

ITEM No ...11.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 28 JANUARY 2019

REPORT ON: PENALTY CHARGE NOTICES

REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 31-2019

1 PURPOSE OF REPORT

1.1 The purpose of the report is to provide further information on the financial implications of providing an extended discount period for Parking Penalty Charge Notices (PCN).

2 RECOMMENDATION

2.1 It is recommended that the Committee:

- a Note the potential financial implications of extending the discounted rate for Parking Penalty Charge Notices. If members are minded to support the proposal, provision would require to be met within the revenue budget for the additional costs involved in any revised policy.
- b Remit officers to continue the current regime for representations made against issued Parking Penalty Charge Notices.

3 FINANCIAL IMPLICATIONS

3.1 It is estimated that if the Council's existing policy were revised, this would result in additional costs of £41,344 per annum through loss of income and an increase in staff costs as detailed in para 4.5 of this report. Provision for this would require to be made in the Revenue budget 2019/20 onwards.

4 BACKGROUND

4.1 The City Development Committee at its meeting of 10 December 2018 considered a proposal by Bailie Macpherson to amend the Council's current policy to allow the Registered Keeper of a motor vehicle a further period of 14 days to pay the discounted rate of £30 in the event that their formal representation against a Penalty Charge Notice is unsuccessful. The Committee agreed to defer consideration of the matter to seek more information on the financial implications of the proposal.

4.2 There is no statutory requirement to extend the discount rate subsequent to either an informal challenge or refusal of formal representations - the parking authority has a discretion whether or not to offer this. The Council Parking Team currently take a reasonable approach for all informal and formal representations made against the issue of a Parking Penalty Charge Notice.

4.3 The Council currently has a sympathetic approach towards informal representations. Over 3,500 informal representations were received last year, and just over half of these were supported, resulting in the PCN being cancelled. Although not required by legislation, if an informal representation is rejected, a further 14 day period to pay at the discount rate is offered.

4.4 If a formal representation is received and rejected, there is no requirement to offer a further discounted rate period. However, where it is accepted that the keeper of the vehicle did not have the opportunity to pay at the discounted rate through no fault of their own e.g. someone

had maliciously removed the PCN from the vehicle and they were unaware that the it had been issued, a further 14 day period to pay at the discount rate is offered.

- 4.5 Any change to the current arrangements would have a detrimental effect on the revenue generated from Parking Penalty Charge Notices, and would increase the staff time spent in dealing with formal representations. The current approach is structured in a way to incentivise early settlement of PCNs, whilst avoiding pressurising motorists to settle in the event that they have legitimate grounds for an appeal. Numbers of appeals in financial year 2017/18 were as follows:

2017/2018	Received	Accepted	Rejected
Informal	3,506	1,859	1,647
Formal	1,322	878	444

Assuming that the impact of providing an extended discount period for formal appeals was that all rejected informal appeals went to the formal stage, this would result in the following additional costs to the Council, which would require to be provided for in the 2019/20 budget:

Cost	Assumption	How calculated	Amount
Increase in formal appeals	50% rejected informal appeals go to formal stage, eg increase from 1,322 to 2,145	823 additional formal appeals X average 1.5 hour staff time per formal appeal	£19,744
Reduction in fee income due to discounted rate being payable by rejected appeals	Assume that higher total of formal appeals retains same success rate e.g. 33% of all appeals fail (720) and are therefore eligible for the discounted rate	720 X £30 discount	£21,600
TOTAL			£41,344

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6 CONSULTATIONS

- 6.1 All members of the Council Management Team have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 None.

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