that district. This is an historical arrangement which was included within the agency agreements.

A CPZ is an area (or collection of roads) that are all covered by either parking restrictions or parking bays (either resident only or chargeable) for a fixed number of hours and days per week.

8. In 2008/09 CPE (excluding that which takes place in CPZs, as explained in the previous paragraph) operated at a deficit of £887,635 with the initial estimate for 2009/10 to be a £964,000 deficit (this is an estimate as the final out turn figures are not yet available from all of our agents). In 2008/09 on street parking within CPZs operated at a £445,115 surplus, figures are not yet available for 2009/10 although they are expected to be comparable.

Operational split between civil parking enforcement (CPE) and controlled parking zones (CPZ)

9. There are five areas where there is a financial split between CPE inside and outside CPZs. Although overall funding for CPE is managed centrally, for these areas there are separate financial arrangements for CPZs. A surplus on an authority's parking account cannot be allocated to any initiative and has to be used in accordance with the provision detailed in section 55 of the Road Traffic Act 1984 (as amended). In two areas our

agents manage the accounts and hold reserve monies on behalf of the county council.

10. This split was negotiated when the original agency arrangements were established for the then termed "decriminalised parking enforcement (DPE)". Since 2008, DPE has been known as civil parking enforcement (CPE) and is managed through powers available to a highway authority from the Traffic Management Act 2004 (TMA). The statutory guidance (March 2008) for the TMA states that "an enforcement authority should ensure all costs associated with a CPE regime are met before any surplus is allocated". It is questionable whether the current "split" between CPE operations inside and outside CPZs fully satisfies this requirement.
11. Those areas where the CPE / CPZ split is in the agency agreements are below
 - Elmbridge
 - Surrey Heath
 - Epsom and Ewell
 - Woking
 - Guildford

In Epsom & Ewell the CPZ has not been operational and the account has been suspended. Elmbridge, Woking and Guildford all operate at a surplus within their CPZ (although a deficit for CPE outside the CPZ). Surrey Heath operates at a significant deficit.

12. While some CPZs may be operating at a surplus, overall the county council's on street parking operation service runs at a considerable deficit. This means a service which is operating at an overall deficit across the county, is subsidising initiatives through a perceived "surplus", generated through the methodology in which the county council accounts for income and expenditure. The largest call on this is the Park and Ride service. In 2008/09 the county council contribution to this service (through the CPZ account) was £439,000. This figure is predicted to increase as the service is expanded.
13. In the interests of financial transparency and minimising the deficit for on-street parking enforcement it is recommended that in conjunction with new contractual arrangements, this committee endorses the merger of these accounts (including the transfer of any reserves to the county council). As part of this process separate budgetary provision will need to be considered by the county council for the continued operation of any Park and Ride services.
14. Officers will work with the LTP3 Member Task Group to agree a mechanism for any potential future parking surplus to be redistributed to benefit the highway network as appropriate through the Local Committee framework.

Options for the future operation of civil parking enforcement within Surrey

15. The county council introduced on-street enforcement on a phased basis between 2004 and 2007. All of the agency agreements were originally for a term of five years, but our agents all now have the option for a consistent end date. As stated earlier within this report, all costs are met by the county council, and the parking account runs at a considerable deficit. In determining the future operation of the parking enforcement service, there are a number of options available to the county council and our agents.

a) Continue with current arrangements

This option is available providing it has the support of our agents. It will remain a continued revenue expense for the county council which is increasing year on year. Other measures (such as on-street charging) will help to address the deficit but not reduce the operating costs.

b) Work with our agents to devise more cost effective working operations

The current arrangement means there are eleven separate parking services each with their own back office support and managerial costs. Potential exists for cross border working and sharing of key resources.

At this time all risk is with the county council. If this approach were adopted consideration would need to be given to sharing risk and any potential operating surplus. If implemented effectively, there is the potential of cost savings for all parties.

c) Introduce "area contracts"

An option would be to introduce a number of contracts for Surrey. This would enable our agents to bid for works along with the private sector, and operate on a larger geographical basis. This should realise efficiencies of scale as back-office functions and associated recharges should be reduced. An advantage of the county operating agency agreements with the districts and boroughs is that civil enforcement officers (CEOs) can enforce both the public highway (on-street) and the agents car parks (off-street). If we were to move to area contracts, which do not have the buy in of our agents, this will no longer be possible automatically. However, there is nothing to preclude our agents from including their off-street car parks (with separately identified income streams) if this would suit their business needs. Under the terms of the agency agreements, the county council is liable for any costs incurred by our agents (incl staff costs) associated with the termination or expiry of the agency. The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) are likely to apply to some staff.

Based on past penalty charge notices issued and geographical area the logical groups for area contracts are detailed below.

A
Surrey Heath
Woking
Runnymede

B
Guildford
Waverley

C
Elmbridge
Spelthorne
E&E

D
Tandridge
Mole Valley
R&B

d) Introduce a single countywide enforcement contract

Many highway authorities contract out their parking enforcement and back office functions to the private sector. There are a number of service providers in the field who are specialists in parking enforcement and management and it is probable that a Surrey contract would be highly appealing to the market. Surrey covers a large area, and there is significant potential for increased efficiencies.

As with area contracts, there is the option for our agents to include their off-street car parks if they so choose. Again the county council is liable for termination costs and the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) is likely to apply to some staff.

e) Delegate total responsibility to districts and boroughs

The county council is the highway authority, and is the statutory body with responsibility for on-street parking and this responsibility cannot be simply passed on to the districts and boroughs. An alternative option would be to delegate (through an agency agreement) the whole parking operation, including all day to day enforcement, scheme development (such as residents parking, pay and display and new sections of waiting restrictions), without any county council subsidy, but permit the districts and boroughs to retain any surplus. It would then be for the relevant district or borough to ensure their operations were efficient and charges reasonable so that the parking account does not run at a deficit in their area.

This option may be acceptable to a few districts but if it were to be adopted it should be countywide, as some districts will generate more income than others. If this did not happen, it is probable that the county council would retain responsibility for those areas likely to run at a deficit with, as a result, a reduced ability to balance the overall county parking account.

Flexibility of any revised contract to suit local conditions

16. It is acknowledged that Surrey is a varied county and enforcement resources need to reflect this. For example a town centre location is likely to need greater coverage than a more rural location. Any revised contractual arrangements will need to have the flexibility to increase / reduce enforcement levels to compliment actual on-street compliance.

Development of new restrictions and parking schemes in Surrey

17. At this time, any new restrictions or requests for parking schemes are considered and approved by the relevant local committee. The Parking Strategy and Implementation Group lead on these requests for all districts, except Guildford. Historically Guildford Borough Council has promoted its own schemes, although the approval mechanism is still through the local committee.
18. The Parking Strategy and Implementation Group is to be reviewed next year as part of the Environment and Infrastructure directorate's assessment of all services.
19. At this time it is recommended that all decisions on all parking schemes continue to go through the local committee process with officer support from the parking group.

Proposed Way forward

20. All options have some advantages. The agency agreements have been in operation for a number of years, and as a whole during this period the operating costs have consistently increased. With the county council funding all costs, there is little incentive for our agents to minimise any duplication of effort.
21. It is recommended that the county council proceeds with the following
- Working with SCC procurement specialists to follow European tenders procedures (which is mandatory due to the size of the contract) to enter into new operational processes from 1 April 2011
 - Four area contracts as explained in this report and which enable the district and boroughs to bid for an area, if they so choose
 - Variant bid, where suppliers can bid for one or up to all four areas and be able to demonstrate any cost efficiencies
 - Invite district and borough council's to include their off-street car parks (with clearly identified separate income / expenditure streams)
 - Contract to include, but not be limited to, the following
 - On-street enforcement – with ability to amend enforcement levels to meet need / cost

- All back office functions, including IT, first level challenges, processing of permits, notice processing, debt recovery (bailiffs) etc
 - On-street cash collection of P&D income
 - Contract period to be for five years, with potential for two year extension
 - Engage with District and Boroughs at the earliest opportunity to identify any TUPE transfers and ensure staff are kept fully informed throughout the process
22. It is further recommended merging the separate district CPE/ CPZ arrangements to create a single countywide parking account and separate consideration be given to any existing commitments.
23. A report is to be presented to Cabinet in June. The Cabinet will be advised of any formal comments this committee has on the proposals.

Financial and value for money implications

24. The current cost to the county council of operating on-street parking enforcement is in the region of £3.6m, with an income stream of approximately £3.1m. By operating in eleven different ways, there is considerable duplication of staff, management and processes. While it is not possible to accurately predict the exact contract sums, it is expected that over the duration of the contract the operating deficit will be reduced. Financial modelling is being undertaken to confirm the long-term viability of any proposals.

Equalities Implications

25. Parking enforcement can assist those with visual or mobility impairment.

Risk Management Implications

26. There is the risk that parking enforcement will cease if suitable arrangements are not in place. Experience elsewhere has shown that this would have serious implications for traffic flow, parking congestion and road safety.

Implications for the Council's Priorities or Community Strategy/Local Area Agreement Targets

27. Parking enforcement contributes to the objectives of the county council's Local Transport Plan.

Recommendations:

The committee supports

- i) the introduction of up to four area enforcement contracts with the option for service providers to tender for one or more areas
 - ii) offering the option for district and boroughs to join a countywide contract for their off-street car parking provision if they so choose
 - iii) the merger of the CPE / CPZ accounts
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Report contact: Richard Bolton, Parking Strategy & Implementation Group Manager

Contact details: 0208 541 7140, parking@surreycc.gov.uk

Sources/background papers: Parking Service Annual Report – Transport Select Committee 3 December 2009