

Angus Council Scrutiny & Audit Committee

Scrutiny Panel Review

Parking Charges

November 2019

INTRODUCTION

1. At its meeting on 20 November 2018, the Scrutiny & Audit Committee agreed to undertake a scrutiny review to examine the process that had been undertaken to reach the decision to introduce car parking charges (see para 18 below). The review covered processes in the period between agreeing the 2018/19 budget and implementing parking charges on 1 November 2018.
2. The members who participated in the scrutiny panel were:
 - Cllr Bill Duff (Chair)
 - Cllr Lynne Devine
 - Cllr Brian Boyd
 - Cllr Ian McLaren
 - Cllr Colin Brown
3. At the initial meeting of the panel, the members agreed the purpose and objectives for the review:
 1. Review the key processes undertaken in deciding to introduce parking charges
 2. Highlight good practice
 3. Identify key issues and learning points to inform future decision making
4. A series of meetings with officers and senior administration elected members took place between February and April 2019. A full list of interviewees is provided at Appendix 1.

BACKGROUND

5. During 2015, following a review by a Member Officer working group (MOG), the council agreed to develop Decriminalised Parking Enforcement (DPE). The business case submitted to Scottish Ministers allowed for any potential future introduction of parking charges, although, at that time, there were no proposals to introduce charges for either on-street or off-street parking. (Item 13 of the minute of the Policy & Resources Committee on 1 December 2015 refers.)
6. May 2017. The council formally received DPE powers on 3 May 2017 and parking enforcement officers formally commenced their duties from 22 May 2017.
7. September 2017. The council's Medium Term Budget Strategy (report 274/17) identified a budget shortfall of between £28.9m and £43.1m. The report noted the central role of the council's change programme in addressing the projected funding gap. At the same council meeting, report 278/17 set out proposals in relation to the next phase of the change programme. An appendix listed Change Initiative projects, including PL012 Income – Public Parking Review. The project was estimated to bring in net income of £300,000 in 2018/19 and a further £400,000 in 2019/20, equivalent to £700,000 in a full financial year. Members were advised that papers for all of the projects would be provided as part of the 2018/19 budget-setting reports to Council in February 2018.

8. October 2017. Report 349/17 to the Policy & Resources committee provided an update on DPE. The committee:
 - (i) agreed to note the update on DPE
 - (ii) agreed to note the matters that had arisen and further developments including exploring potential charging for parking
 - (iii) considered the potential to introduce resident parking permits and agreed to establish a Member Officer Group (MOG) to determine the details of such a scheme. (An amendment to remove this recommendation failed on a vote. The MOG was not set up subsequently.)
9. September 2017 to early 2018. Throughout this period, parking charges were part of the discussions in developing the 2018/19 budget strategy at PBSG meetings. PBSG meetings are confidential and details are not readily available to non-members.
10. February 2018. Report 59/18 was considered and approved at the 2018/19 budget-setting meeting. Schedule 3e of the Report provided details for the proposed implementation of car parking charges for both on-street and off-street parking. The report estimated the income from parking charges would be £300,000 in 2018/19, assuming a 1 October start date, and £700,000 in the first full year of operation. These estimates were provided by officers following their review of, and adjustments to, the potential forecast income for off and on-street parking charges calculated by the consultants engaged to provide external expertise to the council. The consultants provided detailed calculations for a range of tariffs and scenarios, and made various assumptions, including the car parks to be covered and occupancy rates for different time periods. For the tariff set out in R59/18 Schedule 3e, the forecast income was in excess of £1million, thereby satisfying the target income of £700,000 set out in R287/17, with a level of contingency. R59/18 Schedule 3e concluded "Subject to agreement by Members the programme will progress to implementation". Council agreed to the review of public parking in Angus, and potential to generate income through charging as set out in section 4 of the report. At the Members' request, at the Council meeting in February 2018, officers were asked to undertake consultation with the public and business community, and in all other respects the report was agreed. The requested consultation was undertaken and reported to council in June 2018 (report 193/18).
11. During 2018: Officers noted there were briefings for the administration and non-administration groups to discuss the proposals over the period before and after budget process and in the lead up to implementation. No record is kept of these meetings. Recollections of the panel members and those interviewed varied as to what meetings had taken place and what information was discussed. In particular, not everyone could recall whether or not they had seen the consultants' detailed estimates. One panel member stated that they were not involved in any briefings and therefore had no access to detail on the proposals.
12. June 2018. Report 193/18 to full council provided details of the outcome of the public consultation, together with proposals for how the charges would be implemented. Council:
 1. Noted the consultation responses regarding the implementation of parking charges

2. Agreed not to implement on-street charges at this time
3. Approved the details for off-street parking charges as set out in section 5.1 of report 193/18
4. Noted that a parking permit would be introduced for the off-street car parks and that blue badge holders would continue to park for free.

The off-street parking details set out in section 5.1 of the reports were:

1. Retain 30 minutes free parking on street and retain the existing enforcement
 2. Introduce off-street parking charges at £1 per hour, up to a maximum of £4 for 4 to 9 hours. Charges would not apply in the village car parks. The expected start date was 1 October 2019
 3. Charges to apply Monday to Saturday 8.30am to 5.30pm, excluding Christmas and New Year's Day
 4. Blue Badge holders remain free to park; and an annual / half annual permit would be available to any permitted vehicle at a cost equivalent to £1 per day based on 5 days per week per year.
 5. Payments to be cashless
 6. Retain existing short stay (up to 2 hours) car parks
13. Report 193/18 proposed that the parking meters be bought rather than, as had originally been proposed, leased. It proposed that the purchase and installation costs be funded from the capital budget, rather than, as had originally been proposed, from parking charge income. Borrowing costs would be charged back to the Car Park trading account. The report estimated that these proposals would mean that the income targets set out in report 59/18 (schedule 3e) would still be met, offsetting the loss of previously estimated income from on-street charging.
 14. Non-administration members put forward 2 amendments, including to obtain more financial information, during the Council debate on report 193/18. The proposed amendments were ruled not competent, with the reasons documented in the minutes of the meeting. Report 193/18 was thereafter agreed as recorded in the minute, with 10 of the members present recording their dissent.
 15. September 2018. The Communities Committee approved the making of the Angus Council (Off-Street Car Parks) (Decriminalised Enforcement) (Variation) (No. 2) Order 2018. An appendix to the committee report (R294/18) detailed the objections received when the Notice of Proposals was publicised.
 16. November 2018. Parking charges came into effect on 1 November 2018, with a charge of £1 per hour up to a maximum of £4. Charges were introduced in 33 off-street car parks in Arbroath, Brechin, Carnoustie, Forfar, Kirriemuir and Montrose. Annual and 6-monthly permits were also introduced, at a cost of £260 / £130. The arrangements for on-street parking were unchanged (free for up to 30 minutes).
 17. Following implementation in November 2018, there was opposition to the charges from some businesses and from the general public and usage of the car parks was below the 25% used in the calculation to determine the level of charges. There were active social media calls to boycott the car parks and a number of incidents of vandalism.

18. Report 376/18 to the Scrutiny & Audit Committee advised members that two petitions were submitted to the Council on 8 November 2018 in respect of car parking in Angus. Standing Order 14 sets out the process for accepting and responding to petitions. It states that petitions will only be accepted where the name and address has been provided, with all signatories required to be resident in Angus. The petitions submitted on 8 November did not meet those requirements, as signatories had indicated their location but not their address. Given the significant public and media interest in the matter, it was considered appropriate to follow the procedure as contained in Standing Order 14. The committee agreed in terms of Standing Order 14 to undertake a scrutiny review.
19. 2019. A number of changes were made after the parking charges had been introduced and after the decision by the Scrutiny & Audit Committee to undertake this review.
 1. Quarterly permits (£65) and monthly permits (£21.67) are now available, in addition to annual and six-monthly. (R13/19 to Communities Committee, January 2019 refers.)
 2. Time restrictions in short stay car parks increased from 2 hours to 4 hours. (R139/19 refers.) The report was originally submitted to Policy & Resources Committee on 30 April 2019 but was deferred for consideration at full council on 5 May 2019.
 3. Software on payment machines has been updated so that drivers no longer need to input their Vehicle Registration Mark (number plate details). (R139/19 refers.)
 4. Council agreed that off-street parking will be free on the last two Saturdays in November, each Saturday in December up to Christmas and Christmas Eve. (R139/19 to Council, June 2019, refers.)
 5. Following approval of report 13/19 in January 2019 (1. above), a Member Officer Working Group (MOG) was established to bring back options for additional customer choice for payment. The MOG met during spring 2019. Following a further consultation exercise, Council approved the installation of coin-operated meters, in addition to the card payment machines, at selected off-street car parks. (R213/19 to Council in June 2019 refers.)

SCRUTINY PANEL FINDINGS

20. In February 2019 the Scrutiny Panel spoke to senior officers who had been involved in the development and introduction of parking charges. Interviews with elected members took place during March and April. Appendix 1 lists the elected members and senior officers interviewed by the Scrutiny Panel.
21. The panel also obtained updated information from Finance officers, detailing costs and incomes associated with the enforcement service. This includes costs and income from car park parking charges during the period 1 November 2018 to 31 March 2019. (para 24)

22. Estimated income from car parking charges

The estimated income used in the 2018 budget proposal (R59/18) was based on calculations prepared by a further specific commissioning of the same external consultants who had prepared the financial case for the introduction of DPE which came into force in 2017. The off-street parking income estimates were based on 25% occupancy of the car parks and included a number of pricing structure options. Based on the proposed option of £1 per hour up to a maximum of £4, the estimated income from both on and off street parking was in excess of £700,000 in the first full year of operation. The consultants' estimated income seemed to be in line with income levels in Tayside Regional Council (TRC) days (pre 1996), allowing for the revised charging regime.

Committee reports compared the proposed parking charges with charges levied by other councils. There does not seem to have been any attempt to compare the estimated income from parking charges with levels of income achieved by other councils. The panel recognise that finding councils that are a good match for Angus is difficult.

One elected member said that some members had challenged the income projections and were assured by officers that they were realistic. Other members interviewed said that they relied on the advice and expertise of officers, but, at the time, they were satisfied that the estimates were reasonable. Reassurance was taken from the conservative predictions made by the consultants in previous DPE calculations.

23. Decision to drop charges for on-street parking

In June 2018, following the public consultation exercise requested in February 2018, Council agreed not to implement on-street charges. This decision was counter to the original proposals drafted by officers but was part of the implementation details set out in Report 193/18. After consideration of report 193/18, Council agreed the detailed proposals for the implementation of off-street parking charges (see para 12 above). The report estimated that the detailed proposals would mean that the income targets set out in report 59/18 would still be achieved from off-street parking charges only.

24. Car parking income in the first 5 months of operation

Reports 59/18 and 193/18 estimated that parking charges would bring in net income of £300,000 in the first year of operation, assuming a start date of 1 October 2018, and £700,000 in the first full year of operation.

Figures provided by Finance officers show actual net income of £111,488 for the 5 months from 1 November 2018 to 31 March 2019.

25. Which car parks would be subject to parking charges?

The original intention in January 2018 was that charges would apply in those car parks that had a Parking Order in place – i.e. charging would be on the same basis as in Tayside Regional Council days. Members reported that the administration pushed for small village car parks to be excluded.

Some of the members interviewed said they had queried the introduction of charges at smaller / non-central car parks within the towns, but on the advice of officers these were not removed. Officers suggested that not charging for smaller car parks would result in displacement from larger car parks to the smaller (free) ones.

26. Cashless payment only

Officers interviewed confirmed that initial discussions included a cash payment option. Elected members were subsequently advised that cashless payment would be in line with the council's move towards being cashless and would be in line with other services (e.g. garden waste). It also removed the costs associated with cash collection. The panel felt that the comparison of cashless payment for parking charges with payment for green bins was inappropriate. Members considered that when paying for green bins, customers were using their card in the safety of their own home and were paying a much larger amount than at the parking machine.

Some of the elected members interviewed by the panel said they had challenged the absence of a cash payment option but were persuaded by officers that only cashless payment should be available. One of the elected members interviewed recalled being told by officers that the issue of cash / cashless payments was an operational issue and that as such, it was not an elected member decision. It was suggested that more could be done to clarify how far councillors can go in raising concerns about operational changes, particularly any change that affects a lot of people or groups of people.

The public consultation in April/May 2018 made no mention of payment method.

Section 5 of report 193/18 set out the detailed proposals for the introduction of parking charges, which were approved by Council. In relation to cashless payments, the report states at para 5.1.4 "All payments will be cashless, that is by payment card, Chip & Pin; contactless, or by phone and app only. This is considered to provide the most efficient and cost effective means of charging."

One member of the panel recalled that they were not informed of the decision to go cashless until papers for the June 2018 Council meeting were circulated.

Neither report 193/18 nor report 59/18 provided any details of estimated costs for collection of cash. Discussions took place with the administration group about cashless only payment, but no formal records are kept of discussions at these meetings. Report 213/19 contains detailed option appraisal information, including estimated costs for cash collection. This was submitted to the full council meeting in June 2019, when the decision was taken to install additional coin-operated payment machines.

27. Residents permit or season tickets?

Some of the elected members interviewed said that the proposal for a permit covering all Angus Council car parks came from officers. Several said they were uncertain when the proposal changed from a residents' permit to a season ticket.

Officers noted that early discussions on residents' permits were linked with DPE powers for on-street parking in October 2017 prior to car parking charges

development. Officers recall that the residents' permit/season ticket was part of the development of the charging proposals.

Officers advised that the proposals for permits were discussed at meetings of the administration group. There is no formal record of discussions at these meetings.

The only mention of permits in report 193/18 noted permits in the same bullet point as blue badges and these may have been better as separate points.

CONCLUSIONS

28. The Panel conclusions are set out below. The conclusions are cross-referenced to the action plan (page 10), which has been agreed with appropriate members of the Council Leadership Team. The action plan will be monitored by the Scrutiny & Audit Committee.

The purpose and objectives for the review were:

1. Review the key processes undertaken in deciding to introduce parking charges
2. Highlight good practice
3. Identify key issues and learning points to inform future decision making

The key processes were:

- Approval of the Change Programme, through Committee and PBSG
- Briefings by officers
- Report 59/18;3(e), setting out the charges and the income, agreed by Council
- Public consultation and further briefings by officers and responding to members' queries. Consultation reported to Council in report 193/18.
- Approval of report 193/18 at Council
- Implementation on 1 November 2018

Once reports have been agreed by Council/Committee, it is the responsibility of officers to deliver the consequential actions.

29. There was limited option appraisal information in committee reports about the introduction of parking charges. Detailed costing estimates were prepared by external consultants. Committee reports provided a strategic oversight, rather than the detailed costing estimates prepared by the external consultants.

Information about the decision on whether the payment method should be cashless or not was not transparent. It is the panel's view that some key decisions as to what should be included in committee reports were taken in private meetings, such as PBSG and the administration group. Information about these discussions was not readily available to other elected members.

Non administration members attempted to obtain additional financial information when the details for the parking scheme were discussed at Council in June 2018. The non-administration proposed amendments to the detail of section 5.1 were ruled not competent in accordance with the process set out in Council's Standing Orders.

Rec 1: Committee reports should contain more detailed option appraisal information, to allow informed discussion and challenge by all elected members. Where decisions are taken outwith the committee cycle, a summary of the options considered and justification for those decisions, should be included in committee reports.

30. There is scope for more rigorous challenge by all elected members and this would be improved by better option appraisal detail in committee reports. A cross-party MOG could also have provided a means to allow a full examination of the issues and rigorous challenge between the February budget and the June report which presented the detail of the parking proposal.

Rec 2: There is scope for more rigorous challenge by all elected members. The inclusion of better option appraisal detail in committee reports (rec 1) would assist, but elected members should consider whether there is a need for additional support or training and when the use of MOGs would be most beneficial.

31. The decisions taken at Council and committee meetings are well documented. In accordance with current Standing Orders, minutes give little indication of the detail of any challenge from elected members. An example in relation to report 193/18 is discussed in paragraph 14. Standing Order 16(11)(i) states

“A motion or amendment ... which has been ruled by the Provost to be incompetent, shall not be put to the meeting nor shall it be recorded in the minute, unless the mover immediately gives notice to the Director of Legal and Democratic Services requesting that it be so recorded.”

Rec 3: At Council and committee meetings, any formal amendment that is ruled non competent can be minuted at the request of the mover. Members may wish to use this option in future debates. This would demonstrate to the public that their elected members are actively challenging reports and raising issues of concern.

32. Some of the details in the original implementation plan, agreed at the Council meeting in June 2018, have subsequently been revised (para 19). In particular, the decision to add a cash payment option was perhaps the most important change, and there is a lack of clarity regarding how and when this decision was reached. It is the view of the panel that the option of cash or cashless payment should have been included as part of the public consultation exercise in April/May 2018. At the time of writing this report, it is too early to tell whether the introduction of a cash payment option has resulted in any change of driver behaviour to paying parking charges.

Rec 4: Public consultation exercises should include consultation on all options / issues which are likely to impact significantly on the public.

33. The panel acknowledge that operational details are the preserve of officers. However, when big decisions are being made which will impact on residents, such as the decision that there would be no cash payment option for parking charges, councillors' knowledge of their communities needs to be taken into account.

Rec 5: There is scope for further discussion to clarify what is operational (officer preserve) and what is strategic (elected member preserve). Guidance should be developed to clarify the extent to which elected members can raise concerns about operational changes, particularly changes that are likely to affect large numbers of people.

34. In the first 5 months of operation, parking charges brought in net income of £111,488, compared with the officers' estimated figure of £300,000 for the first 6 month period, and the consultants' estimate which was higher still.
35. Post Implementation Reviews are not regularly carried out after projects have been completed. Although a number of changes were made to the details of the parking charges scheme following the approval of R193/18 in June 2018, there has been no formal officer post implementation review of the project to introduce parking charges. Regular post implementation reviews ensure that lessons are identified, both things well done and mistakes made. This information should inform future projects.

Rec 6: Post implementation reviews should be carried out regularly and the results shared across the council, to ensure that lessons identified (both things well done and mistakes made) can inform future projects.

ACTION PLAN

RECOMMENDATION	ACTION	LEAD OFFICER	WHEN
<p>1. Committee reports should contain more detailed option appraisal information, to allow informed discussion and challenge by all elected members. Where decisions are taken outwith the committee cycle, a summary of the options considered and justification for those decisions, should be included in committee reports.</p>	<p>Officers will review current practice in line with Audit Scotland’s Report “How councils work: an improvement series for councillors and officers - Options appraisal: are you getting it right?”</p>	<p>Directors</p>	<p>Immediate</p>
<p>2. There is scope for more rigorous challenge by all elected members. The inclusion of better option appraisal detail in committee reports (rec 1) would assist, but elected members should consider whether there is a need for additional support or training and when the use of MOGs would be most beneficial.</p>	<p>Elected members should consider these comments and discuss with officers where necessary.</p>	<p>All Elected Members</p>	<p>Immediate</p>
<p>3. At Council and committee meetings, any formal amendment that is ruled non competent can be minuted at the request of the mover. Members may wish to use this option in future debates. This would demonstrate to the public that their elected members are actively challenging reports and raising issues of concern.</p>	<p>Elected members should note the option to request at meetings that amendments ruled non competent are minuted.</p>	<p>All Elected Members</p>	<p>Immediate</p>

RECOMMENDATION	ACTION	LEAD OFFICER	WHEN
4. Public consultation exercises should include consultation on all options / issues which are likely to impact significantly on the public.	Consultation exercises will seek to included options that may have significant impact on the public to gain an understanding of potential responses and expectations of what may need to be managed	Directors	Immediate
5. There is scope for further discussion to clarify what is operational (officer preserve) and what is strategic (elected member preserve). Guidance should be developed to clarify the extent to which elected members can raise concerns about operational changes, particularly changes that are likely to affect large numbers of people.	A report outlining the key principle and recommendations of Audit Scotland's Report <i>"How councils work - Roles and working relationships in councils: are you still getting it right?"</i> and the previous report <i>"How councils work: an improvement series for councillors and officers - Roles and working relationships: are you getting it right?"</i> will be prepared for consideration by Council. This will include recommendations and address future training options.	Director of Legal and Democratic Services	For February 2020 meeting
6. Post implementation reviews should be carried out regularly and the results shared across the council, to ensure that lessons identified (both things well done and mistakes made) can inform future projects.	Officers undertake periodic reviews of operational aspects of the council's functions to seek continuous improvement and share transferable learning	Directors	On going

APPENDIX 1 - ELECTED MEMBERS AND OFFICERS INTERVIEWED BY THE PANEL

Cllr Fairweather

Cllr Fotheringham

Cllr Macmillan-Douglas

Cllr Myles

CllrSalmond

Cllr Speed

Ian Cochrane, Director of Infrastructure

Walter Scott, Service Leader Roads & Transportation

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