

SURREY COUNTY COUNCIL**CABINET****DATE: 30 JANUARY 2018****REPORT OF: MR COLIN KEMP, CABINET MEMBER FOR HIGHWAYS****LEAD OFFICER: JASON RUSSELL, DEPUTY DIRECTOR FOR ENVIRONMENT AND INFRASTRUCTURE****SUBJECT: OPERATION OF ON-STREET CIVIL PARKING ENFORCEMENT****SUMMARY OF ISSUE:**

This report considers how the County Council will manage the future enforcement and administration of Civil Parking Enforcement (CPE) within Surrey, and recommends reducing the number of parking enforcement agencies from nine to four, with boroughs and districts grouped into clusters in the South-West, North-West, East and North East of the County.

It recommends entering into five-year on-street parking enforcement agency agreements with lead District and Borough authorities who will manage these clusters. In the event that any cluster is not ready to start operating from April 2018, it recommends entering into two-year agreements to allow time for any problems to be resolved, or for alternative arrangements to be put in place.

RECOMMENDATIONS:

It is recommended that the County Council enters into new Civil Parking Enforcement arrangements from 1 April 2018 as follows:

1. either;
 - a. Five-year agency agreements are introduced with each identified lead authority where a cluster is ready to be implemented,
 - b. Two-year agency agreements are introduced with individual borough/district councils where a cluster is not ready to be implemented,

in line with the terms specified within this report, including the split of any surplus as detailed in paragraph 18.
2. the Head of Highways and Transport, in consultation with the Cabinet Member for Highways, is authorised to finalise details, including any necessary temporary arrangements, and implement agreements
3. Local or Joint Committees continue to have an oversight and monitoring role for on-street parking enforcement within their area

REASON FOR RECOMMENDATIONS:

To ensure the County Council effectively, efficiently and consistently manages on-street parking in Surrey, so that the economy of our town centres is enhanced and congestion is reduced, to the benefit of our residents and businesses.

DETAILS:

Introduction and background

1. The County Council is responsible for the management of on-street parking enforcement. Currently, this function is discharged through agency agreements with nine of the eleven District / Borough Councils. Tandridge and Waverley areas are managed by Reigate & Banstead and Guildford Borough Councils respectively.
2. At the time of the last agency review in 2012, the agreements were updated to include a number of performance indicators and a scrutiny function for the Local and Joint Committees. Overall this has worked well and the intention is that this aspect of the agreements does not change.
3. The existing agreements share any operational surplus in the ratio 60/20/20 between the Local / Joint Committee, managing District and County Council respectively. The current exception is Guildford, where 100% is retained by the Local Committee and Borough Council, with the first priority on any surplus being to support the Guildford Park & Ride. The Boroughs and Districts are responsible for any operational deficit.
4. The current agency agreements expire at the end of March 2018, and there is an opportunity to examine how the agreements work, to ensure a cost effective service for Surrey residents. In doing this, the County Council will be seeking to achieve an effective balance between the operational efficiencies that a single countywide arrangement could bring, with the benefits that can be realised from local management of enforcement.
5. Effective joint working with borough and district councils can help create an effective and efficient on street parking service, because:
 - a. Effective parking controls reduce congestion and boost the economy of town centres, and this needs to be aligned with the boroughs and districts priorities for supporting economic growth.
 - b. Boroughs and districts manage enforcement of off street car parks, and operational efficiencies can be achieved by keeping on and off street enforcement together.
6. For the reasons set out above, in March 2017, the then Cabinet Member for Highways wrote to all eleven Surrey Districts and Boroughs, expressing our desire to work collaboratively over the summer months with a view to enhancing joint working.
7. The letter also made reference to the County Council preparing contract documents for a countywide approach, with a private sector supplier, in the event that effective working arrangements could not be collectively agreed with Districts and Boroughs.

8. Surrey Chief Executives established a sub-group, chaired by the Chief Executive of Elmbridge Borough Council to facilitate joint working. This Chief Executive sub-group has been instrumental in coordinating and facilitating this work.

Development of proposals and offer

9. The Chief Executive sub-group explored ways in which through joint working efficiencies could be created, and the parking service made more effective. To demonstrate that any proposals made by the group represent good value, a target was set for the savings that joint working proposals needed to achieve, so that the group were working to a clear objective. To this end, informal discussions were held with a large private supplier of parking enforcement, and their estimate was that there is a potential saving from back office costs of approximately £0.5m per annum. This figure was therefore used as the target cost reduction for the joint working group.
10. Since April, Officers from the Districts, Boroughs and the County Council have been developing proposals, with governance through the Chief Executive sub-group. It was identified that the most effective way to achieve the required efficiencies would be for the boroughs and districts to form clusters. The potential clusters identified were:

North-west

Surrey Heath
Woking

East

Epsom & Ewell
Mole Valley
Reigate & Banstead
Tandridge

South-west

Guildford
Waverley

North-east

Elmbridge
Runnymede
Spelthorne

11. In parallel to the development of these cluster proposals, the County Council prepared a specification and contractual options for a single Countywide supplier, in the event that no agreement could be reached. Due to the good initial progress being made by the clusters, the County Council paused this contingency work in late summer, once the tender documents had been prepared.

The business cases from the clusters were presented to and discussed at the Chief Executive sub-group in November.

Proposals and recommended agreements

12. It is proposed that either a five year or a two year agreement is offered, as set out below:
 - a. A five year agreement is offered to the lead authority for a cluster, where a viable proposal has been developed

- ### ***North-west Proposal***

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Recommended agreement: A five year agency agreement is offered to Woking BC (acting as the lead authority) to manage on-street parking within Woking and Surrey Heath areas.

South-west Proposal

Guildford BC already manages on-street parking within Waverley and much benefit has already been realised. This relationship is working effectively at an operational and political level. Their proposal is to potentially increase the joint surplus by £227,000. Most of this is attributable to improved enforcement, online development of back office functions and limited changes to restriction times and operation. Approximately £40,000 is dependent on introducing bus lane enforcement and £30,000 is from Guildford BC taking on the management of Waverley's off-street car parks. The latter is a matter for the Boroughs, but their current intent is to start this from April 2019.

Recommended agreement: A five year agency agreement is offered to Guildford BC (acting as the lead authority) to manage on-street parking within Guildford and Waverley areas.

East Proposal

The proposal in the East is for Reigate & Banstead to be the employing authority, working closely with Epsom & Ewell.

In 2016/17 Reigate & Banstead, Mole Valley and Tandridge made a combined deficit of £160,000. Epsom & Ewell made a surplus of £58,000, meaning an overall deficit of £102,000 for the potential cluster. The proposal put forward by the cluster has two themes. Through more effective deployment of Civil Enforcement Officers (CEO's) operating from rationalised operating bases to reduce travelling time, their model shows the overall cluster to operate at a surplus of £40,000 in year one, rising to £70,000 by year five.

Whilst this proposal does meet the objectives set by the Chief Executive sub-group, there are still some details to resolve if it is to have the full support of all the authorities.

Recommended agreement: A five year agency agreement is offered to Reigate & Banstead BC (acting as the lead authority) to manage on-street parking within Reigate & Banstead, Mole Valley, Epsom & Ewell and Tandridge areas, subject to the final details of the proposal being resolved. Failing this, a two year agency agreement is offered to the four authorities to allow sufficient time to resolve any problems, or to put in place alternative arrangements.

North-east Proposal

The North East cluster have not yet been able to develop a proposal that meets the objectives agreed by the Chief Executive sub-group.

Recommended agreement: Given these circumstances, the intention is therefore to offer only an initial two year agency agreement to these three

Boroughs, to enable more time for them to explore opportunities that have been identified by the other clusters.

Financial arrangements

17. Each authority will maintain accounts in the template previously agreed by Borough Treasurers. It is a requirement what either their S151 Officer or audit sign off their accounts.
18. Where an area is managed by a lead authority, they will maintain separate accounts for each area. The lead authority will be responsible for any deficits, with any surplus split in the same ratio as the current agreements – 60/20/20 between the Local Committee, enforcing agent and Surrey County Council. It will be for the lead authority to determine what arrangement they have with the other Districts or Boroughs in their cluster.
19. From the start of new agreements in April 2018, this 60/20/20 split will also apply within Guildford. The Guildford Local Committee and Borough Council have an ongoing commitment that Park & Ride is their local priority and they will be able to use their share of any operational surplus as they deem appropriate, subject to compliance with the relevant legislation.
20. The 20% share which is returned to and remains with the County Council forms part of the general highways and transport accounts. It helps to off-set the costs of the parking team and other highway services.
21. It is expected that there may be some transitional costs (new IT equipment, uniforms and similar) associated with establishing the new cluster working arrangements. The intention is that these will be covered by existing budgetary provision within the on-street parking accounts.

Further improvements

22. Whilst reducing the number of parking enforcement agencies will lead to financial benefits, the Chief Executive sub-group has also considered other operational improvements that can be made to improve the effectiveness of the service. Four main areas have been identified where the group believe that improvements could be made. These are

Traffic orders and legal – encompassing better training about traffic orders for the enforcement teams including on line mapping showing up to date plans of parking restrictions.

Enforcement staff and operations – improved use of technology such as 'virtual' permits and on line applications, immobilising / removal of illegally parked vehicles, harmonising and extending enforcement team working hours, recruitment, improved school enforcement and ways of dealing with obstruction.

Finances and reporting – to review the charges made for permits waivers etc and the way finances are reported including overheads and operational costs.

Works ordering and implementation – closer working between enforcement teams and SCC to maintain and install parking restrictions more quickly

23. The County Council's parking team will work with all agents to see how we can improve in these areas. The Local and Joint Committees will be instrumental in this through their scrutiny role.

Performance and financial monitoring

24. The existing reports provided annually to the Local Committees on performance and finance, will be extended to include progress on cluster efficiencies and improvements. It is expected that our agents will be able to provide evidence to demonstrate this.
25. The Cabinet Member will be provided with a Countywide annual progress report and summary, highlighting areas of strength or concern.
26. If in the opinion of the Cabinet Member, the Local Committee and Officers an agent /cluster fails to make satisfactory progress on its implementation plan, operate effectively or achieve its savings target, the County Council will work with the Lead Borough/District to agree an improvement plan. If the improvement plan does not resolve the problem, then the agreement will be terminated, and alternative arrangements introduced.

CONSULTATION:

27. Surrey Chief Executives established a sub-group to consider joint working, Chaired by the Chief Executive of Elmbridge Borough Council. This group has considered these proposals and implications and provided regular updates to meetings of Surrey Chief Executives and Surrey Leaders.
28. Local Committee Chairmen, Cabinet Member and Surrey Leaders group and District / Borough Councils have all been consulted in the development of the proposals.

RISK MANAGEMENT AND IMPLICATIONS:

29. If an agency agreement is not in place, there is the potential for on-street parking enforcement to temporarily cease in parts of Surrey. This may have an impact on congestion, residents' ability to easily park near their properties, less churn in prime parking areas and reduced income.
30. In the event that an agency agreement is not agreed, Officers will work to implement alternative temporary arrangements, seeking the support of other agents.

Financial and Value for Money Implications

31. On-street parking is not about generating income but about providing a service. There is no long term financial risk to the County Council as any deficits will be the responsibility of our agents.

32. The revised agreements will mean a 20% share of the Guildford surplus will now return to the County Council. Based on the 16/17 financial outturns, this would be approximately £118,000 per annum.
33. The proposed clusters for North-west, South-west and East are projected to increase the operational surplus by up to an estimated £529,000 per annum, compared to 2016/17 figures. Some of this surplus will off-set losses previously borne by our agents. In 2016/17 the total reported deficit incurred by four of our agents (Mole Valley, Reigate & Banstead, Surrey Heath and Tandridge) was £218,413. Table 1 gives a year on year summary.

Table 1

Possible Countywide costs of operating Civil Parking Enforcement with new clusters								
Year	Total Income	Total Expenditure	Operational Surplus	Potential increase in surplus against 16/17 baseline	Deficit remaining with enforcement agent***	Share to enforcement agent 20%	Share to Local Committees 60%****	Return to SCC 20%
2016/17	£ 5,508,226	£ 4,135,706	£ 1,372,520	£ -	-£218,413	£209,667	£1,171,578	£209,668
2017/18*	£ 5,508,226	£ 4,135,706	£ 1,372,520	£ -	-£218,413	£209,667	£1,171,578	£209,668
2018/19**	£ 5,637,016	£ 4,015,283	£ 1,621,733	£ 249,213	-£20,190	£328,385	£985,154	£328,385
2019/20**	£ 5,878,998	£ 3,952,831	£ 1,926,167	£ 553,647	-£11,171	£387,468	£1,162,403	£387,468
2020/21**	£ 5,877,222	£ 3,991,978	£ 1,885,244	£ 512,724	-£15,266	£380,102	£1,140,306	£380,102
2021/22**	£ 5,909,833	£ 4,018,098	£ 1,891,735	£ 519,215	-£13,879	£381,123	£1,143,368	£381,123
2022/23**	£ 5,943,422	£ 4,041,517	£ 1,901,905	£ 529,385	-£12,418	£382,865	£1,148,594	£382,865
* Actuals not yet known, assume same as 2016/17 figures								
** Estimates based on Cluster proposals. Where data not available, assumption that future years will be the same as the last actual or estimated figures								
*** Under the proposals, it is expected Mole Valley and Tandridge will maintain incurring a small deficit								
**** In 16/17 & 17/18, 100% share in Guildford remains with Local Committee / GBC. From 18/19 Guildford is split in the same ratio as the other ten districts								

34. These figures are based on the assumption that there will be some minor alterations to existing on street parking controls through Local Committees, but not new areas of on-street charging. If there was agreement of more charging, this has the potential to significantly increase the sums that could be reinvested by Local and Joint Committees in their Districts and Boroughs.

Section 151 Officer Commentary

35. The County Council is facing a very serious financial situation, whereby there are still substantial actions to be identified and delivered to achieve a balanced budget in the current year and a sustainable budget plan for future years. The revised arrangements proposed in this report are expected to result in an increased financial surplus from parking services across the county of £0.5m by 2019/20, before taking the County Council's costs into account. Any surpluses are currently shared 60/20/20 between the local committee, enforcing agent and SCC, and the Section 151 Officer notes that no changes are proposed to this arrangement, although in future this will also apply to any surplus arising in the borough of Guildford. The Section 151 Officer also notes that restrictions apply to how any surplus can be used, as explained in the Monitoring Officer's commentary. Any financial deficit will be

the responsibility of the managing agent. Given that parking services have not been subject to market testing, the Section 151 Officer is unable to confirm whether the proposed arrangements represent value for money.

Legal Implications – Monitoring Officer

36. The County Council has the necessary legal powers to operate parking enforcement through the Traffic Management Act 2004. By virtue of the Local Government Act 1972 and the Local Authorities (Arrangements for the Discharge of Functions)(England) Regulations 2012 the Cabinet may make arrangements with another local authority for one of its functions to be discharged by them on such terms as they mutually agree.
37. Whilst Local Committees may be best placed to monitor the ongoing operation of any local arrangements put in place to provide parking enforcement in their area this should not replace any planned scrutiny of on-street parking restrictions and enforcement in the County by the Environment and Infrastructure Select Committee.
38. As set out earlier in this report, there are legal constraints regarding the purposes to which any surplus income, arising from parking enforcement may be put. The report proposes a 60/20/20 split of any such surplus and each of the respective beneficiaries of that would be limited in respect of the use to which any surplus could be put. Any surplus allocated to the Local Committee would technically be a surplus returned to Surrey County Council, but allocation of any such funding could be delegated by the Leader to the Local Committees as part of the proposed arrangements.

Equalities and Diversity

39. Effective parking enforcement can assist accessibility for those with visual or mobility impairment by reducing instances of obstructive parking. Parking restrictions also allow blue badge holders better access to shops and services through the provision and enforcement of disabled bays.

Parking policy has been developed in line with Surrey Transport Plan 3 which has been subject to rigorous equality assessments.

WHAT HAPPENS NEXT:

- Agency agreements will be agreed between the County Council and the lead District and Borough Councils, as approved by the Head of Service in consultation with the Cabinet Member for Highways
- Temporary arrangements will be put in place to ensure continuity of service where no agency agreement is in place
- The Districts and Boroughs will work together to implement the new cluster arrangements
- Surrey officers will work with the Boroughs in the north-east to assist them with further developing a cluster proposal
- Our webpages will be updated to reflect the new arrangements

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Consulted:

Surrey Chief Executives

Surrey Leaders

Local Committee Chairmen

Jason Russell, Deputy Director Environment & Infrastructure

Lucy Monie, Head of Highways & Transportation

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