
1. AECOM Parking Consultancy to NI Councils – Executive Summary

Overview of study

Following the transfer of assets on 1st April 2015, the 11 Northern Ireland Councils took on full responsibility for the statutory functions of off-street car parking under the Road Traffic Regulation (NI) Order 1997 and the Traffic Management (NI) Order 2005.

The net income generated by the Department from off-street car parking was removed by Central Government from the budget transferred to Councils for the delivery of other Functions, e.g. Planning. Councils are therefore required to generate this income amount otherwise their off-street car parking operation will run at a deficit.

The functions for which Councils are responsible in relation to off-street car parking include the management and maintenance of over 330 car parks along with the regulation of their use including payment of parking fees, cash collection, cashless payments, enforcement activity and administration and debt collection.

To ensure continuity of service each of the eleven Councils agreed to enter into an agency agreement with the Department for Infrastructure (DfI) to deliver the full range of car parking services for which each of the eleven Councils paid pre-agreed fees. The current arrangement comprises the enforcement, cash collection, machine maintenance and clamping being carried out on behalf of the Department by their provider NSL (who also provide on-street parking services); with Penalty Charge Notice (PCN) processing carried out in-house by the Department.

AECOM was appointed by a consortium of the 11 Councils in May 2017 to carry out a review of the current off-street parking operation; to consult with each Council; to look at best practice in parking; and to examine options for future delivery.

AECOM has analysed the financial aspects of the service to understand the extent of costs that are currently paid to DfI as well as parking income. AECOM has considered a wide range of parking solutions with a view to understanding if there are opportunities to provide a more modern, innovative, data-rich and robust parking solution beyond October 2019, which is when the current arrangement is due to end (although it can also be renewed through to 2022).

AECOM has engaged with a number of parking solution providers as part of this study and most have provided indicative cost estimates for their services which have then been brought forward into calculations for the NI Councils' off-street car parks.

AECOM also engaged with a local Council in England that is part of a 'parking partnership' with seven adjacent district Councils. In this arrangement, the parking service is shared amongst the eight authorities with private sector delivery of most of the individual elements. There have been significant economies from utilising this arrangement and by having direct control over the service provider.

AECOM developed a short list of seven options for beyond October 2019. These have been assessed from a financial perspective and a qualitative commentary on the implications has been provided. This financial analysis has been completed assuming that the consortium of 11 Councils remains together and therefore avails of greater buying power and potential economies of scale.

Findings

From the consultation exercise with the Councils, AECOM found that:

- Councils are unhappy with the lack of meaningful performance indicators, information on successful debt collection and vehicle clamping. It was also felt that the PCN processing fee was high.
- Many areas of the existing service are considered to be good, including cash collection and the parking equipment itself. There appear to be mixed views on the cost of the current contract and the arrangements for PCNs.

- Councils want to see improvements to enforcement and using up to date parking technology, where possible. There was also a desire to see live parking information, less bureaucracy, more cashless payments and to be assured that the management system was value for money.
- Common themes that emerged from individual discussions included the need for parking to support town centres and tourism; to address local issues and inappropriate parking behaviour; the general poor condition of the legacy car parks and issues with the £1 for 3/5 hours tariff in some areas.

Through discussions with Dfl it became clear that the current arrangement with Councils takes up a somewhat disproportionate amount of Dfl staff time, although in terms of NSL's resources it is a small proportion overall.

Dfl also confirmed that any future arrangement with the Councils would have to assume the exact same service as is provided currently, with no changes to the costs charged. Dfl also requested that an indication of the Councils' intentions be given by the end of 2017.

From AECOM's financial analysis of the current arrangement it can be concluded that:

- For the financial year 2016/2017 Councils generated total revenue of approximately £8.53m from parking acts alone. The total net income from PCNs for all Councils during the FY16/17 was £1.36m.
- The total service costs for the 11 Councils during the FY16/17 totalled £1.98m. Average costs per Council are around £181k per year. The largest proportion of costs can be attributed to PCN processing charges (41%).
- The overall remainder from parking for all 11 Councils was £7.91m. However as part of Local Government Reform, other responsibilities such as planning were also transferred to Councils, and, as mentioned above, the income expected to be generated from off-street car parking was removed by Central Government from the budget transferred to Councils.
- The current proportion of cashless parking acts is generally low (between 2-9%), with only one Council showing a proportion significantly above this (31%).
- AECOM has also compared the effective revenues per space against the billed Traffic Attendant (TA) patrol hours. It would seem that there is a clearer relationship between increased revenues and increased billed patrol hours for some Councils than for others.. Exceptions would appear to be MEA, ABCBC, FODC, DCSDC and CCGBC who all seem to have paid for more patrol hours than their revenues would suggest is reasonable, when compared to some other Councils. As a result it is recommended that this is queried with Dfl.

From AECOM's financial analysis of the potential options it can be concluded that:-

- Overall, Dfl's provision and operation of car park management and the Pay and Display enforcement system offers value for money. It is considered to be reliable, of good quality and a safe system in terms of delivery and customer confidence together with the advantage of being part of a single enforcement system for on and off-street public sector car parking;
- By engaging with the private sector as part of this study, it is considered that some of the individual elements such as PCN processing could theoretically be delivered at a lower cost than the current arrangement. However, overall, private sector provision of a Pay and Display system may be more expensive given the uncertainties associated with debt collection and the additional staffing resources that may be required by Councils in relation to managing parking and debt collection;
- Any transfer to a private provider may incur transfer costs;
- Councils with Pay on Foot systems operated by Dfl may make considerable savings by changing their operating systems, but this requires further investigation by the parties involved;
- Some larger car parks with significant income from parking charges may benefit from conversion to Pay on Foot barrier systems which may also increase income if removed from the Agency Agreement and operated by Third Party providers. Such systems could potentially provide live parking data;
- For many of the car parks operated by Councils, Pay and Display systems are considered the most economically viable option at this time

Through regular and ongoing discussions amongst the Off-Street Parking Regional Group and with AECOM, it is concluded that:

1. If the £1 for 3/5 hours tariff, currently in place in eight out of 11 Council areas was removed, there could be uplifts in the use of cashless parking and also revenue by way of less payment avoidance and ticket transfer, although this has not been directly accounted for in the AECOM assessments.
2. Increasing the proportion of cashless revenue could save Councils money in terms of cash collection and also increase user confidence by making it easier to pay for the parking duration that they need. Councils should more actively market the cashless payment facility.
3. The main reason why car park users are able to successfully appeal a PCN is due to them subsequently producing a valid paid parking ticket. However there is anecdotal evidence that users are passing paid tickets to each other in order to aid appeal. Councils still have to pay the full PCN processing cost to DfI, even if the appeal is successful. This situation could be avoided by requiring users to enter their vehicle registration number for all parking acts. This is already done for cashless parking, however converting the existing Pay & Display machines to alphanumeric versions would also address this, although this has not been directly costed within the AECOM study.
4. The difference in TA patrol hours that were billed in FY16/17 to each of the Councils should be presented to DfI and an explanation provided as to the differences.
5. Key Performance Indicators need to be developed further in order to assist with the delivery of the arrangement going forward, and this is being progressed by a sub-group within the Regional Group.
6. Clamping should be discussed further with DfI in order to identify current issues and to potentially provide a more effective service for local Councils in the future.

The overall conclusions are that:-

1. Councils extend the existing Agency Agreement with the DfI for the period 1 November 2019 – 31 October 2022;
2. Councils retain the ability to remove and add additional car parks at any time;
3. Councils consider the removal of individual car parks from the Agency Agreement in cases where Pay on Foot is considered a more economically advantageous system. (There may be an opportunity for a number of Councils to work collaboratively to tender for provision of Pay on Foot systems);
4. Councils should continue to monitor new technologies with a view to encouraging greater use of these by DfI and identifying improvement opportunities, post 1st November 2022;
5. Through the Regional Off-Street Parking Group, Councils should seek to utilise the data analysis produced by AECOM as a means of improving and reviewing the service provided by DfI and to explore opportunities to support changes in legislation required to address some of the issues highlighted, e.g. current requirements for clamping. Areas also identified for improvement include more effective use of clamping to recover bad debt; the conversion of Pay and Display machines to alpha-numeric in order to reduce the potential of fraud through presenting a valid ticket from a Third Party as proof of payment; increasing cashless payments; reviewing and introducing KPIs in respect of TA deployment and performance; and
6. Those Councils operating a £1 for 3 or 5 hour parking tariff should review this.

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