

Committee(s): Planning & Transportation	Dated: 03/10/2023
Subject: London Councils London Parking and Traffic Enforcement Penalty Charges Consultation	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,2,3,4,9,11,12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£N/A
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Interim Executive Director Environment	For Decision
Report author: Samantha Tharme Environment Department	

Summary

London Councils (LC) acting on behalf of all London Local Authorities is currently consulting on changes to the London Parking and Traffic Enforcement Penalty Charges for on-street parking.

We have the opportunity to respond to their consultation, which covers changes to the charges that are imposed in response to parking contraventions on street, bus lane and moving traffic offences, additional on-street parking fees, discounted rates and surcharges.

We recommend responding to the consultation stating that we agree that the penalty charge notice (PCN) for parking charges should increase to bring the Higher Level Penalty in line with the charge on the Transport for London Road Network (TLRN), i.e. an increase from £130 to £160.

By putting in place a more significant financial deterrent, the increase in the PCN amount would help the City of London Corporation combat dangerous and inconsiderate parking as well as moving traffic contraventions across the Square Mile.

The current lower level of PCN does not impose a sufficient financial deterrent and so there are currently motorists parking in the Square Mile and choosing to pay the £130 PCN (reduce to £65 if paid within 14 days), rather than paying the higher amount to legitimately park for the day.

The higher charge would help to deter non-compliance from motorists in the City, in turn reducing road danger, making better, more efficient use of the kerbside, improving air quality and reducing congestion.

The closing date for the consultation is 23 October 2023.

Recommendation(s)

Members of the Planning & Transportation Committee are asked to:

- Approve the proposed response to the consultation on proposed on changes to the London Parking and Traffic Enforcement Penalty Charges, set out in paragraph 29 a - h.

Main Report

Background

1. London Councils (LC) acting on behalf of all London Local Authorities is currently consulting on changes to the London Parking and Traffic Enforcement Penalty Charge Notices (hereafter PCNs). The consultation covers changes to the charges that are imposed in response to parking contraventions, bus lane and moving traffic offences, additional parking fees, discounted rates and surcharges.
2. London Councils' Transport and Environment Committee sets parking and traffic penalty charges on roads in London boroughs for:
 - breaking parking rules
 - breaking bus lane rules
 - breaking moving traffic rules such as:
 - driving the wrong way down a one-way street
 - turning left or right into a road that you are not allowed to turn into
 - stopping in a yellow box junction when you are not allowed to.
 - fees for clamping a vehicle
 - fees for removing a vehicle
 - fees for storing a vehicle in a vehicle pound
 - fees for scrapping a vehicle stored for too long
 - discount rate for early payment of a penalty charge
 - surcharge rate which is an extra payment for an unpaid penalty charge
3. Parking, bus lane and moving traffic penalty charges have not increased since 2011 and many penalty charge notices (PCNs) have not changed since 2007. The number of people getting penalty charges across London has increased by 50% since 2011. In the Square Mile, PCNs issued for on-street parking contraventions have increased but, due to increased compliance, we have seen a reduction in PCNs issued for moving traffic contraventions, particularly around Bank Junction.

4. London Councils, along with the City Corporation and other London boroughs are concerned that penalty charges are not sufficiently high to stop drivers breaking parking and traffic rules. Since 2010, penalty charges on borough roads have not increased in the same way as rising prices in the UK.
5. Transport for London (TfL) has the same responsibility as London boroughs for setting penalty charges on its own roads. In 2022, Transport for London increased parking, bus lane and moving traffic penalty charges on the roads they manage. TfL's penalty charges increased from £130 to £160.
6. One of the best ways to achieve the City Corporation's Transport Strategy goals is by getting more drivers to follow the parking and traffic rules, to reduce road danger, improve the environment for walking and wheeling and to reduce emissions for better air quality and less carbon.

Bands and Levels for Parking Charges

7. Since 2011, there have been two bands for penalty charges: Band A, and Band B, depending on the area of London where the parking rules are broken. There are also Higher Level and Lower Level penalty charges, depending on which type of parking rules are broken.
8. Band A penalty charges are higher and cover areas where there is more demand for parking. This includes the City of London. Band A penalty charges are £130 for Higher Level and £80 for Lower Level.
9. Band B penalty charges are lower and usually apply in outer London areas, where there is less demand for parking. Outer London boroughs increasingly issue Band A penalty charges, as Band B penalty charges did not sufficiently deter contraventions.
10. Higher and Lower Level penalty charges were introduced in 2007. Higher Level penalty charges are issued when a person parks:
 - somewhere they are not allowed, such as double and single yellow lines
 - in a parking bay that is only allowed for some vehicles or permit holders
11. Lower Level penalty charges are issued when a person parks:
 - where they are allowed to park but have not followed the rules.
 - for example, when drivers stay too long in a pay and display bay.

Additional Parking Fees

12. London boroughs can take additional action to clamp or remove vehicles that are breaking the parking rules. Clamping does not happen very often across London, and in the City of London we do not clamp vehicles, as this is not a cost-effective method to deter contraventions. Vehicles are only removed in the City if the vehicle is abandoned or is required to be relocated to facilitate an event in the Square Mile. Abandoned vehicle removal and storage are chargeable to the registered keeper.

13. Storage fees may have to be paid if vehicles are not collected from a vehicle pound after 24 hours.
14. A vehicle may be scrapped if it has not been collected after a long time.
15. The additional fees for parking have not changed.
 - The clamping fee is currently £70
 - The removal fee is currently £200
 - The daily storage fee is currently £40
 - The scrapping fee is currently £70
 - Drivers will also have to pay the penalty charge.

Bus lane and moving traffic contraventions

16. Currently, the penalty charge for breaking bus lane and moving traffic rules is £130.
17. This is the same as Band A Higher Level penalty charges for parking.
18. Bus lane and moving traffic penalty charges are set at this level because if drivers do not follow the rules:
 - it can be dangerous
 - it can affect traffic flow
 - it can affect air quality
19. Since 2022, bus lane and moving traffic penalty charges have been set at £160 on Transport for London roads.
20. A fifty per cent discount is offered in all charges if paid within fourteen or twenty-one days, depending on the contravention. The majority of charges are paid within this period.
21. A Charge Certificate is a legal notice issued by a London borough if you have not paid a penalty charge. This is called a surcharge and increases the penalty by 50%.
22. This report sets out the implications for the proposals in the context of the City's own Corporate priorities, Climate Action Strategy and Transport Strategy.
23. The immediate changes proposed are in line with our own corporate priorities. Reducing motor traffic contraventions in the Square Mile enables more effective and efficient use of limited street space, reduces transport related carbon emissions, improves air quality and reduces road danger.

Proposed changes to penalty charge notices

24. There has been no increase in 12 years and no real increase in compliance, with some companies factoring PCNs into their running costs which increases congestion, pollution and road danger.

25. Based on the City of London's emissions-based parking charging structure, whereby motorists are charged varying rates to park based on their vehicle type, it is currently cheaper to receive a PCN than to pay to park all day in an on-street parking bay in the City. Some motorists have worked this out and choose to pay a penalty charge each day as a method of payment, leading to reduced compliance and an increase in parking contraventions.
26. Furthermore, there is inconsistency in the application of penalty charge notices in the City and across all London boroughs. For example, if a motorist were to park on the red lines on Fenchurch Street, they would receive a £160 PCN from TfL. If the same motorist were to park on City Corporation double yellow lines in Fenchurch Street, they would receive a £130 PCN from the City Corporation. This disparity in charge is neither fair nor consistent, as the contravention represents the same obstruction on the same street.
27. The contract cost for removals for special events, e.g. Lord Mayor's Show, London Marathon, etc. is £250. The statutory cost paid by the motorist is £200 so the operation runs at a minor loss, although the deterrent effect of the removal does play an important role in preventing contraventions.

Consultation questions and proposed response

28. The consultation includes a number of questions relating to reviewing and harmonising the charge levels, bands and amounts for parking, bus lane and moving traffic offences, as well as additional fees, early payment discounts and surcharges.
29. The following questions are included in the consultation, and beneath each one is our suggested response:
 - a. Do you think London should only have one penalty band?
 - Yes, we are of the view that London should only have one penalty band, across inner and outer London. This would simplify the charging regime, allowing for one penalty regardless of the location of the offence, making it easier to understand for motorists. This is almost already the case as more and more outer London boroughs have increased their charges to Band A.
 - a) How would it affect you if there was only one penalty band across all of London?
 - It does not directly affect the City of London (which is covered entirely by Band A). However, as explained above, a single penalty band would make the rules more easy to understand for motorists, reducing confusion of those receiving higher PCNs in the City than in other parts of London.
 - b) Should the difference between Higher and Lower Level penalty charges be more than fifty pounds?
 - The difference between Higher and Lower-Level penalty charges should be maintained at £50, in order to avoid further changes and complexity in the PCN regime.

- c) To make sure people follow the parking rules, should the penalty charges:
- Stay the same
 - Increase in the same way as the rising prices in the UK
 - Increase in the same or similar way as TfL
 - Increase by a different amount
- We believe that the penalty charge notice for parking charges should increase to bring the Higher Level penalty in line with the charge on the Transport for London Road Network (TLRN), i.e. an increase from £130 to £160. It is important that there is a consistent level of parking charge between the TLRN and City of London Corporation streets, as the difference is often not recognised or understood by most motorists.
- The City of London is experiencing an increase in motorists who park in a payment bay without payment and deliberately receive and pay a PCN, as it is cheaper than paying to park all day, therefore we welcome the introduction of an increased PCN to deter those motorists. The City of London Corporation is also currently considering approaches to deal with this issue on an individual basis.
- d) How would it affect you if penalty charges for parking were to increase?
- The increase in the penalty charge notice amount would help the City Corporation combat dangerous and inconsiderate parking across the Square Mile, through a more significant financial deterrent. Currently, this does not exist as the PCN level is not sufficiently high, particularly for higher earning City workers or clients.
- e) What do you think about the current additional parking fees?
- The fees should stay the same
 - The fees should increase in the same way as the rising prices in the UK
 - The fees should be different amounts
- The City of London does not clamp vehicles and so does not have a view on the change to additional parking charges relating to clamping.
- For vehicle removals, we would welcome an increase in the charge from £200 to £250, to bring the charge in line with the current removal costs that are borne by the City Corporation, where at present a minor loss is being carried by the City.
- f) A bus lane penalty charge is £130. A moving traffic penalty charge is £130. Do you think they should be the same?
- We are of the view that the bus lane penalty charge and moving traffic penalty charge should be the same, and that they should also be increased from the current £130 to the higher figure of £160, in line with the suggested Higher Level parking charge.
- g) Do you think that the discount rate for early payment should stay at 50%?
- We believe that the discount rate should remain at 50%.

- h) Do you think that the Charge Certificate surcharge should stay at 50%?
 - o We believe that the Charge Certificate surcharge should remain at 50%.

Operational and Financial Implications

- 30. The continued non-compliance with parking restrictions due to the low levels of costs associated with receiving a PCN means that some companies factor in PCNs as part of their operating costs. The City has proactively met with several companies and trade organisations to try to reduce PCN levels and improve compliance, and increased charges would be a further incentive for change.
- 31. There are several locations in the Square Mile, most notably at Bank junction, where we enforce moving traffic contraventions to improve the safety of people walking and cycling, which has added benefits in reducing congestion and improving air quality. Increased charging levels for these contraventions should drive up compliance reducing the number of PCNs issued over time.
- 32. Considering on-street enforcement operations alone, i.e. officers on street issuing PCNs to vehicles, then the cost to administer elements of the service (e.g. removals) is not self-financing, with the shortfall being made up by the rest of the service on-street parking income.

Timescales

- 33. A decision will be made at London Councils Transport and Environment Committee (TEC) on 7 December 2023 on whether to increase PCN levels and associated charges (e.g. removals, storage, etc).
- 34. If the decision is made to increase the PCN level, then the Mayor of London and SoS will be informed. and could potentially veto within 6 weeks of decision. The Mayor of London is not anticipated to veto the decision, due to the potential to harmonise the levels of PCN with TfL's own road network. London Councils has asked the SoS each year, for the last five years whether they would veto a proposed increase and the answer has been 'yes'. In January 2022, the SoS allowed Transport for London (TfL) to increase their PCNs from £130 to £160, so there is reason to believe that the SoS will not object on this occasion.
- 35. If the increase is accepted then it is likely the increase would be applied from 1st April 2024 to allow for system, signage and stationery changes where needed.

Corporate & Strategic Implications

Strategic implications

- 36. Reducing parking and traffic contraventions in the Square Mile enables more effective and efficient use of limited street space, reduces transport related carbon emissions, improves air quality and reduces road danger. Traffic reduction supports delivery of Corporate Plan Outcome 9: We are digitally and

physically well-connected and responsive, and supports delivery of the Transport Strategy; Climate Action Strategy and the Air Quality Strategy.

Financial implications

37. If London Councils Transport and Environment Committee (TEC) decide to proceed with a change to PCN fees following this consultation period, the City Corporation will then assess financial implications as a result of the change. An increase in fines should result in a reduction in the number of infringements, and PCN revenue is used to fund the enforcement system. Any surplus is ring fenced for car park and public transport and highway improvements. This is reported annually to committee.

Resource implications

38. Other than the changes above, there are no staff resource implications to this change as the core systems and personnel required to deliver the service would not change, simply the PCN levels and other charges.

Legal implications

39. The Comptroller and City Solicitor provides the legal advice for London Councils and have already been consulted in relation to this consultation.

Risk implications

40. Reducing parking and traffic contraventions in the Square Mile helps mitigate Corporate Risks CR21 – Air Quality, CR30 – Climate Action, and Departmental risk ENV-CO-TR 001 – Road Safety.

Equalities implications

41. TfL undertook an EqlA on the proposed increase in penalty charges. The summary of the decision and equality considerations is listed as a background paper. Appendix B to that paper is the full EqlA. This identified positive and negative impacts on people with protected characteristics.

Climate implications

42. Reducing motor traffic supports delivery of the Climate Action Strategy by reducing carbon emissions and potentially enabling street space to be reallocated to walking, cycling and climate resilience measures.

Security implications

43. None

Conclusion

44. We agree that the penalty charge notice for parking and other traffic offences should increase to bring the Higher Level penalty in line with the charge on the Transport for London Road Network (TLRN), i.e. an increase from £130 to £160.
45. The increase in the penalty charge notice amount would help the City Corporation combat dangerous and inconsiderate parking across the Square Mile, through putting in place a more significant financial deterrent.
46. Subject to Committee approval we will submit a response to the consultation as outlined in Paragraph 29 a - h to London Councils.

Appendices

None

Background Papers

- London Councils London Parking and Traffic Enforcement Penalty Charges Consultation ([London Parking and Traffic Enforcement Penalty Charges Consultation | London Councils](#))
- Mayor of London, London Assembly: [MD2913 TfL Proposal to increase Penalty Charge Levels on the TLRN | London City Hall](#) including EqIA.

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