

Epping Forest District Council

SCOPING STUDY for DELIVERY
of
OFF STREET PARKING ENFORCEMENT

MAIN REPORT

November 2015

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Final Report

Prepared by:

RTA Associates Ltd.
Groesynyd House
1 Cwrt Y Groes
Tyn Y Groes
Conwy
LL32 8TZ

Tel: 01492 585055
www.rtaassociates.co.uk

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SCOPING STUDY for DELIVERY of OFF STREET PARKING ENFORCEMENT

1. INTRODUCTION

- 1.1. RTA Associates Ltd. has been commissioned by Epping Forest District Council (EFDC) to undertake a scoping study to determine the options available for the delivery of off street parking enforcement across the District on Council owned car parks under the Civil Parking Enforcement powers. RTA Associates provided the consultancy support in deriving the initial decriminalised parking enforcement business case, surveying and mapping the Traffic Regulation Orders and assisting in the procurement of the enforcement contractor for DPE.
- 1.2. This scoping study will help inform the most cost effective and efficient delivery of the service.
- 1.3. The study is to provide a business case for an in house provision of enforcement and administration for the off street parking services.
- 1.4. For clarity this report covers only off street council owned car parks and two Sainsbury's car parks managed by the Council.

2. THE BRIEF

The objectives of the scoping study are to:

- Provide an alternative business plan showing estimated costs of an in house service delivery of the off street parking functions under CPE.
- Provide guidance on whether EFDC are receiving value for money from the NEPP under the current arrangements.
- Undertake a soft market testing exercise to obtain financial details for the administration and the enforcement under CPE and for cash collection, counting and banking.
- EFDC recently installed 41 new pay and display machines across the 18 car parks and these are covered under a separate warranty with the supplier and as a consequence this report does not cover costs of machine maintenance.
- Under the current agreement NEPP provides the following services for an annual fee of £277,700 (2015/2016):-
 - a. Cash Collection
 - b. Back office Processing
 - c. Adjudication service levy
 - d. Season ticket scheme
 - e. Management and supervision
 - f. Off street car park technical staffing
 - g. Enforcement
 - h. Recharges within NEPP.

3. EXECUTIVE SUMMARY

- 3.1 The results of the soft market tests show that there are distinct financial advantages in taking the CPE and cash collection functions back in house.

- 3.2 The most financially economical way of providing the services is shown to be the engagement of Contractors in all aspects.
- 3.3 The current service provision does not give best value for money to EFDC.
- 3.4 The report recommends that EFDC consider withdrawal from the NEPP partnership arrangement for the provision of all the off street functions currently provided by NEPP to EFDC.

4. BACKGROUND

- 4.1. EFDC are currently part of the North Essex Parking Partnership (NEPP) and all current enforcement and administration services for Civil Parking Enforcement (CPE) are provided by the partnership. This is a partnership of 6 District Councils and Essex County Council led by Colchester Council. This includes all overheads and fixed costs including management, transport, accommodation, hardware, software and equipment needed to undertake the CPE functions. The breakdown of costs within the annual payments has been provided by NEPP and compared to within this report.
- 4.2. Additional services are also provided through NEPP for cash collection, counting and banking and pay and display machine maintenance.
- 4.3. EFDC pay an annual sum to the NEPP to provide the services for CPE and the additional services in the District.
- 4.4. The current service arrangement with NEPP is in a year on year deficit.
- 4.5. EFDC joined the partnership in 2012 when their existing contract with their external service supplier expired. EFDC has since concluded that a locally managed service provision gives more flexibility, is more in keeping with EFDC work practices and can focus on the main issues of delivery of the parking service.
- 4.6. If EFDC were to terminate their arrangement with NEPP they would have to give notice of such termination by 31st March 2016 for a transfer of services to be formalised by 1st April 2017.
- 4.7. The CPE business case compiled for this report covers as a minimum
 - Civil Parking Enforcement in the EFDC off street car parks and 2 Sainsbury's car parks.
 - Notice Processing covering the administration functions needed to manage the issue of Penalty Charge Notices.
 - The engagement of Enforcement Agencies (Bailiffs) and a measure of their expected income and expenditure to EFDC.
 - All the equipment necessary for the administration office and the on site operatives.
 - Accommodation provision.
 - Transport for the on site operatives functions.
 - Management of staff and the contracts where the option so requires..

The following functions have also been considered within this report.

- Cash collection, counting and banking
- Machine maintenance

- 4.8. Tendring District Council (TDC) situation already have a similar arrangement with NEPP to that being investigated within this report for EFDC for off street parking and also the informal enforcement of the School Keep Clear (SKC) markings on street.
- 4.9. TDC only enforce the SKCs using in house staff under a joint committee agreement with NEPP if NEPP are not able to respond to any issues raised. TDC are also enforcing drop kerbs on a reactive trial basis only if NEPP are not in the area. The PCNs issued on street go on to the NEPP software directly and NEPP keep the revenue.

5. DETAIL

- 5.1. The study primarily covers the provision of the enforcement and administration services for CPE and car park cash collection by utilising known relevant contacts in the industry.
- 5.2. NEPP provides the following services for an annual fee of £277,700 (2015/2016):-
- | | |
|---|----------|
| i. Cash Collection, (5,928 collections) | £50,950 |
| j. Back office Processing staff costs | £32,000 |
| k. Adjudication service levy | £4,400 |
| l. Season ticket scheme | £1,700 |
| m. Management and supervision | £6,500 |
| n. Off street car park technical staffing | £41,000 |
| o. Enforcement | £122,700 |
| p. Recharges within NEPP. | £18,450 |
- 5.3. The MiPermit transaction charge is covered by NEPP.
- 5.4. A base business case has been developed for the provision of an in house CPE service against which the market rates can be tested.
- 5.5. The income from PCNs has not been used to offset expenditure in any business case this report as it is incidental to the costs of the service provision.
- 5.6. A separate cost exercise has been compiled for the cash collection, counting and banking using £886,000 per year income and 3850 machine visits.
- 5.7. Pay and display machine maintenance and support costs are not included in this report as they are already covered by EFDC separate to the NEPP agreement.
- 5.8. Enforcement and transport costs. 6 suppliers were approached for responses. 2 priced responses were received from contractors. 1 contractor did not respond and 3 would not give a price. The 2 responses from main contractors are in enough detail for comparisons to an in house service provision to be made.
- 5.9. Administration. 8 suppliers were approached for responses. 7 priced responses were received. 2 from Local Authorities, 2 from CPE IT system software suppliers and 2 from CPE contractors. A good set of responses and they are in enough detail for comparisons to an in house service provision to be made.
- 5.10. Cash Collection: 12 suppliers were approached for responses. 4 priced responses were received. 2 from specialist cash carriers and 2 from CPE contractors. The details given are sufficient to build a business case for cash collection counting and banking to compare to the NEPP payments. It is to be

recognised that three of the costs quoted were of a very similar nature giving credence to the figures used in this report.

- 5.11. It is not possible to identify or state the names of the responders within this report due to confidentiality agreements and this can not be made public as the information is commercially sensitive.

6. OPTIONS

6.1. Options for service delivery have been analysed from the above responses and this report outlines the relative cost effectiveness of each approach.

6.2. The following options have been investigated to provide a uniform and consistent approach to parking enforcement and administration so that direct costs comparisons can be made.

Enforcement:-

- i) A fully in house service. (within the base model)
- ii) A service provided by a neighbouring authority under agreement (the authority to be outside of the NEPP agreement). After several attempts no local authority gave a response to pricing this element of the service so this has not been included.
- iii) Procure a specialist CPE enforcement contractor. Of the two responses received the lowest priced figures have been used as a variation on the base business case to show the direct impact of outsourcing this element of the service and keeping the administration in house. For the CEO and Senior CEO, the hourly costs are covered in the Contractors prices including uniforms, training, annual leave, sick leave etc but excluding on site hard ware such as hand held terminals and printers. The costs provided for transport are per month and are all inclusive rates. The Contractor would be responsible for covering absences and for providing the deployed hours required under the contract.
 - TUPE would apply in all cases where employees of NEPP jobs are under threat.
 - The number of deployed hours has been used as the comparison as this is the only constant in all business cases.
 - Enforcement over 6 days has been used for the deployed hours. It makes no difference to the business case if these hours are spread over 7 days. The financial predictions are on total deployed hours not days enforced.

Notice Processing:-

- i) A fully in house service with new IT system required. New stationery will also be necessary and workflow set up. (Within the base model)
- ii) A service provided by a neighbouring authority under agreement (the authority to be outside of the NEPP agreement, including IT). 2 Local Authority responses gave a levy per PCN entered on to the system. Both would process on behalf of EFDC off site with minimal input from EFDC. Service level agreements would be entered in to under a section 101 agreement where it is non profit making.
- iii) Procure a 3rd party service delivery. 2 IT system software suppliers and 1 main CPE contractor responded and all gave a levy per PCN.

The responses varied in terms of coverage of set up costs and service delivery.

- For the processing all costs except debt registration at TEC (currently £7 per debt) and the TPT charge of currently £0.70 per PCN issued would be covered by the service provider and if external would be based on a per PCN issued levy with a guaranteed minimum number of PCNs to be paid for irrespective of actual numbers issued.

The IT software required for the notice processing is included in the levy per PCN. There may be some set up costs associated with data migration and web link developments. 1 provider offered to waive all such costs and their levy was the second cheapest quoted. The cheapest levy would not quote on set up costs due to the time they said it would take to derive them for this exercise so they have been ignored for the purpose of this exercise. Should they eventually give a full response then the administration costs could be reduced further than shown in this report.

The IT software can be provided through several options and EFDC can

- a) buy the software system outright and pay support and maintenance costs in perpetuity.
 - b) lease the IT with licences, support and maintenance included in the lease
 - c) have a remotely hosted IT system and pay for the hosting and upgrades.
 - d) Have an off site processing service provider who covers all the above costs.
- Data migration would need to be priced up in all cases but it has been offered free of charge by 1 supplier.
 - There would be a DVLA sign up fee of £850 for all providers on top of the above costs.
 - There will be some internal IT configuration costs for all options.

Cash collection, counting and banking:-

- The current service is provided by NEPP within the funding EFDC pay annually to the partnership.
- The usual method of pricing for cash collection, counting and banking has been put to the market with a variety of options returned.
- The main pricing mechanism is to have a price per box emptied and additional rates per £100 or notes or coins counted and banked.
- Of the responses received, 2 gave an all inclusive rate per box based on 3850 visits per year, £886,000 income. One of these stipulated that EFDC would need to engage a local coin centre directly to allow cash collections to be deposited by the collection teams. The pay and display income from the 2 Sainsbury's car parks was unknown at the time of soft market testing, as extra to the £886,000 and the costs have been increased pro rata where extra prices for counting and banking have been given. The numbers of boxes to be emptied was already included in the figures.

- 2 responses gave a price per box and then additional costs for counting and banking. One was so expensive at more than three times the others it has not been considered further and the remaining submissions have all been converted to be an all inclusive rate for emptying a box for the purpose of ease of comparison in this report.

Additional information to the options on the three service deliveries required in this report described above:

- Enforcement agencies (Bailiffs) would need to be engaged but these would be on zero cost to EFDC and therefore do not change the business cases.
- Accommodation would be the responsibility of the 3rd party contractor for all externalised services. Internal EFDC costs have been assumed to be covered already with a nominal £5,000 per annum allowed.
- Management of both the internal and external options has been included in the business cases.
- The costs of procuring external service providers have not been covered as it is assumed this will be from central recharge or use of current staff.

7. ANALYSIS OF OPTIONS

The options have been assessed using the base business case and the results are tabulated below and discussed further.

Table 1

OPTION	ENFORCEMENT	ADMINISTRATION	CASH COLLECTION
Current	NEPP	NEPP	NEPP
BASE	In House at EFDC	In House at EFDC	Contractor
B1	External provider	In House at EFDC	Contractor
B2	In House at EFDC	External provider	Contractor
B3	External provider	External provider	Contractor

Table 2

Soft Market Testing Business Models.

Annual operational expenditure excluding set up costs at year 1.

OPTION	ENFORCEMENT	ADMINISTRATION	CASH COLLECTION	TOTAL
NEPP Current	£277,700	included	included	£277,700
BASE	£180,711	£39,429	£25,850	£245,992
B1	£109,094	£39,432	£25,850	£174,376
B2	£180,711	£28,939	£25,850	£235,500
B3	£109,094	£28,952	£25,850	£163,895

Table 3

Overall net cumulative costs over 5 years including set up costs.
All options other than NEPP include for 3% inflation.

OPTION	ENF	ADMIN	CASH COLLECTION	Set up costs	TOTAL Deficit
NEPP Current	£1,388,500	included	included	included	£1,388,500
BASE	£959,420	£209,333	£129,250	£82,002	£1,380,004
B1	£579,193	£209,351	£129,250	£67,053	£984,487
B2	£959,420	£153,641	£129,250	£71,203	£1,313,514
B3	£579,193	£153,709	£129,250	£56,255	£918,407

- 7.1. The current annual costs of the service to EFDC are in the region of £277,700 covering the above 3 elements of CPE enforcement and administration and cash collection. A breakdown of these costs is stated previously in this report.
- 7.2. The figures above do not include income from pay and display or PCNs to give a full cost model for the operation of the parking service provision.
- 7.3. Income from the 16 EFDC pay and display car parks is retained by EFDC.
- 7.4. Income from the 2 Sainsbury's pay and display car parks is retained by Sainsbury's.
- 7.5. PCN income from the 16 EFDC pay and display car parks and the two Sainsbury's car parks at Loughton and Ongar is retained by EFDC to go towards the cost of enforcement and cash collection, counting and banking.
- 7.6. PCN income from any of the on street operation is retained by NEPP.
- 7.7. Pay and display income in EFDC car parks is £886,000 per annum.
- 7.8. Pay and display income in Sainsbury's car parks is £341,000 per annum.
- 7.9. Using the August 2015 figures for PCN issue there will be on average 5200 PCNs issued. Allowing for a slight increase in car park usage in the summer period, the number of PCNs used in the business case is 5219.
- 7.10. Of the 2 responses received on the enforcement costs the lowest figures quoted have been used in the above business cases.
- 7.11. Of the 5 responses received on the administration costs the lowest figures quoted have been used in the above business cases.
- 7.12. On average there are 3850 machine visits per annum to remove cash for banking and this figure has been quoted on within the soft market testing.

8. CONCLUSIONS

- 8.1. The above comparisons show that there are distinct financial advantages in taking the CPE and cash collection functions back in house.
- 8.2. The most financially economical way of providing the services in house is shown to be the engagement of Contractors in all aspects.
- 8.3. The current service provision does not give best value for money to EFDC.

- 8.4. If the services are to be provided by EFDC internally then the overall 5 year costs is less than that of the NEPP service provision including set up costs by £8,500. Operationally, excluding set up costs, the EFDC model shows an annual average reduction in costs of £17,800 over the NEPP service even allowing for inflation.
- 8.5. Using the best rates obtained from the market and basing the CPE enforcement functions on the equivalent of 3 CEOS and 1 senior CEO providing 112.50 deployed hours per week, the enforcement costs over 5 years are £959,420 including transport for an EFDC provision and £579,193 using the same parameters for a contractor to provide the service.
- 8.6. Using the best rates obtained from the market and basing the CPE administration functions on 5218 PCNs the overall 5 year costs are estimated at £209,336 including all hardware and software for an EFDC provision and £153,641 using the same parameters for a contractor to provide the service.
- 8.7. In addition to the above costs the market test gave an annual figure of £25,850 for cash collection, counting and banking based on the 3850 estimated collections.
- 8.8. Set up costs vary depending on the option chosen and table 3 above gives the overall position after 5 years.
- 8.9. Table 2 shows the potential first year savings against the current NEPP service provision to be in the region of £107,000.
- 8.10. Making all the services external and taking all the worst case prices together the costs are still below that of the NEPP service by £30,700 per annum.

9. RECOMMENDATIONS.

- 9.1. The report recommends that EFDC consider withdrawal from the NEPP partnership arrangement for the provision of all the off street functions currently provided by NEPP to EFDC.
- 9.2. That EFDC consider the provision of the enforcement service by externalising the service.
- 9.3. That EFDC also go to the market to procure a notice processing service provider.
- 9.4. A further recommendation is that the cash collection, counting and banking service is put to the open market for competitive bids to be received.

End of Report

APPENDICES

- Appendix A: - B Base business case**
- Appendix B: - B1 business case**
- Appendix C: - B2 business case**
- Appendix D: - B3 business case.**

SUMMARY

TMA 2004 - FINANCIAL MODEL FOR IMPLEMENTATION OF OFF STREET ONLY

MODEL VERSION:	Base
MODEL DATE:	25-Nov-15

CLIENT: EPPING FOREST DISTRICT COUNCIL

VERSION: BASE MODEL

Off street enforcement and administration with In House service provision

MODEL OPTIONS SELECTED:

CEO TIME ALLOCATION:

If the CEOs have duties which reduce the effective time they will spend enforcing the parking regulations, this will be reflected by a proportional split being entered for the Other Duties (Enforcement Duties will adjust automatically).
 Actions: Enter required percentages under On-Street and/or Off-Street

Non-Parking Enforcement Duties		Parking Enforcement	
	Options:	Selected Option	Balance
On-Street	0 - 100%	0%	100%
Off-Street	0 - 100%	0%	100%

ON-STREET PAY & DISPLAY CHARGING:

The model has three possible options which can be selected as follows: -
 Current Select for no-change to the current status on implementation of CPE
 New P&D-1 Includes the income and expenses derived from schedule "P&D-1"
 New P&D- 1&2 Includes the income and expenses derived from schedule "P&D-1" and schedule "P&D-2".
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option	Option Number
Current	Current	1
New P&D-1	Refresh PCN Tables after Changing Selection	
New P&D-1&2		

OFF-STREET CAR PARK CHARGING

The model has three possible options which can be selected as follows: -
 Current Select for no change to tarrifs or transaction volumes
 Option 1 Considers revised tarrifs, transaction volumes and distributions of transaction by tarrif.
 Option 2 Considers same changes as Option 1 but for alternative tarrif structure.
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option
Current	Current
Option 1	
Option 2	

OFF-STREET CAR PARK TRANSACTION VOLUMES INCREASE

This is the estimated increase in transaction volumes experienced in Off-Street Car Parks post CPE.
 Apply percentage volume increase to "Current" Income
 Actions: Select the required option to apply or not apply the percentage change to "Current Income"; then Enter required percentage volume increase under "Selected Option"

Options:	Selected Option
Yes or No	Yes
0 - 100%	0%

OFF-STREET CAR PARK CHARGING IN FREE CAR PARKS

Selecting the "Yes" Option will include an estimated volume of transactions from Free Car Parks to be included in the calculation of "Off-Street Car Park Charging". It will also modify the Enforcement required now these Car Parks are charged for.
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option
Yes	No
No	

CURRENT VAT RATE

The model will use this rate for all calculations involving VAT e.g. Net income from parking tariffs or ECN Charges
 Actions: Enter current VAT rate under "VAT Rate"

Range	VAT Rate
0 - 100%	20.0%

SUMMARY

TMA 2004 - FINANCIAL MODEL FOR IMPLEMENTATION OF OFF STREET ONLY

MODEL VERSION:	Base
MODEL DATE:	25-Nov-15

CLIENT: EPPING FOREST DISTRICT COUNCILVERSION: BASE MODEL

Off street enforcement and administration with In House service provision

SUMMARY OF MARGINAL INCOME & EXPENDITURE

START-UP =	Enter 1 - 3 1 MONTHS	SCH REF	START-UP PERIOD (months)	START-UP CAPITAL	START-UP EXPENSES	FIRST 12 MTHS	SECOND 12 MTHS	THIRD 12 MTHS	FOURTH 12 MTHS	FIFTH 12 MTHS
<u>INCOME</u>	PCNs ISSUED				0	5,218	5,218	5,218	5,218	5,218
	PCN PAYMENTS	1			£0	£108,112	£132,278	£132,278	£132,278	£132,278
	CLAMP & REMOVAL PAYMENTS				£0	£0	£0	£0	£0	£0
	PERMIT PAYMENTS	2			£0	£0	£0	£0	£0	£0
	CAR PARK RECEIPTS	3			£0	£0	£0	£0	£0	£0
	ON STREET CHARGING	3			£0	£0	£0	£0	£0	£0
	NET C. COURT PROCEEDS	4			£0	£2,658	£10,633	£10,633	£10,633	£10,633
	TOTAL PAYMENTS				£0	£110,770	£142,911	£142,911	£142,911	£142,911
<u>EXPENSES:</u>				Annual Inflation rate:			3.0%	3.0%	3.0%	3.0%
	OPERATIONAL MANAGEMENT	5	1	£12,175	£3,047	£26,359	£27,149	£27,964	£28,803	£29,667
	ON-STREET ENFORCEMENT	6	1	£0	£0	£0	£0	£0	£0	£0
	OFF-STREET ENFORCEMENT	7	1	£18,508	£18,992	£154,352	£158,983	£163,752	£168,665	£173,725
	CLAMP & REMOVAL CONTROL		1	£0	£0	£0	£0	£0	£0	£0
	TICKET & PERMITS PROCESSING	8	1	£19,245	£10,036	£39,429	£40,612	£41,830	£43,085	£44,377
	PAY & DISPLAY	9	1	£0	£0	£0	£0	£0	£0	£0
	TOTAL EXPENSES			£49,928	£32,074	£220,140	£226,744	£233,546	£240,553	£247,769
ANNUAL NET SURPLUS OR (DEFICIT)				(£49,928)	(£32,074)	(£109,370)	(£83,833)	(£90,635)	(£97,642)	(£104,858)
CUMULATIVE NET SURPLUS OR (DEFICIT) EXCLUDING CAPITAL					(£32,074)	(£141,444)	(£225,277)	(£315,912)	(£413,554)	(£518,412)
CUMULATIVE NET SURPLUS OR (DEFICIT) INCLUDING CAPITAL					(£82,002)	(£191,372)	(£275,205)	(£365,840)	(£463,482)	(£568,340)
NPV INTEREST RATE	6%									
YEAR END NPVs (EXCLUDING CAPITAL)					(£135,253)	(£209,864)	(£285,963)	(£363,305)	(£441,661)	
NPV INTEREST RATE	6%									
YEAR END NPVs (INCLUDING CAPITAL)					(£185,181)	(£259,792)	(£335,891)	(£413,233)	(£491,589)	

Notes:-

- 1 NPV - Calculation assumes that the Start Up Cost is a negative cash flow at the start of year 1 and that each years cash flow thereafter is received at the end of the year.
- 2 SCH REF - Reference to the detailed working schedules attached.
- 3 Start up costs include capital costs, one-off costs incurred before commencement, and percentage of first year expenses calculated from number of months selected in Start-up Period.

SUMMARY

TMA 2004 - FINANCIAL MODEL OF IMPLEMENTATION OF OFF STREET ONLY

MODEL VERSION:	B1
MODEL DATE:	02-Nov-15

CLIENT: EPPING FOREST DISTRICT COUNCIL

VERSION: B1

Off street enforcement external and administration in House service provision

MODEL OPTIONS SELECTED:

CEO TIME ALLOCATION:

If the CEOs have duties which reduce the effective time they will spend enforcing the parking regulations, this will be reflected by a proportional split being entered for the Other Duties (Enforcement Duties will adjust automatically).
 Actions: Enter required percentages under On-Street and/or Off-Street

Non-Parking Enforcement Duties		Parking Enforcement	
	Options:	Selected Option	Balance
On-Street	0 - 100%	0%	100%
Off-Street	0 - 100%	0%	100%

ON-STREET PAY & DISPLAY CHARGING:

The model has three possible options which can be selected as follows: -
 Current Select for no-change to the current status on implementation of CPE
 New P&D-1 Includes the income and expenses derived from schedule "P&D-1"
 New P&D- 1&2 Includes the income and expenses derived from schedule "P&D-1" and schedule "P&D-2".
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option	Option Number
Current	Current	1
New P&D-1	Refresh PCN Tables after Changing Selection	
New P&D-1&2		

OFF-STREET CAR PARK CHARGING

The model has three possible options which can be selected as follows: -
 Current Select for no change to tarrifs or transaction volumes
 Option 1 Considers revised tarrifs, transaction volumes and distributions of transaction by tarrif.
 Option 2 Considers same changes as Option 1 but for alternative tarrif structure.
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option
Current	Current
Option 1	
Option 2	

OFF-STREET CAR PARK TRANSACTION VOLUMES INCREASE

This is the estimated increase in transaction volumes experienced in Off-Street Car Parks post CPE.
 Apply percentage volume increase to "Current" Income
 Actions: Select the required option to apply or not apply the percentage change to "Current Income"; then Enter required percentage volume increase under "Selected Option"

Options:	Selected Option
Yes or No	Yes
0 - 100%	0%

OFF-STREET CAR PARK CHARGING IN FREE CAR PARKS

Selecting the "Yes" Option will include an estimated volume of transactions from Free Car Parks to be included in the calculation of "Off-Street Car Park Charging". It will also modify the Enforcement required now these Car Parks are charged for.
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option
Yes	No
No	

CURRENT VAT RATE

The model will use this rate for all calculations involving VAT e.g. Net income from parking tariffs or ECN Charges
 Actions: Enter current VAT rate under "VAT Rate"

Range	VAT Rate
0 - 100%	20.0%

SUMMARY

TMA 2004 - FINANCIAL MODEL OF IMPLEMENTATION OF OFF STREET ONLY

MODEL VERSION:	B1
MODEL DATE:	02-Nov-15

CLIENT: EPPING FOREST DISTRICT COUNCILVERSION: B1

Off street enforcement external and administration in House service provision

SUMMARY OF MARGINAL INCOME & EXPENDITURE

START-UP =	Enter 1 - 3 1 MONTHS	SCH REF	START-UP PERIOD (months)	START-UP CAPITAL	START-UP EXPENSES	FIRST 12 MTHS	SECOND 12 MTHS	THIRD 12 MTHS	FOURTH 12 MTHS	FIFTH 12 MTHS
<u>INCOME</u>	PCNs ISSUED				0	5,222	5,222	5,222	5,222	5,222
	PCN PAYMENTS	1			£0	£108,193	£132,377	£132,377	£132,377	£132,377
	CLAMP & REMOVAL PAYMENTS				£0	£0	£0	£0	£0	£0
	PERMIT PAYMENTS	2			£0	£0	£0	£0	£0	£0
	CAR PARK RECEIPTS	3			£0	£0	£0	£0	£0	£0
	ON STREET CHARGING	3			£0	£0	£0	£0	£0	£0
	NET C. COURT PROCEEDS	4			£0	£2,660	£10,641	£10,641	£10,641	£10,641
	TOTAL PAYMENTS				£0	£110,853	£143,018	£143,018	£143,018	£143,018
<u>EXPENSES:</u>				Annual Inflation rate:		3.0%	3.0%	3.0%	3.0%	3.0%
	OPERATIONAL MANAGEMENT	5	1	£12,175	£3,047	£26,359	£27,149	£27,964	£28,803	£29,667
	ON-STREET ENFORCEMENT	6	1	£0	£0	£0	£0	£0	£0	£0
	OFF-STREET ENFORCEMENT	7	1	£14,156	£8,395	£82,735	£85,217	£87,774	£90,407	£93,119
	CLAMP & REMOVAL CONTROL		1	£0	£0	£0	£0	£0	£0	£0
	TICKET & PERMITS PROCESSING	8	1	£19,245	£10,036	£39,432	£40,615	£41,834	£43,089	£44,381
	PAY & DISPLAY	9	1	£0	£0	£0	£0	£0	£0	£0
	TOTAL EXPENSES			£45,576	£21,477	£148,526	£152,982	£157,571	£162,298	£167,167
ANNUAL NET SURPLUS OR (DEFICIT)				(£45,576)	(£21,477)	(£37,673)	(£9,964)	(£14,553)	(£19,280)	(£24,149)
CUMULATIVE NET SURPLUS OR (DEFICIT) EXCLUDING CAPITAL					(£21,477)	(£59,150)	(£69,114)	(£83,667)	(£102,948)	(£127,097)
CUMULATIVE NET SURPLUS OR (DEFICIT) INCLUDING CAPITAL					(£67,053)	(£104,726)	(£114,690)	(£129,243)	(£148,524)	(£172,673)
NPV INTEREST RATE	6%									
YEAR END NPVs (EXCLUDING CAPITAL)					(£57,018)	(£65,885)	(£78,105)	(£93,377)	(£111,422)	
NPV INTEREST RATE	6%									
YEAR END NPVs (INCLUDING CAPITAL)					(£102,594)	(£111,461)	(£123,681)	(£138,953)	(£156,998)	

Notes:-

- 1 NPV - Calculation assumes that the Start Up Cost is a negative cash flow at the start of year 1 and that each years cash flow thereafter is received at the end of the year.
- 2 SCH REF - Reference to the detailed working schedules attached.
- 3 Start up costs include capital costs, one-off costs incurred before commencement, and percentage of first year expenses calculated from number of months selected in Start-up Period.

SUMMARY

TMA 2004 - FINANCIAL MODEL OF IMPLEMENTATION OF OFF STREET ONLY

MODEL VERSION:	B2
MODEL DATE:	02-Nov-15

CLIENT: EPPING FOREST DISTRICT COUNCIL

VERSION: B2

Off street enforcement In House with External administration service provision

MODEL OPTIONS SELECTED:

CEO TIME ALLOCATION:

If the CEOs have duties which reduce the effective time they will spend enforcing the parking regulations, this will be reflected by a proportional split being entered for the Other Duties (Enforcement Duties will adjust automatically).
 Actions: Enter required percentages under On-Street and/or Off-Street

Non-Parking Enforcement Duties		Parking Enforcement	
	Options:	Selected Option	Balance
On-Street	0 - 100%	0%	100%
Off-Street	0 - 100%	0%	100%

ON-STREET PAY & DISPLAY CHARGING:

The model has three possible options which can be selected as follows: -
 Current Select for no-change to the current status on implementation of CPE
 New P&D-1 Includes the income and expenses derived from schedule "P&D-1"
 New P&D- 1&2 Includes the income and expenses derived from schedule "P&D-1" and schedule "P&D-2".
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option	Option Number
Current	Current	1
New P&D-1	Refresh PCN Tables after Changing Selection	
New P&D-1&2		

OFF-STREET CAR PARK CHARGING

The model has three possible options which can be selected as follows: -
 Current Select for no change to tarrifs or transaction volumes
 Option 1 Considers revised tarrifs, transaction volumes and distributions of transaction by tarrif.
 Option 2 Considers same changes as Option 1 but for alternative tarrif structure.
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option
Current	Current
Option 1	
Option 2	

OFF-STREET CAR PARK TRANSACTION VOLUMES INCREASE

This is the estimated increase in transaction volumes experienced in Off-Street Car Parks post CPE.
 Apply percentage volume increase to "Current" Income
 Actions: Select the required option to apply or not apply the percentage change to "Current Income"; then Enter required percentage volume increase under "Selected Option"

Options:	Selected Option
Yes or No	Yes
0 - 100%	0%

OFF-STREET CAR PARK CHARGING IN FREE CAR PARKS

Selecting the "Yes" Option will include an estimated volume of transactions from Free Car Parks to be included in the calculation of "Off-Street Car Park Charging". It will also modify the Enforcement required now these Car Parks are charged for.
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option
Yes	No
No	

CURRENT VAT RATE

The model will use this rate for all calculations involving VAT e.g. Net income from parking tariffs or ECN Charges
 Actions: Enter current VAT rate under "VAT Rate"

Range	VAT Rate
0 - 100%	20.0%

SUMMARY

TMA 2004 - FINANCIAL MODEL OF IMPLEMENTATION OF OFF STREET ONLY

MODEL VERSION:	B2
MODEL DATE:	02-Nov-15

CLIENT: EPPING FOREST DISTRICT COUNCILVERSION: B2

Off street enforcement In House with External administration service provision

SUMMARY OF MARGINAL INCOME & EXPENDITURE

START-UP =	Enter 1 - 3 1 MONTHS	SCH REF	START-UP PERIOD (months)	START-UP CAPITAL	START-UP EXPENSES	FIRST 12 MTHS	SECOND 12 MTHS	THIRD 12 MTHS	FOURTH 12 MTHS	FIFTH 12 MTHS
<u>INCOME</u>	PCNs ISSUED				0	5,218	5,218	5,218	5,218	5,218
	PCN PAYMENTS	1			£0	£108,112	£132,278	£132,278	£132,278	£132,278
	CLAMP & REMOVAL PAYMENTS				£0	£0	£0	£0	£0	£0
	PERMIT PAYMENTS	2			£0	£0	£0	£0	£0	£0
	CAR PARK RECEIPTS	3			£0	£0	£0	£0	£0	£0
	ON STREET CHARGING	3			£0	£0	£0	£0	£0	£0
	NET C. COURT PROCEEDS	4			£0	£2,658	£10,633	£10,633	£10,633	£10,633
	TOTAL PAYMENTS				£0	£110,770	£142,911	£142,911	£142,911	£142,911
<u>EXPENSES:</u>				Annual Inflation rate:			3.0%	3.0%	3.0%	3.0%
	OPERATIONAL MANAGEMENT	5	1	£12,175	£3,047	£26,359	£27,149	£27,964	£28,803	£29,667
	ON-STREET ENFORCEMENT	6	1	£0	£0	£0	£0	£0	£0	£0
	OFF-STREET ENFORCEMENT	7	1	£18,508	£18,992	£154,352	£158,983	£163,752	£168,665	£173,725
	CLAMP & REMOVAL CONTROL		1	£0	£0	£0	£0	£0	£0	£0
	TICKET & PERMITS PROCESSING	8	1	£5,350	£13,132	£28,939	£29,807	£30,701	£31,622	£32,571
	PAY & DISPLAY	9	1	£0	£0	£0	£0	£0	£0	£0
	TOTAL EXPENSES			£36,033	£35,170	£209,650	£215,940	£222,418	£229,090	£235,963
ANNUAL NET SURPLUS OR (DEFICIT)				(£36,033)	(£35,170)	(£98,880)	(£73,029)	(£79,507)	(£86,179)	(£93,052)
CUMULATIVE NET SURPLUS OR (DEFICIT) EXCLUDING CAPITAL					(£35,170)	(£134,050)	(£207,079)	(£286,585)	(£372,765)	(£465,817)
CUMULATIVE NET SURPLUS OR (DEFICIT) INCLUDING CAPITAL					(£71,203)	(£170,083)	(£243,112)	(£322,618)	(£408,798)	(£501,850)
NPV INTEREST RATE	6%					(£128,453)	(£193,448)	(£260,204)	(£328,466)	(£398,000)
YEAR END NPVs (EXCLUDING CAPITAL)						(£164,486)	(£229,481)	(£296,237)	(£364,499)	(£434,033)
NPV INTEREST RATE	6%									
YEAR END NPVs (INCLUDING CAPITAL)										

Notes:-

- 1 NPV - Calculation assumes that the Start Up Cost is a negative cash flow at the start of year 1 and that each years cash flow thereafter is received at the end of the year.
- 2 SCH REF - Reference to the detailed working schedules attached.
- 3 Start up costs include capital costs, one-off costs incurred before commencement, and percentage of first year expenses calculated from number of months selected in Start-up Period.

SUMMARY

TMA 2004 - FINANCIAL MODEL OF IMPLEMENTATION OF OFF STREET ONLY

MODEL VERSION:	B3
MODEL DATE:	25-Nov-15

CLIENT: EPPING FOREST DISTRICT COUNCIL

VERSION: B3

Off street enforcement external and administration all external service provision

MODEL OPTIONS SELECTED:

CEO TIME ALLOCATION:

If the CEOs have duties which reduce the effective time they will spend enforcing the parking regulations, this will be reflected by a proportional split being entered for the Other Duties (Enforcement Duties will adjust automatically).
 Actions: Enter required percentages under On-Street and/or Off-Street

Non-Parking Enforcement Duties		Parking Enforcement	
	Options:	Selected Option	Balance
On-Street	0 - 100%	0%	100%
Off-Street	0 - 100%	0%	100%

ON-STREET PAY & DISPLAY CHARGING:

The model has three possible options which can be selected as follows: -
 Current Select for no-change to the current status on implementation of CPE
 New P&D-1 Includes the income and expenses derived from schedule "P&D-1"
 New P&D- 1&2 Includes the income and expenses derived from schedule "P&D-1" and schedule "P&D-2".
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option	Option Number
Current	Current	1
New P&D-1	Refresh PCN Tables after Changing Selection	
New P&D-1&2		

OFF-STREET CAR PARK CHARGING

The model has three possible options which can be selected as follows: -
 Current Select for no change to tarrifs or transaction volumes
 Option 1 Considers revised tarrifs, transaction volumes and distributions of transaction by tarrif.
 Option 2 Considers same changes as Option 1 but for alternative tarrif structure.
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option
Current	Current
Option 1	
Option 2	

OFF-STREET CAR PARK TRANSACTION VOLUMES INCREASE

This is the estimated increase in transaction volumes experienced in Off-Street Car Parks post CPE.
 Apply percentage volume increase to "Current" Income
 Actions: Select the required option to apply or not apply the percentage change to "Current Income"; then Enter required percentage volume increase under "Selected Option"

Options:	Selected Option
Yes or No	Yes
0 - 100%	0%

OFF-STREET CAR PARK CHARGING IN FREE CAR PARKS

Selecting the "Yes" Option will include an estimated volume of transactions from Free Car Parks to be included in the calculation of "Off-Street Car Park Charging". It will also modify the Enforcement required now these Car Parks are charged for.
 Actions: Select one "Option" and copy over "Selected Option" to revise model

Options:	Selected Option
Yes	No
No	

CURRENT VAT RATE

The model will use this rate for all calculations involving VAT e.g. Net income from parking tariffs or ECN Charges
 Actions: Enter current VAT rate under "VAT Rate"

Range	VAT Rate
0 - 100%	20.0%

SUMMARY

TMA 2004 - FINANCIAL MODEL OF IMPLEMENTATION OF OFF STREET ONLY

MODEL VERSION:	B3
MODEL DATE:	25-Nov-15

CLIENT: EPPING FOREST DISTRICT COUNCILVERSION: **B3**

Off street enforcement external and administration all external service provision

SUMMARY OF MARGINAL INCOME & EXPENDITURE

START-UP =	Enter 1 - 3 1 MONTHS	SCH REF	START-UP PERIOD (months)	START-UP CAPITAL	START-UP EXPENSES	FIRST 12 MTHS	SECOND 12 MTHS	THIRD 12 MTHS	FOURTH 12 MTHS	FIFTH 12 MTHS
<u>INCOME</u>	PCNs ISSUED				0	5,221	5,221	5,221	5,221	5,221
	PCN PAYMENTS	1			£0	£108,172	£132,352	£132,352	£132,352	£132,352
	CLAMP & REMOVAL PAYMENTS				£0	£0	£0	£0	£0	£0
	PERMIT PAYMENTS	2			£0	£0	£0	£0	£0	£0
	CAR PARK RECEIPTS	3			£0	£0	£0	£0	£0	£0
	ON STREET CHARGING	3			£0	£0	£0	£0	£0	£0
	NET C. COURT PROCEEDS	4			£0	£2,660	£10,639	£10,639	£10,639	£10,639
	TOTAL PAYMENTS				£0	£110,832	£142,990	£142,990	£142,990	£142,990
<u>EXPENSES:</u>				Annual Inflation rate:			3.0%	3.0%	3.0%	3.0%
	OPERATIONAL MANAGEMENT	5	1	£12,175	£3,047	£26,359	£27,149	£27,964	£28,803	£29,667
	ON-STREET ENFORCEMENT	6	1	£0	£0	£0	£0	£0	£0	£0
	OFF-STREET ENFORCEMENT	7	1	£14,156	£8,395	£82,735	£85,217	£87,774	£90,407	£93,119
	CLAMP & REMOVAL CONTROL		1	£0	£0	£0	£0	£0	£0	£0
	TICKET & PERMITS PROCESSING	8	1	£5,350	£13,133	£28,952	£29,820	£30,715	£31,636	£32,585
	PAY & DISPLAY	9	1	£0	£0	£0	£0	£0	£0	£0
	TOTAL EXPENSES			£31,681	£24,574	£138,045	£142,187	£146,452	£150,846	£155,371
ANNUAL NET SURPLUS OR (DEFICIT)				(£31,681)	(£24,574)	(£27,214)	£804	(£3,462)	(£7,856)	(£12,381)
CUMULATIVE NET SURPLUS OR (DEFICIT) EXCLUDING CAPITAL					(£24,574)	(£51,787)	(£50,984)	(£54,446)	(£62,301)	(£74,682)
CUMULATIVE NET SURPLUS OR (DEFICIT) INCLUDING CAPITAL					(£56,255)	(£83,468)	(£82,665)	(£86,127)	(£93,982)	(£106,363)
NPV INTEREST RATE	6%									
YEAR END NPVs (EXCLUDING CAPITAL)					(£50,247)	(£49,532)	(£52,438)	(£58,661)	(£67,913)	
NPV INTEREST RATE	6%									
YEAR END NPVs (INCLUDING CAPITAL)					(£81,928)	(£81,213)	(£84,119)	(£90,342)	(£99,594)	

Notes:-

- 1 NPV - Calculation assumes that the Start Up Cost is a negative cash flow at the start of year 1 and that each years cash flow thereafter is received at the end of the year.
- 2 SCH REF - Reference to the detailed working schedules attached.
- 3 Start up costs include capital costs, one-off costs incurred before commencement, and percentage of first year expenses calculated from number of months selected in Start-up Period.