

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Highways Operations
Date:	10 March 2022
Title:	Parking - Service Consolidation Efficiencies
Report From:	Director of Economy, Transport and Environment

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Purpose of this Report

1. The purpose of this report is to seek approval to serve notice on the remaining Traffic Management and Civil Parking Enforcement district agency agreements.

Recommendations

2. That the Executive Member for Highways Operations approves the termination of current district/borough council agency arrangements for Traffic Management and for Civil Parking Enforcement, with alternative arrangements for a traffic management and civil parking enforcement service put in place to provide a consistent countywide service in accordance with County Council policy objectives.
3. That the Executive Member for Highways Operations delegates authority to the Director of Economy, Transport and Environment, in consultation with the Head of Legal Services, to make any necessary arrangements to terminate the agency agreements for Civil Parking Enforcement and Traffic Management.

Executive Summary

4. This paper seeks to provide an update on work to develop the County Council's on-street parking service and recommends ending the remaining district/borough council agency arrangements for Traffic Management and for Civil Parking Enforcement for the seven districts and boroughs (Winchester, Havant, East Hampshire, Rushmoor, Hart, Basingstoke & Deane and Eastleigh) that currently operate on-street parking on the County Council's behalf.
5. A fundamental requirement for the parking service is to ensure that it operates on a full cost recovery basis with all associated expenditure covered by income to minimise the need to draw funding away from essential highways activity to meet any shortfall. The County Council's new directly managed parking service is shown to be more efficient than the district delivery model and a decision to serve notice on the district/borough council agency arrangements is now appropriate.

6. Ending the current agency arrangements and creating a single countywide service for traffic management and for civil parking enforcement will enable the County Council to integrate these functions within the wider highways service and deliver a consistent countywide service in accordance with County Council policy objectives. It will also enable the County Council to prepare for anticipated new moving traffic enforcement powers due to be granted under Part 6 of the Traffic Management Act 2004.
7. Bringing together a full directly managed on-street parking service across Hampshire will enable the County Council to create a centre of excellence for enforcement, providing a resilient, cost-effective, and highly efficient service, with anticipated new enforcement powers for moving traffic offences.

Contextual information

8. Six previous reports for the T19 Parking Project have been considered by the Executive Member for Economy Transport and Environment at meetings held in November 2017, June 2018, October 2018, March 2019, October 2020, and on 17 June 2021.
9. The on-street parking project was one of the department's key projects in meeting its Transformation to 2019 savings targets. Whilst research, market testing, and an independent review of the service showed a directly controlled on-street parking enforcement service, outsourced to a specialist service provider, to be the most cost-effective model, the County Council recognised that the function had been run by the district councils on the County Council's behalf for some years. Therefore, seven districts (Winchester, Havant, East Hampshire, Rushmoor, Hart, Basingstoke & Deane and Eastleigh) were given the opportunity to enter into updated agreements aimed at delivering a more modern and efficient service to consistent standards on a full cost recovery basis. The new district agreements came into effect as of 1 April 2020.
10. A fundamental requirement for the parking service is to ensure that it operates on a full cost recovery basis with all associated expenditure covered by income from Penalty Charge Notices (PCNs), residential parking permit income and revenue from on-street chargeable parking. Under the current agency model, this includes a share of surplus parking income generated by the various district councils, with income first offsetting those district councils' direct costs such as enforcement and then shared equally to meet authorities' related maintenance costs and associated overheads.
11. In July 2021, RTA Associates were commissioned by the County Council to review civil parking enforcement of on-street parking in Hampshire. RTA Associates has worked with the County Council since 1998 on a wide range of parking matters, including assisting in the original implementation of Decriminalised parking. The RTA review has analysed financial information for the seven district agencies and compared this with the in-house service to aid comparisons in costs of service delivery and to highlight where savings have been made.
12. The Covid-19 pandemic is acknowledged to have reduced parking revenue, particularly through PCNs and chargeable parking revenue, but reported district expenditure for the on-street service remains high, meaning that the County

Council's associated costs for activities such as maintaining parking signs and lining, still cannot be recovered.

13. It is clear that individual district council run parking teams are costly and make achieving savings through efficiencies more difficult. Separate parking management and frontline enforcement teams, parking management software, vehicles, uniforms, equipment, and residential permit management systems are all costly to operate when duplicated by the districts.
14. The condition of Hampshire's highway network is deteriorating at an increasingly rapid rate due to historic under-investment in highway maintenance at a national level. There is a demonstrable decline in the public perception of highway maintenance services and network condition, evidenced in increased numbers of highway enquiries since 2020. An additional annual £7m of new funding is being provided by the County Council to slow the decline in the condition of the local highway network, and the Hampshire Highways – Highway Network Recovery Strategy sets out how this money will be prioritised. Notwithstanding this additional funding, given continuing financial pressures, it is essential that the limited funding available is invested in the right areas.
15. The County Council's highway maintenance strategy seeks to allocate funding in the right areas of the network to provide the best value outcome. Part of this approach is to minimise drawing funding away from highways maintenance to fund other activities. Ending agency arrangements for traffic management and for civil parking enforcement will provide the County Council with the best opportunity to deliver a countywide on-street parking service on a full cost recovery basis and avoid drawing funding away from essential highways activity to meet the shortfall.
16. An expanded County Council directly managed parking service, using one contractor to provide the on-street enforcement across the County, will provide greater flexibility and better purchasing power through bulk orders, and will also provide the opportunity to better fund and manage the Highway network, providing the County Council with the best opportunity to deliver a modern, consistent, and sustainable on-street parking service on a full cost recovery basis.
17. The County Council is also aware that the Department for Transport is currently developing the policy detail to support the implementation of the remaining Traffic Management Act - Part 6 powers, which will enable highway authorities to enforce additional moving traffic offences such as banned turns and yellow box markings. The County Council welcomes this further devolution of powers and considers that a countywide traffic enforcement team will ensure the greatest benefit to Hampshire residents.
18. The County Council's 2050 Commission of Inquiry established a vision to achieve better outcomes for the economy, environment, and society. Transport contributes to all these outcomes. The new LTP (LTP4) describes our transport vision for 2050 and proposes a major shift in approach and emphasis, with an increased focus on policies which support modal shift and manage demand for road space. Effective enforcement of traffic regulations will be a key enabling activity to support this work.
19. The County Council has signed up to the Climate Emergency and set carbon neutrality targets for 2050. Achieving carbon neutrality from transport will require

transformational change to decarbonise the transport system and to promote greener and sustainable forms of transport. Effective enforcement of traffic regulations will be key to supporting this shift.

20. The proposal is to terminate agency arrangements for both Traffic Management and for Civil Parking Enforcement as the traffic management agency function primarily supports the on-street parking service by facilitating the implementation or amendment of new or existing parking controls. In the future, the traffic management function for a countywide enforcement team will include enforceable moving traffic offences permitted within the Traffic Management Act - Part 6 powers as well as existing bus lane contraventions. This supports the policy aims associated with LTP4 and climate change.
21. Bringing together a full directly managed on-street parking service across Hampshire will enable the County Council to create a centre of excellence for enforcement, providing a resilient, cost-effective, and highly efficient service, with anticipated new enforcement powers for moving traffic offences, and utilising linked resources across this broad range of highway enforcement activity.
22. The County Council's Parking Services contractor, NSL, is the largest parking enforcement specialist provider in the UK. NSL currently employ over 4,000 frontline staff and operate from over 250 UK bases with contracts in place with over 60 UK councils. The Hampshire Parking Services contract was set up to be scalable with the ability of becoming a countywide on-street service.
23. The consolidation efficiencies achievable with a directly managed parking service can also contribute to the Savings Programme 2023 and beyond.
24. A report recommending ending agency arrangements was scheduled for the September 2021 Decision Day, but was deferred to allow time for engagement with affected district and borough councils.
25. Subsequent discussions with affected district and borough councils took place in October and November 2021 regarding ending agency arrangements. The change is limited to service delivery and will not affect policy in respect of on-street parking and related traffic management. The current agency arrangement for civil parking enforcement and for traffic management is not a devolved service, and there is no change in the policy arrangements in ending agency arrangements, which have always been for the County Council to determine.
26. Consideration has been given to staff who are currently employed by the district and borough councils being transferred over to the County Council under TUPE (Transfer of Undertakings (Protection of Employment)) or equivalent means. Discussions have taken place but cannot continue until notice is served to end the agency arrangements, but TUPE is anticipated to apply for district council staff affected by ending the current agency arrangements, with details to be worked through as part of the termination process.
27. If the recommendation to end the current agency arrangements is approved, notice of this change would be issued in March 2022 allowing time to address TUPE requirements.
28. It is estimated that a maximum of 25 staff would be affected.

Finance

29. The RTA review shows a number of the district agencies report very high levels of expenditure compared to the in-house service to provide equivalent on-street services. It is clear from the annual financial returns from the agents that there are costs included in the returns that are not compatible with the scale of the service provision. The impact of the Covid-19 pandemic on parking services should be recognised, but whilst a reduction in parking revenue, particularly from PCNs and Pay and Display income is to be expected, this would not have had a significant impact on the expenditure to operate the service, with district costs remaining consistently high.
30. Whilst it may be possible for the district agents to reduce their operational expenditure, they will always be constrained by their need to operate individual district-based enforcement services with all the associated duplication of resources and equipment. Centralising the service would remove the need for duplicated costs across individual districts, and a single countywide parking service is the most cost-effective solution by some margin.
31. The anticipated costs of TUPE have been considered in assessing the overall financial position. A total of approximately £230,000 currently paid to the district and borough councils per annum for traffic management agency staffing, which would be used to offset staff cost, with the remainder, including the cost of back-office parking support staff, met from income and charges.
32. The continuing work to modernise the on-street parking service in Hampshire will enable the service to operate on a full cost recovery basis, removing the need to draw on limited highways maintenance funding, which is increasingly prioritised for essential safety repairs.
33. The creation of a single countywide traffic enforcement team will ensure the County Council is able to enforce moving traffic violations permitted within Traffic Management Act - Part 6 powers in the most cost-effective way, providing the greatest benefit to Hampshire residents.
34. Camera enforcement of traffic violations is generally very effective in eradicating contraventions once people understand that the regulation is enforced through fines. Revenue funding would therefore be required to support traffic enforcement activity. Creating a single, countywide traffic enforcement team, together with continuing work to modernise the on-street parking service in Hampshire, will minimise the revenue support required.

Performance

35. Bringing together a single countywide team aims to create a centre of excellence to provide the best possible service to customers, within the County Council's policies and priorities, with the capability and capacity to provide a consistent standard of service across Hampshire.
36. A directly managed service will enable the strategic development of the on-street parking regulation service to deliver wider transport policy and climate change outcomes and to align traffic enforcement with other highways enforcement functions.

37. Future enforcement activity may be prioritised using data drawn from multiple sources, including other highway activity. This will enable targeted enforcement in market towns and smaller villages and where seasonal parking contraventions cause problems. The enforcement resource is flexible with staff able to adapt to cover multiple areas or later evening enforcement when needed.
38. Whilst it is recognised that the district and borough councils have looked to reduce their service expenditure, the inefficiency of operating seven individual parking teams with duplication of the associated management, software, uniforms, vehicles and systems means that their scope for further savings will be difficult.
39. The economies and efficiencies from a single countywide service, delivered in partnership with the authority's Parking Service contractor NSL, will enable the service to be financially self-sufficient, including meeting the full costs of all associated functions and management overhead.
40. It is anticipated that a single countywide service will deliver IT efficiencies, with a single IT solution for things like residents parking permits. It will also ensure a consistent deployment of new technology for parking information, payment and enforcement across Hampshire.

Consultation and Equalities

41. It is considered that the proposal to end agency arrangements for civil parking enforcement and for traffic management would have a neutral impact on protected groups as existing service delivery would be unaffected. Any changes to traffic regulations are subject to the Traffic Order process and therefore formal consultation will be undertaken on a scheme specific basis.
42. Meetings were held with affected district and borough councils to discuss the withdrawal process as set out in the agency agreement documents and to identify issues requiring further dialogue over the notice period for ending the agency arrangements. Concerns raised included impact on efficiency, on staff, residents, and communities. These and other issues, together with the County Council's response, are set out in the appendix.

Climate Change Impact Assessments

43. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

Climate Change Adaptation

44. The climate change mitigation tool was not applicable to the proposed further dimming because this relates to a change in the service delivery model.

Proposals for new areas of pay-and-display on-street parking in affected district/borough council areas will be subject to individual assessments.

Climate Change Mitigation

45. The effective enforcement of parking and other traffic regulations is important in supporting strategic transport policy, including achieving transport-related climate change outcomes.

Conclusions

46. A fundamental requirement for the parking service is to ensure that it operates on a full cost recovery basis and action is required now to secure the most cost-effective service for the longer term and avoid drawing funding away from essential highways activity to meet the shortfall.
47. The new directly managed parking service is more efficient than the district delivery model and it is now appropriate to serve notice to end the agency arrangements for Traffic Management and for Civil Parking Enforcement.
48. Creating a single directly managed, on-street parking service will also enable the County Council to prepare for anticipated new moving traffic enforcement powers in accordance with County Council policy objectives.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

It is considered that the proposal to end agency arrangements for civil parking enforcement and for traffic management would have a neutral impact on protected groups as existing service delivery would be unaffected. Any changes to traffic regulations are subject to the Traffic Order process and therefore formal consultation will be undertaken on a scheme specific basis.

Should TUPE requirements arise from the withdrawal of the agreements, all appropriate HR and Legal processes will be followed, including engagement with affected staff.