

LOCAL AUTHORITY PARKING ENFORCEMENT (LAPE) ACCOUNT 2007/08

To: Cambridge Environment and Transport Area Joint Committee

Date: 14th July 2008

*County/District
Electoral
Divisions/Wards:* All

Purpose: To consider:

- i. The financial position of the LAPE account at 31st March 2008;
- ii. The forecast financial position for 2008-09; and
- iii. The performance of LAPE over the 12 months to 31st March 2008.

Recommendation: The Area Joint Committee is recommended to note the position of the LAPE account and the performance of LAPE.

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1. BACKGROUND

Authority and Funding of Local Authority Parking Enforcement

- 1.1 The City Council carries out Local Authority Parking Enforcement (LAPE) under a parking agreement with the County Council. Under LAPE, the County Council retains the funds received from penalties to fund enforcement activities. LAPE is intended to generate sufficient income from penalty and other charges to cover the costs of enforcing and administering the scheme. Any surpluses arising from LAPE are ring fenced for expenditure on transport-related projects. The financial position of LAPE is reported annually to the Area Joint Committee (AJC).

Objectives

- 1.2 The key objective of LAPE is to 'keep Cambridge moving' through improving:
- Protection and enforcement of loading restrictions, bus stops, cycle lanes and traffic routes
 - Enforcement of designated parking spaces, including disabled bays, taxi bays, and resident parking spaces
 - Compliance with existing parking regulations
 - Utilisation of parking spaces
 - Emergency vehicle access
 - Links to integrated transport strategies and policies.

Revenue

- 1.3 Revenue into the LAPE account comes from:
- Income from penalty charge notices (PCNs), suspensions and dispensations
 - Contributions made towards LAPE operating costs from funds previously allocated to the City Centre Access Team
 - Savings from previous traffic wardens costs.

Expenditure

- 1.4 Expenditure falls into the main headings of:
- Costs of Notice Processing and the administration of representations and appeals against PCNs
 - Contract management and monitoring
 - Enforcement costs

Funding principles

- 1.5 The principles for funding implementation of LAPE and the sharing of costs and income formed part of the Agency Agreement up to 31 March 2008 and are as follows:
- LAPE account: a LAPE account was set up to pay for the costs in the early stages of enforcement and ticket processing until income was received from enforcement activity. Any deficit on the LAPE account would be met from

annual contributions from both the County and the City on a pre-determined basis.

- Annual contributions: each year to account for an accumulated deficit on the LAPE account the County Council would contribute £44,300 (3% of on-street income in 2003/04 or the amount of deficit balance should that be less than the £44,300) with the City Council paying the balance up to a ceiling of £100,000 per annum. The County Council would be required to cover any remaining deficit in full.
- Proposed share of surpluses: when the LAPE account's initial accumulated costs have been repaid, then subsequent surpluses would be shared equally between the County and the City Councils.

Change to Funding Basis from 1 April 2008.

1.6 Under the Parking Services Agreement between the County and City Councils, the County Council has contributed around £400,000 per annum (index linked) to the LAPE account, since its inception in October 2004. For the financial year 2008/09 arrangements between the two authorities for funding the LAPE account and for dealing with surpluses and deficits have now been renegotiated and are as follows:

- Annual contributions: The City Council accepts the reduction in the original Police/Traffic Warden subsidy from £250K to £110K for the financial year 2008/09 (subject to RPI increases).
- In the event of a deficit on the LAPE account at 31 March 2009, the County Council becomes liable for the first £100,000 of any deficit in 2008/09, with the City Council being liable for the next 50,000 of any deficit, and the County Council underwriting any further deficit over £150,000.
- Proposed share of surpluses: In the event that there is a surplus in 2008/09, surpluses would be shared equally between the County and the City Councils.

These arrangements are subject to further review before the end of 2008, in the light of:

- a) the financial performance of the service; and
- b) further progress on county-wide LAPE.

2. FINANCIAL POSITION

Appendix A shows the financial position of the LAPE account at the end of 2007-08 and the forecast position for 2008-09. The outturn for 2007/2008 forecasts a deficit of £70,242.

2.2 The forecast for this year (2008-09) is presented in a summarised format, for ease of analysis. Enforcement will remain highly visible in Cambridge, continuing to tackle inappropriate and inconsiderate parking in the city. However, parking enforcement is far from an exact science. In the months since the original forecast for 2008-09, the overall level of activity has fallen in Cambridge. Current indications are that Penalty

Charge Notice (PCN) income will approach £1.1m in 2008-09 with approximately 40,000 PCNs issued to vehicles contravening parking regulations in Cambridge. On current performance, this revenue will be insufficient to cover the costs of operation.

3. PERFORMANCE INFORMATION

- 3.1 In March 2007, Cambridge LAPE was commended at the British Parking Awards in the category of 'Effective On-Street Management'. **Appendix B** sets out the key activities and performance indicators for the LAPE operations.
- 3.2 The original financial model for LAPE forecast a slow build-up of enforcement activity. It estimated that in the first full year of operation approximately 29,000 PCNs would be issued. Conservative assumptions were made that 70% of PCNs would be fully paid and that of those payments 75% would be at the discounted rate of £30 with a further 25% at the full charge of £60 and 5% at £90, on receipt of a Charge Certificate. The model forecast that the advent of LAPE would lead to an average increase of 3% in street parking revenue, to support the LAPE account in the early stages. In last year's report, the level of payment compliance and early recovery of payments again exceeded all the model assumptions.
- 3.3 In all cases the model's assumptions continue to be exceeded and the impact of enforcement activity has been higher than the model forecast. Early suggestions are that motorist compliance is being improved through parking enforcement. In the period to 31 March 2008, 42,495 PCNs were issued, 6 per cent fewer than in 2006-07 (see **Table 1**). Three-quarters of all PCNs are being paid in full and more people than forecast are paying early at the discounted rate of £30 (**Table 1**).
- 3.3 It is encouraging to see an increase in the number of customers who took advantage of new facilities to enable early enquiries about the PCN. **Table 2** shows that more customers are taking advantage of automated payment systems. The facility for customers to have access online to view supporting photographs was introduced during 2006-07 along with the facility to enquire and challenge a PCN, and **Table 2** demonstrates the value to customers of these 'self-service' facilities.
- 3.4 **Figure 1** shows the sources of requests and enquiries for parking enforcement in Cambridge, which while broadly similar in composition, is at a lower level than in 2005-06. This suggests that the service is addressing the major public perceptions of where enforcement is most required, and that there may be an increasing level of compliance with enforcement itself.
- 3.5 In relation to back-office activities, improved public access to evidence and, particularly, greater access to the digital photographs taken when PCN are issued has led to a reduction in the share of tickets issued that are cancelled (**Table 3**).
- 3.6 While the service has matured in terms of the processes it has at its disposal to ensure compliance, for example by pursuing unpaid PCNs through to debt recovery, using bailiff services, the numbers of untraceable and unregistered vehicles has nevertheless grown (**Table 3**). There has been an increase in the numbers of 'persistent evaders' of penalty charge notices (See Agenda Item No. 7(d)).
- 3.7 **Table 4** highlights the city's 'hotspots' in terms of the different kinds of parking contraventions and how this picture has changes in the past twelve months. The

figures show increased compliance in much of the city centre but that some of the contraventions are being displaced into the surrounding areas.

- 3.8 As in 2005-06, the number of appeals being lodged with the National Parking Adjudication Service (NPAS) remains at a very low level both as a proportion of the total number of PCNs issued and as a share of all types of challenges (**Table 3**). **Table 6** demonstrates how few appeals are received in Cambridge, compared with many other authorities operating decriminalised parking enforcement.

4. SERVICE DEVELOPMENTS AND THE USE OF SURPLUSES IN 2007-08

- 4.1 Table 7 shows those transport-related projects that the City Council has funded during 2007-08 using its share of LAPE surpluses over the past year and those schemes that remaining surpluses are committed for in 2007-08. Members agreed to consider future bids to spend LAPE surpluses on the basis of their respective business merits.

5. INTRODUCTION OF REMOVALS OF PERSISTENT EVADERS

- 5.1 The problem of persistent evaders is to be addressed by introduction of arrangements to remove vehicles that have 5 or more outstanding Penalty Charge Notices. The implementation of this process has been delayed to ensure compliance with the requirements of the Traffic Management Act 2004 and the extensive work required to bring this into operational. It is hoped to introduce vehicle removals by August 2008.

6. PROVISION OF PERMITS FOR BLUE BADGE HOLDERS AT CITY COUNCIL CAR PARKS

- 6.1 The City Council has introduced a trial scheme to issue permits to Blue Badge Holders to improve access and increase the automation of the use of multi-storey car parks. City Officers have been working with County Council colleagues to enable eligible individuals to register with the scheme. This is a development that has produced promising results and will be monitored further.

7. FUTURE DEVELOPMENTS

Implications of the Traffic Management Act (TMA)

- 7.1 Last year, the Department for Transport (DfT) undertook consultation on draft regulations and statutory guidance for Part 6 of the Traffic Management Act, which relates to the civil enforcement of parking, bus lanes and moving traffic offences. It has now published the consultation documentation for implementing the parking provisions of the TMA for when the regulations become operational under the umbrella of Civil Parking Enforcement (CPE) on 31st March 2008. The key regulatory changes required by the new legislation include:

- New arrangements for differential charges for 'minor' and 'more serious' parking contraventions.
- Powers to serve PCNs by post in particular circumstances.

- Additional powers for Parking Adjudicators to refer back appeals for reconsideration by the local authority in cases where there are mitigating circumstances
- New powers for authorities outside London including enforcement of dropped footways and double parking.

7.2 New guidance has been published by the Department of Transport relating to:

- How new CPE schemes may be funded
- How parking policies are made public
- Strengthening staff training
- Making operational performance more transparent.

For further details on these issues see

<http://www.dft.gov.uk/pgr/roads/tpm/tmaportal/>

8. SUSPENSIONS ADMINISTRATION CHARGES

The cost of suspensions was previously set at £15 administration plus £1 per vehicle this does not reflect the genuine cost of this service. Taking into account the time taken to place & remove signage, leafleting neighbouring properties and administrating the process, monitoring the suspension and taking payment we believe that a charge of £35 would be appropriate. In the case of suspensions of Pay & Display bays which do not require such extensive leafleting but does generally receive more scrutiny we believe a fee of £35 would also be appropriate.

9. COUNTY WIDE PROGRESS WITH CIVIL PARKING ENFORCEMENT

9.1 The County Council is engaging with the rural District Councils to assess support for extending civil parking enforcement across the remainder of the County and the options available to take forward any extension. Any decision on this is unlikely before the end of the year, at the earliest. Any implications for the current Parking Services agreement between the City and County Councils will be explored through Lead Member engagement, initially. The AJC will be kept updated on progress.

10 The introduction of the Traffic Management Act (TMA 2004) identified key information that should be available to the public. All of the items requested have been included in this report, the vast majority of which we had included in previous reports. The most significant change for future reports will be the inclusion of details of Higher and Lower level PCN's, which were introduced on 31st March 2008.

Source Documents

Documents

Location

Cambridge Environment and Transport Area
Joint Committee Agenda and Minutes
07/04/05

<http://www.cambridgeshire.gov.uk>

City Council Agenda and Minutes 12/02/04

<http://www.cambridge.gov.uk>

Department for Transport –TMA 2004 Parking
Policy and Enforcement Operational
Guidance to Local Authorities draft for
Consultation (8 August 2007)

<http://www.dft.gov.uk>

Note that accountancy convention shows income/surplus shown as –ve and expenditure/deficit shown as +ve

LAPE RETURN with Forecast comparison
For the Period 1 April 2007 to 31 March 2008

LAPE SUMMARY

	30th June 2007	30th Sept 2007	31st Dec 2007	31st March 2008	Original Forecast 2007-08	Forecast 2008-09
Income (Cumulative)	-383,903	-793,821	-1,207,404	-1,611,342	-1,473,610	-1,376,058
Expenditure (Cumulative)	329,994	656,873	982,874	1,322,693	1,473,260	1,446,300
Operating (Surplus)/Deficit	-53,909	-136,948	-224,530	-288,649	-350	70,242

LAPE ACCOUNT

Operating (Surplus)/Deficit for the year to date	-53,909	-136,948	-224,530	288,649	-350	70,242
Due to/(from) County	26,955	68,474	112,265	-144,325	175	70,242
Due to/(from) City	26,955	68,474	112,265	-144,325	175	0

Expenditure

Employee Costs	95,231	189,128	282,932	376,702	407,660	421,300
Premises Costs (Rent)	0	0	4	4	900	0
Transport/Plant Costs	898	1,283	2,412	2,821	300	1,800
Supplies & Services Costs	182,636	363,669	542,617	736,357	855,800	805,600
Recharges	51,229	102,793	154,909	206,809	208,600	217,600
TOTAL EXPENDITURE	329,994	656,873	982,874	1,322,693	1,473,260	1,446,300

Income

Dispensations	-390	-830	-2,440	-2,940	0	0
Suspension - Residents Parking	-495	-1,305	-2,040	-2,475	-2,500	-2,500
Suspension - Meter Bays	-105	-270	-315	-400	-700	-500
Medical Permits	0	0	-2,387	-2,580	0	0
Penalty Charge Notices	-278,638	-582,866	-886,039	-1,184,037	-1,051,500	-1,090,000
Parking Enforcement Income	-279,628	-585,271	-893,221	-1,192,432	-1,054,700	-1,093,000
City Access Team contribution (inc 2.5% RPI)	-41,025	-82,050	-124,433	-165,910	-165,910	-170,058
Constabulary staff contribution (new agreement)	-63,250	-126,500	-189,750	-253,000	-253,000	-113,000
Income from County Council	-104,275	-208,550	-314,183	-418,910	-418,910	-283,058
TOTAL INCOME	-383,903	-793,821	-1,207,404	-1,611,342	-1,473,610	-1,376,058

KEY ACTIVITIES REPORT

Table 1 - Overview	2006/7	2007/8
Number of Penalty Charge Notices issued	43,579	42,495
Number of 8hr Patrols undertaken	4,186	4,319
Number of enforcement requests received	338	147
Number of Notice to Owners issued	11,636	10,572
% of PCNs paid within 6 months at year end	73%	73%
% of PCNs paid within 12 months at year end	74%	75%
Percentage of payments made at the reduced rate	82%	82%
Percentage of payments made at the full rate	14%	15%
Percentage of payments made after a Charge Certificate is issued	4%	3%
* Percentage of PCNs where informal representations are made	23%	17%
Percentage of PCNs where Formal Representations are made	6%	4%
Percentage of PCNs taken to Court Order	7%	4%

Table 2 - Method of Payment of PCNs	2006/7	2007/8
Telephone payment taken by Customer Services/Cashiers	15%	7%
Internet	18%	29%
Touchtone (Automated telephone payment)	23%	23%
Cheque/Cash/ Postal Order	44%	41%

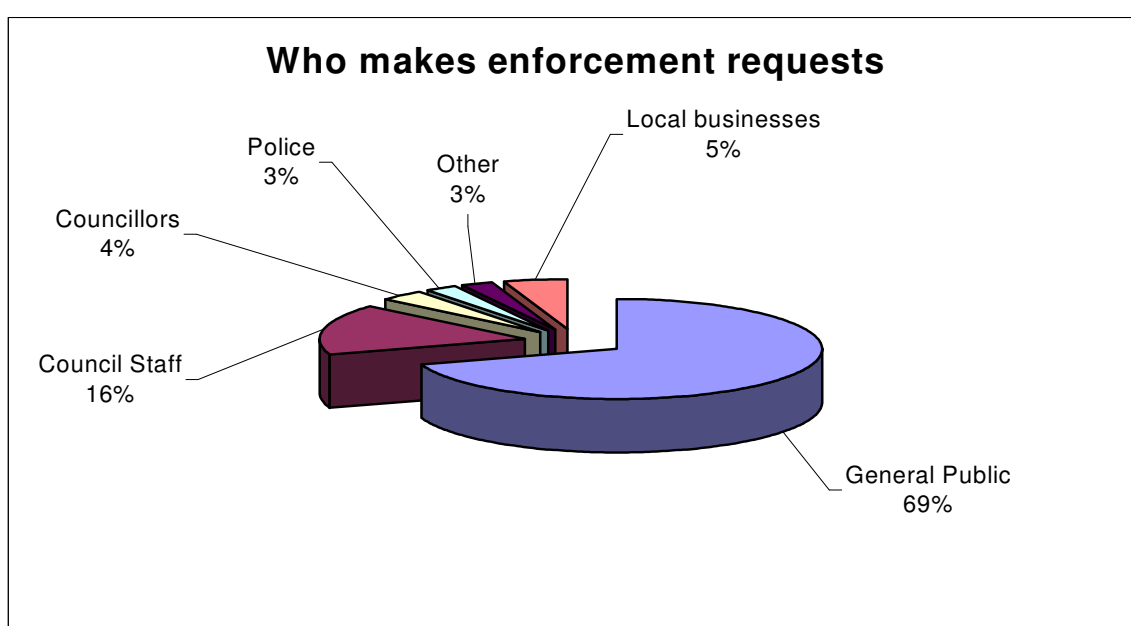


Table 3 - Back Office		
Cancellations	2006/7	2007/8
* Percentage of PCNs cancelled at any stage (PCNs cancelled after any type of representation is received etc)	8%	10%
Percentage of PCNs cancelled before write off (e.g. unable to trace owner, bailiff unable to collect debt, DVLA have no record of owner etc)	12%	7%
Percentage of PCNs that the Council cancelled because it agreed the appellant wasn't liable, or decided it couldn't discharge the burden of proving liability. (PCNs cancelled because additional evidence was received proving that an exempt activity was taking place, the driver was given the benefit of any doubt, a problem with lines or signs etc)	2%	2%
* Percentage of PCNs cancelled as a result of the Council exercising discretion (mitigating circumstances etc)	5%	7%
Percentage of PCNs cancelled because they were issued in error (i.e. the Parking Attendant made a mistake)	0.70%	0.49%
Percentage of PCNs that go to appeal (representations made after NTO is issued that are rejected and the driver/keeper appeals to NPAS)	0.14%	0.08%
Percentage of PCNs where an appeal is allowed (i.e. NPAS decide in favour of the driver/keeper)	0.08%	0.05%
Percentage of PCNs where an appeal is dismissed (i.e. NPAS decide in favour of the Council)	0.06%	0.03%
Representations viewed as a whole		
Percentage of representations that the Council allowed because it agreed the appellant wasn't liable or decided it couldn't discharge the burden of proving liability. (PCNs cancelled because additional evidence was received proving that an exempt activity was taking place, the driver was given the benefit of any doubt, a problem with lines or signs etc)	6%	8%
Percentage of representations which were allowed as a result of the Council exercising discretion (mitigating circumstances etc)	18%	34%
Percentage of representations allowed because they were issued in error (i.e. the Parking Attendant made a mistake)	2%	2%
* Percentage of all representations resulting in a PCN being cancelled	27%	44%
Percentage of formal representations that go to appeal (representations made after NTO is issued that are rejected and the driver/keeper appeals to NPAS)	2.37%	1.79%

Table 4 - Top Twenty Parking Hotspots

2006/7		2007/8	% Increase/decrease	% of total deployed hours	Yellow lines	In a permit space without a permit	In a disabled bay without a blue badge	No P+D ticket on display	P+D time expired	In a loading bay	In a bus stop	Wrong class of vehicle e.g parked in a coach bay, motorcycle bay etc	In a taxi rank	Other
1,488	St Andrew's Street	1,916	29%	2.5%	19%		46%			13%	2%		18%	3%
1,578	Jesus Lane	1,586	1%	2.5%	4%	16%	19%	20%	22%		0%			0%
1,308	Trumpington Street	1,515	16%	1.7%	43%		1%	24%	21%			10%		3%
977	King Street	1,258	29%	1.6%	16%	8%		37%	35%	3%		3%		0%
809	Park Terrace	1,244	54%	1.5%	5%	5%		27%	45%			17%		0%
1,074	Chesterton Road	1,167	9%	1.6%	10%	10%		33%	17%		2%	28%		0%
1,054	Queen's Road	995	-6%	2.0%	14%			23%	30%			32%		2%
822	King's Parade	867	5%	1.2%	28%	30%	24%			16%			5%	0%
432	Pound Hill	768	78%	1.1%	34%	10%		24%	32%					1%
625	Regent Terrace	735	18%	0.7%	37%	63%								1%
491	Hobson Street	732	49%	1.3%	12%		33%			55%	2%			1%
899	Parkside	646	-28%	1.4%	3%	64%		11%	20%		1%		1%	0%
583	Harvey Road	640	10%	0.8%	2%	53%		23%	24%					0%
638	Peas Hill	624	-2%	1.2%	62%		21%			19%				0%
625	Regent Street	622	0%	0.7%	81%		1%	3%	5%	9%	2%	3%	1%	0%
607	Tenison Road	614	1%	3.2%	19%	32%		36%	14%					0%
561	Mill Road	519	-7%	1.1%	89%		2%	4%	2%		7%			2%
634	Norfolk Street	511	-19%	0.9%	5%	45%		26%	24%					0%
341	Brookside	508	49%	0.5%	21%	16%		24%	40%					0%
400	Devonshire Road	477	19%	0.9%	18%	37%		35%	12%					0%
43,579	Total for Cambridge	42,495	-2%		30%	23%	5%	14%	13%	3%	1%	3%	1%	8%

0.0% : - That restriction or prohibition is not present in the street.

Table 5 - Appeals Analysis		
Reasons given by Appellants	2006/7	2007/8
The Alleged Parking Contravention did not occur	53%	80%
When the vehicle was parked it had been taken without my consent	2%	0%
I was not the owner at the time the alleged parking contravention occurred	2%	0%
We are a vehicle hire firm and have supplied the name and address of the hirer	0%	0%
The Penalty Charge exceeded the relevant amount	9%	3%
The Traffic Regulation Order was invalid	22%	8%
Other mitigating Circumstances	12%	9%

Table 6 – Appeals Rate Comparisons (6 Councils closest for PCNs issued)				
Authority	PCNs issued		% rate of appeal per PCN	
	2005	2006	2005	2006
All Areas	3,402,860	3,568,791	0.28%	0.28%
Oxford	50,517	59,854	0.17%	0.12%
Plymouth	52,155	46,943	0.68%	0.43%
Sefton	45,108	46,546	0.12%	0.12%
Cambridge	42,463	46,223	0.03%	0.13%
Sandwell	42,043	44,165	0.30%	0.42%
Luton	40,377	43,812	0.44%	0.22%
Bolton	44,342	43,345	0.50%	0.31%

Source : 2006 NPAS Annual Report (as this was the last annual report produced by NPAS), figures reported are calendar not financial year

Comparisons will be easier to make in future years as more authorities publish their annual reports in line with NPAS and Department for Transport recommendations.

Table 7 Cambridge City Council use of LAPE surpluses in 2006/07-07/08, and commitments for 2008-09				
	Schemes	2006/07	2007/8	2008/9
1	Contribution to the additional costs of the 2006-07 Concessionary Fare Scheme	£88,510		
2	Provision of Sunday Park and Ride services	£5,325		
3	Purchase of emergency rescue vehicle for Grand Arcade car park		£13,000	
4	Purchase of surface cleaning machine for Grand Arcade car park		£28,000	
5	Provision of green parking bays and charging units		£5,000	
6	Dial-a-ride bus		£17,000	
7	Feasibility study on scheme to encourage use of low emission vehicles		£2,500	
8	Start up costs for Car Club		£6,000	
9	Real Time Enforcement			£80,000
10	Electric vehicle charging			£12,000
11	Free car park signage/lines			£3,000
12	Traffic Management Act implementation			£10,000
13	Consultancy for review of shopmobility			£7,500
	Totals	£94,121	£71,500	£112,500