

Title: Private Parking Code of Practice Impact Assessment IA No: RPC Reference No: Lead department or agency: Department for Levelling Up, Housing and Communities	Impact Assessment (IA)
	Date: 14/07/2023
	Stage: Consultation
	Source of intervention: Domestic
	Type of measure: Regulatory
Contact for enquiries: parking@levellingup.gov.uk	
Summary: Intervention and Options	RPC Opinion:

Cost of Preferred (or more likely) Option (in 2019 prices)			
Total Net Present Social Value	Business Net Present Value	Net cost to business per year	Business Impact Target Status Qualifying provision
N/A	N/A	N/A	N/A

What is the problem under consideration? Why is government action or intervention necessary?

Since 2012, there has been a significant increase in the number of parking charges issued by private parking operators, measured by the number of requests for vehicle keeper details from the Driver and Vehicle Licensing Agency (DVLA), which can be taken as a proxy for the number of charges issued. Linked to this, there are concerns from consumer groups, MPs, and the public highlighting a range of poor practices and behaviours within the sector that the current system of self-regulation has not adequately dealt with. This has created additional costs and stress for drivers and registered vehicle keepers that are often not justified. Given the current system of self-regulation does not appear to be working in addressing these issues, it is necessary to introduce a new Code of Practice to ensure that the system is fair for drivers and registered vehicle keepers. This is also considered justified on equity grounds where unfair outcomes impact certain (for example, more vulnerable) groups disproportionately.

What are the policy objectives of the action or intervention and the intended effects?

The intervention will comply with a statutory obligation set out in the Parking (Code of Practice) Act 2019 to lay a Code of Practice for private parking. The intervention is intended to create consistency across the private parking system; ensure fairness for drivers, registered vehicle keepers and landowners; and increase transparency in the way the private parking industry operates. Overall, this is expected to result in a reduction or reduced growth compared to the counterfactual in the number of parking charges issued, and a reduction in the proportion of parking charges issued that are unfair (i.e., those which are issued as a result of poor behaviour or unclear expectations from parking operators).

What policy Options have been considered, including any alternatives to regulation? Please justify preferred Option (further details in Evidence Base)

Whilst a range of potential interventions have been considered (including both regulatory and non-regulatory), given there is a statutory obligation to create a new single Code of Practice for private parking, this impact assessment (IA) has considered a regulatory response necessary. It does not consider options for elements of the Code where decisions were not challenged by way of Judicial Review, but does consider five options relating to the decisions that were challenged, namely parking charge levels and debt recovery fees. These options are:

1. Retain the current industry parking charge level of £100, 40% discount rate for early payment, and £70 cap on debt recovery fees.
2. Set parking charge levels at £50/£70 for England and Wales (outside London), £80/£130 inside London, and £80/£100 for Scotland, with some exceptions, and increase discount rate to 50%. Lower the cap on debt recovery fees to 30% of parking charge levels.
3. Set parking charge levels at £50/£70 for England and Wales (outside London), £80/£130 inside London, and £80/£100 for Scotland, with some exceptions, and increase discount rate to 50%. Ban debt recovery fees.
4. Set parking charge levels at £70/£100 and retain the current industry 40% discount rate. Lower the cap on debt recovery fees to 30% of parking charge levels.
5. Set parking charge levels at £70/£100 and retain the current industry 40% discount rate. Ban debt recovery fees.

Is this measure likely to impact on international trade and investment?	No
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Are any of these organisations in scope?	Micro: Yes	Small: Yes	Medium: Yes	Large: No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded: N/A		Non-traded: N/A	
Will the policy be reviewed? It will be reviewed. If applicable, set review date: Two years from full implementation of the Code of Practice				

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading Options.

Signed by the responsible:

Michael Cove

Date:

14.07.23

DRAFT

Summary: Analysis & Evidence

Policy option 1

Description: Retain industry's current £100 parking charge level, discount rate of 40%, and £70 cap on debt recovery fees.

FULL ECONOMIC ASSESSMENT

Price Base Year: 2024	PV Base Year: 2024	Time Period Years: 2024-2033	Net Benefit (Present Value (PV) (£m))		
			Low: -28	High: -58	Best Estimate: -38

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	17	2024-2033	1	28
High	48		1	58
Best Estimate	27		1	38

Description and scale of key monetised costs by 'main affected groups'

The key monetised costs for business include: The cost of producing and installing new signage (£20m); running soft trace checks (£1m); familiarisation with the code (£5m); and the cost of certification (£5m). These are a mix of costs incurred during and after the Code is implemented. The key monetised costs for Government are around £2.5m and include the costs of setting up and running the Single Appeals Service, Monitoring and Evaluation framework, Scrutiny and Oversight Board and certification scheme. This option excludes changing parking charge level and debt recovery fees in the Social Net Present Value Analysis as an economic transfer.

Other key non-monetised costs by 'main affected groups'

The key non-monetised costs include: potential increases in County Court Judgements; maintaining newly installed signage; renegotiating contracts with landowners in light of the Code; self-ticketing; decreased deterrence levels; and potentially increased contraventions of private land parking terms and conditions.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant	Total Benefit (Present Value)
Low	-		-	-
High	-		-	-
Best Estimate	-		-	-

Description and scale of key monetised benefits by 'main affected groups'

This IA does not monetise any benefits, since to do so is either disproportionate and/or relies on speculative behavioural assumptions for which there is little evidence. It has therefore been decided to present these benefits in qualitative terms.

Other key non-monetised benefits by 'main affected groups'

The key non-monetised benefits are to consumers, namely improving the experience of drivers and registered vehicle keepers, fairer conditions, reduced costs/stress associated with receiving and dealing with a parking charge, a more transparent appeals service and improved consumer satisfaction. There are likely to be disproportionate benefits to vulnerable consumers reliant on access to services via driving. There will also be wider indirect or second-order benefits on local businesses and local economies surrounding car parks.

Key assumptions/sensitivities/risks (%)	Discount rate	3.5%
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Several assumptions have been made in the modelling supporting the IA. Key assumptions are on: The number of parking charges issued over time, the proportioning of parking charges throughout the process, the number of private car parks and operators in the UK, as well as assumptions on FTE requirements, wages and costs. However, the primary driver of uncertainty within the modelling is the level of parking charges in both the policy options and counterfactual scenarios. Given the limited evidence available, whilst this analysis has made use of the best available data, these assumptions are uncertain and a range of values for each assumption have been tested.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 54	Benefits: 0	Net: -54	
			204

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Summary: Analysis & Evidence

Policy option 2

Description: Set parking charge levels at £50/£70 for England and Wales (outside London), £80/£130 inside London, and £80/£100 for Scotland, with some exceptions, and increase discount rate to 50%. Lower the cap on debt recovery fees to 30% of parking charge levels.

FULL ECONOMIC ASSESSMENT

Price Base Year: 2024	PV Base Year: 2024	Time Period Years: 2024-2033	Net Benefit (Present Value (PV)) (£m)		
			Low: -28	High: -58	Best Estimate: -38

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	17	2024-2033	1	28
High	48		1	58
Best Estimate	27		1	38

Description and scale of key monetised costs by 'main affected groups'

The key monetised costs for business include: The cost of producing and installing new signage (£20m); running soft trace checks (£1m); familiarisation with the code (£5m); and the cost of certification (£5m). These are a mix of costs incurred during and after the Code is implemented. The key monetised costs for Government are around £2.5m and include the costs of setting up and running the Single Appeals Service, Monitoring and Evaluation framework, Scrutiny and Oversight Board and certification scheme. This option excludes changing parking charge level and debt recovery fees in the Social Net Present Value Analysis as an economic transfer.

Other key non-monetised costs by 'main affected groups'

The key non-monetised costs include: potential increases in County Court Judgements; maintaining newly installed signage; renegotiating contracts with landowners in light of the Code; self-ticketing; decreased deterrence levels; and potentially increased contraventions of private land parking terms and conditions.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	-		-	-
High	-		-	-
Best Estimate	-		-	-

Description and scale of key monetised benefits by 'main affected groups'

This IA does not monetise any benefits, since to do so is either disproportionate and/or relies on speculative behavioural assumptions for which there is little evidence. It has therefore been decided to present these benefits in qualitative terms.

Other key non-monetised benefits by 'main affected groups'

The key non-monetised benefits are to consumers, namely improving the experience of drivers and registered vehicle keepers, fairer conditions, reduced costs/stress associated with receiving and dealing with a parking charge, a more transparent appeals service and improved consumer satisfaction. There are likely to be disproportionate benefits to vulnerable consumers reliant on access to services via driving. There will also be wider indirect or second-order benefits on local businesses and local economies surrounding car parks.

Key assumptions/sensitivities/risks (%)	Discount rate	3.5%
<p>Several assumptions have been made in the modelling supporting the IA. Key assumptions are on: The number of parking charges issued over time, the proportioning of parking charges throughout the process, the number of private car parks and operators in the UK, as well as assumptions on FTE requirements, wages and costs. However, the primary driver of uncertainty within the modelling is the level of parking charges in both the policy options and counterfactual scenarios. Given the limited evidence available, whilst this analysis has made use of the best available data, these assumptions are uncertain and a range of values for each assumption have been tested.</p>		

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 198	Benefits: 0	Net: -198	
			749

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Summary: Analysis & Evidence

Policy option 3

Description: Set parking charge levels at £50/£70 for England and Wales (outside London), £80/£130 inside London, and £80/£100 for Scotland, with some exceptions, and increase discount rate to 50%. Ban debt recovery fees.

FULL ECONOMIC ASSESSMENT

Price Base Year: 2024	PV Base Year: 2024	Time Period Years: 2024-2033	Net Benefit (Present Value (PV)) (£m)		
			Low: -28	High: -58	Best Estimate: -38

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	18	1	28
High	48	1	58
Best Estimate	27	1	38

Description and scale of key monetised costs by 'main affected groups'

The key monetised costs for business include: The cost of producing and installing new signage (£20m); running soft trace checks (£1m); familiarisation with the code (£5m); and the cost of certification (£5m). These are a mix of costs incurred during and after the Code is implemented. The key monetised costs for Government are around £2.5m and include the costs of setting up and running the Single Appeals Service, Monitoring and Evaluation framework, Scrutiny and Oversight Board and certification scheme. This option excludes changing parking charge level and debt recovery fees in the Social Net Present Value Analysis as an economic transfer.

Other key non-monetised costs by 'main affected groups'

The key non-monetised costs include: potential increases in County Court Judgements; maintaining newly installed signage; renegotiating contracts with landowners in light of the Code; self-ticketing; decreased deterrence levels; and potentially increased contraventions of private land parking terms and conditions.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	-	-	-
High	-	-	-
Best Estimate	-	-	-

Description and scale of key monetised benefits by 'main affected groups'

This IA does not monetise any benefits, since to do so is either disproportionate and/or relies on speculative behavioural assumptions for which there is little evidence. It has therefore been decided to present these benefits in qualitative terms.

Other key non-monetised benefits by 'main affected groups'

The key non-monetised benefits are to consumers, namely improving the experience of drivers and registered vehicle keepers, fairer conditions, reduced costs/stress associated with receiving and dealing with a parking charge, a more transparent appeals service and improved consumer satisfaction. There are likely to be disproportionate benefits to vulnerable consumers reliant on access to services via driving. There will also be wider indirect or second-order benefits on local businesses and local economies surrounding car parks.

Key assumptions/sensitivities/risks (%)	Discount rate	3.5%
<p>Several assumptions have been made in the modelling supporting the IA. Key assumptions are on: The number of parking charges issued over time, the proportioning of parking charges throughout the process, the number of private car parks and operators in the UK, as well as assumptions on FTE requirements, wages and costs. However, the primary driver of uncertainty within the modelling is the level of parking charges in both the policy options and counterfactual scenarios. Given the limited evidence available, whilst this analysis has made use of the best available data, these assumptions are uncertain and a range of values for each assumption have been tested.</p>		

BUSINESS ASSESSMENT (Option 3)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 203	Benefits: 0	Net: -203	
			770

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Summary: Analysis & Evidence

Policy option 4

Description: Set parking charge levels at £70/£100 and retain 40% discount rate. Lower the cap on debt recovery fees to 30% of parking charge levels.

FULL ECONOMIC ASSESSMENT

Price Base Year: 2024	PV Base Year: 2024	Time Period Years: 2024-2033	Net Benefit (Present Value (PV)) (£m)		
			Low: -28	High: -58	Best Estimate: -38

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	17	2024-2033	1	28
High	48		1	58
Best Estimate	27		1	38

Description and scale of key monetised costs by 'main affected groups'

The key monetised costs for business include: The cost of producing and installing new signage (£20m); running soft trace checks (£1m); familiarisation with the code (£5m); and the cost of certification (£5m). These are a mix of costs incurred during and after the Code is implemented. The key monetised costs for Government are around £2.5m and include the costs of setting up and running the Single Appeals Service, Monitoring and Evaluation framework, Scrutiny and Oversight Board and certification scheme. This option excludes changing parking charge level and debt recovery fees in the Social Net Present Value Analysis as an economic transfer.

Other key non-monetised costs by 'main affected groups'

The key non-monetised costs include: potential increases in County Court Judgements; maintaining newly installed signage; renegotiating contracts with landowners in light of the Code; self-ticketing; decreased deterrence levels; and potentially increased contraventions of private land parking terms and conditions.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low				
High				
Best Estimate				

Description and scale of key monetised benefits by 'main affected groups'

This IA does not monetise any benefits, since to do so is either disproportionate and/or relies on speculative behavioural assumptions for which there is little evidence. It has therefore been decided to present these benefits in qualitative terms.

Other key non-monetised benefits by 'main affected groups'

The key non-monetised benefits are to consumers, namely improving the experience of drivers and registered vehicle keepers, fairer conditions, reduced costs/stress associated with receiving and dealing with a parking charge, a more transparent appeals service and improved consumer satisfaction. There are likely to be disproportionate benefits to vulnerable consumers reliant on access to services via driving. There will also be wider indirect or second-order benefits on local businesses and local economies surrounding car parks.

Key assumptions/sensitivities/risks (%)	Discount rate	3.5%
<p>Several assumptions have been made in the modelling supporting the IA. Key assumptions are on: The number of parking charges issued over time, the proportioning of parking charges throughout the process, the number of private car parks and operators in the UK, as well as assumptions on FTE requirements, wages and costs. However, the primary driver of uncertainty within the modelling is the level of parking charges in both the policy options and counterfactual scenarios. Given the limited evidence available, whilst this analysis has made use of the best available data, these assumptions are uncertain and a range of values for each assumption have been tested.</p>		

BUSINESS ASSESSMENT (Option 4)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 143	Benefits: 0	Net: -143	
			541

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Summary: Analysis & Evidence

Policy option 5

Description: Set parking charge levels at £70/£100 and retain 40% discount rate. Ban debt recovery fees.

FULL ECONOMIC ASSESSMENT

Price Base Year: 2024	PV Base Year: 2024	Time Period Years: 2024-2033	Net Benefit (Present Value (PV)) (£m)			
			Low: -58	High: -28	Best Estimate: -38	
COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)		Total Cost (Present Value)	
Low	17	2024-2033	1		28	
High	48		1		58	
Best Estimate	27		1		38	
Description and scale of key monetised costs by 'main affected groups'						
<p>The key monetised costs for business include: The cost of producing and installing new signage (£20m); running soft trace checks (£1m); familiarisation with the code (£5m); and the cost of certification (£5m). These are a mix of costs incurred during and after the Code is implemented. The key monetised costs for Government are around £2.5m and include the costs of setting up and running the Single Appeals Service, Monitoring and Evaluation framework, Scrutiny and Oversight Board and certification scheme. This option excludes changing parking charge level and debt recovery fees in the Social Net Present Value Analysis as an economic transfer.</p>						
Other key non-monetised costs by 'main affected groups'						
<p>The key non-monetised costs include: potential increases in County Court Judgements; maintaining newly installed signage; renegotiating contracts with landowners in light of the Code; self-ticketing; decreased deterrence levels; and potentially increased contraventions of private land parking terms and conditions.</p>						
BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)		Total Benefit (Present Value)	
Low	-		-		-	
High	-		-		-	
Best Estimate	-		-		-	
Description and scale of key monetised benefits by 'main affected groups'						
<p>This IA does not monetise any benefits, since to do so is either disproportionate and/or relies on speculative behavioural assumptions for which there is little evidence. It has therefore been decided to present these benefits in qualitative terms.</p>						
Other key non-monetised benefits by 'main affected groups'						
<p>The key non-monetised benefits are to consumers, namely improving the experience of drivers and registered vehicle keepers, fairer conditions, reduced costs/stress associated with receiving and dealing with a parking charge, a more transparent appeals service and improved consumer satisfaction. There are likely to be disproportionate benefits to vulnerable consumers reliant on access to services via driving. There will also be wider indirect or second-order benefits on local businesses and local economies surrounding car parks.</p>						
Key assumptions/sensitivities/risks (%)					Discount rate	3.5%

Several assumptions have been made in the modelling supporting the IA. Key assumptions are on: The number of parking charges issued over time, the proportioning of parking charges throughout the process, the number of private car parks and operators in the UK, as well as assumptions on FTE requirements, wages and costs. However, the primary driver of uncertainty within the modelling is the level of parking charges in both the policy options and counterfactual scenarios. Given the limited evidence available, whilst this analysis has made use of the best available data, these assumptions are uncertain and a range of values for each assumption have been tested.

BUSINESS ASSESSMENT (Option 5)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 149	Benefits: 0	Net: -149	
			565

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Contents

Summary: Intervention and Options.....	1
Policy option 1.....	3
Policy option 2.....	5
Summary: Analysis and Evidence	
Policy option 3.....	7
Policy option 4.....	9
Policy option 5.....	11
1. Executive summary.....	14
2. Introduction.....	17
3. Problems under consideration.....	19
4. Rationale for Intervention.....	25
5. Description of Options.....	33
6. Methodology.....	43
7. Social Net Present Value (SNPV) analysis.....	55
8. Sensitivity analysis.....	68
9. Equivalent Annual Net Direct Cost to Business (EANDCB).....	72
10. Wider impacts.....	80
11. Monitoring plan.....	83
Annex A: Long-list of considered options.....	85
Annex B: Proposed higher and lower parking contraventions list for new Code.....	87
Annex C: Sources of evidence.....	88

1. Executive summary

- 1.1. Parking on private land is largely managed under contract law, with drivers considered to have entered into a contract with an operator when parking at a site owned or managed by a private operator. Where these contracts are considered to be breached, parking charges are issued – either at the time of the contravention or by sending a ticket to the vehicle’s registered keeper by post (requiring the operators to make a request to the DVLA for registered keeper details).
- 1.2. There is evidence to suggest that the current system of private parking regulation is not fit for purpose. Key indicators of this are the substantial increase in parking charges issued since the Protection of Freedoms Act 2012 changed how the industry operates, and the concerns repeatedly raised about existing industry standards.
- 1.3. From 2012 to 2019 there was a 350% increase in requests for registered vehicle keeper data (which provides a useful proxy for the number of parking charges issued). These increases appear to be disproportionate, suggesting there are fundamental problems with the market. At the same time, qualitative evidence consistently highlights negative user experiences with private car parks, with common themes including poor operator practices (particularly miscommunication of information), issues with the debt recovery process, and issues with the appeals process.
- 1.4. In response to these issues, the Parking (Code of Practice) Act 2019 requires the Government to publish an independent Code of Practice, as well as providing the Secretary of State for Levelling Up, Housing and Communities with a range of other powers. This Code will apply in England, Scotland and Wales, and will specify requirements for private parking operators in public use car parks, private use car parks, short stay areas and prohibited parking areas.
- 1.5. The Code of Practice and its associated enforcement framework have three key objectives:
 - a) Create consistency across the private parking system;
 - b) Ensure fairness for drivers, registered vehicle keepers and landowners; and
 - c) Increase transparency in the way the private parking industry operates.
- 1.6. The Code of Practice has been produced in close consultation with private parking experts, including consumer and industry groups. It contains a range of provisions to provide the best possible protection for motorists while giving parking companies the tools to crack down on motorists who park obstructively or dangerously, including:
 - Ensuring that information is consistently and clearly communicated to enable drivers to make informed choices;
 - Standardising requirements for issuing parking charges, ensuring that these do not misinform or intimidate recipients;
 - Introducing an independent second-stage appeals service, in addition to introducing consistent standards for the industry in considering appeals; and
 - The creation of a Scrutiny and Oversight Board to oversee and monitor the new system, making recommendations on updating the Code every two years.
- 1.7. The Code was initially laid in Parliament in February 2022, at which point some private parking companies issued legal proceedings against the decisions to introduce new levels of parking charges and ban debt recovery fees. The Government decided to

concede both challenges, temporarily withdrawing the Code so that the impacts of any changes to parking charge levels and debt recovery fees can be assessed before a new decision on these elements of the Code is taken.

- 1.8. This Impact Assessment (IA) considers the options related to parking charges and debt recovery fees. The IA does, however, assess these options in the context of the impact of the whole Code to provide an indication of the likely impact of the overall policy to be implemented.
- 1.9. The specific objectives for the elements of the Code relating to parking charges and debt recovery fees are to:
- a) Ensure that private parking charges are consistent across the industry and vary in accordance with the severity of the breach;
 - b) Ensure that levels of private parking charges prevent non-compliance with parking restrictions on private land;
 - c) Ensure that there is sufficient deterrent against the non-payment of legitimately issued parking charges, enabling the fair and efficient management of parking spaces on private land;
 - d) Ensure that any debt recovery fees are justified and, if so, are transparent and not excessive; and
 - e) Reduce the number of unjust small claims against drivers and registered vehicle keepers.
- 1.10. To achieve these objectives, five options are assessed, as shown in Table 1.1.

Table 1.1: Policy options

Option	Parking charge levels	Debt recovery fees
1	Retain £100 limit set by ATAs, including the current 40% discount for paying a parking charge within 14 days of its receipt.	Retain current cap of £70.
2	Set parking charges at £50/70 for England and Wales (outside London), £80/130 inside London, and £80/100 for Scotland, depending on the seriousness of the contravention, while retaining the £100 status quo for abusing a Blue Badge bay and parking on land where parking was not invited and in some restricted car parks (residential and staff-only) outside London. The discount for paying a parking charge within 14 days of its receipt would increase to 50%.	Lower cap to 30% of parking charge levels.
3	As above (option 2).	Banned.
4	Set parking charge levels at £70/100, depending on the seriousness of the contravention, including retaining the £100 status quo for abusing a Blue Badge Bay and parking on land where parking was not invited and in some restricted car parks (residential and staff-only). The discount for paying a parking charge within 14 days of its receipt would remain at 40%.	Lower cap to 30% of parking charge levels.
5	As above (option 4).	Banned.

- 1.11. This IA appraises the impacts of the options using two key metrics:

- a) Social Net Present Value (SNPV): this provides a real and discounted assessment of the overall impact of the policy options to society – in simple terms it is the benefit minus the cost of each policy option across the appraisal period; and
- b) Equivalised Annual Net Cost to Business (EANDCB): this provides a real and discounted assessment of the overall direct impact to businesses.

Table 1.2: SNPV and EANDCB estimates of the policy options

(£m) Price Base Year: 2024 Present Value Base Year: 2024	Option 1	Option 2	Option 3	Option 4	Option 5
Total SNPV	-4	-4	-4	-4	-4
Average annual SNPV	-38	-38	-38	-38	-38
EANDCB from changes to parking charges	42	163	163	111	111
EANDCB from changes to debt recovery fees	8	31	36	27	34
Total EANDCB with Code	54	198	203	143	149

- 1.12. It should be noted that the potential benefits are not monetised, but it is likely that the Code and its accompanying framework will result in significant benefits to drivers and registered vehicle keepers, which will serve to reduce the consumer detriment that currently exists and address existing market failures. There is considerable uncertainty associated with many of the assumptions and inputs used in this appraisal, therefore sensitivity analysis has been conducted. This demonstrates that for the majority of sensitivities the difference from the central estimate of the SNPV is less than £10m.
- 1.13. As this is a draft IA, it is important to note that: a) the proposals are still in development; b) the analysis is still in development, with further evidence invited and welcomed to strengthen this analysis; and c) further analysis after the current call for evidence is expected to be presented as a final-stage IA that is published to support a further consultation on policy options for parking charges and debt recovery fees. A range of relevant evidence is being sought through the call for evidence, including:
- Costs of the wider Code: testing assumptions on these, especially but not solely for small businesses.
 - Benefits: seeking to monetise some or all of these to strengthen the overall cost-benefit analysis.
 - Behavioural change: the evidence base does not currently allow for meaningful conclusions to be drawn about the likely behavioural responses to different measures and their associated impacts on levels of non-compliant parking and payment of parking charges issued.
- 1.14. The Code will see data collected from a range of sources and held centrally by the Government, with monitoring forming an essential part of policy implementation. The Scrutiny and Oversight Board that is to be established will oversee the new system's operation and monitor its effectiveness. After two years of the Code's full implementation, the Board will be required to make evidence-based recommendations to the Government on ways to improve the Code, should they deem this necessary, based on their findings to date, drawing on evidence gathered through this monitoring.

2. Introduction

Context

- 2.1. Parking on private land is largely managed under contract law. When a driver enters and decides to park on a site owned or managed by a parking operator, they are held to have accepted and entered into a contract with that operator. The terms and conditions displayed on signs on the site represent the basis of that contract.
- 2.2. When a driver or registered vehicle keeper is served with a parking charge (as distinct from the parking tariff payable at car parks that are not free), it is for a perceived contravention of the terms and conditions of that contract. In law, this represents an invoice for a breach of contract, which can be enforceable through the small claims court.

Protection of Freedoms Act 2012

- 2.3. Prior to 2012, a private landholder or parking operator managing land on the landowner's behalf could only seek liability against a vehicle driver to recover unpaid parking charges. However, there was no obligation for the vehicle's registered keeper to identify who the driver was or to accept liability. This meant that both the driver and registered vehicle keeper could avoid liability and saw parking operators on some occasions find it difficult to manage parking by ticketing. Consequently, alternative methods such as clamping were often used to enforce parking restrictions.
- 2.4. However, in light of accusations that some clampers were using intimidatory and underhand behaviour and charging non-transparent vehicle release fees¹, the Government banned vehicle clamping and vehicle removal on private land where there is no lawful authority to do so via Sections 54-56 of the Protection of Freedoms Act 2012 (POFA).
- 2.5. Furthermore, to help landowners control parking restrictions on their property and to ensure that the ban on clamping without lawful authority does not have a disproportionate effect on landowners' ability to fairly enforce their rights, the POFA also introduced "keeper liability". Subject to certain conditions, this allows the landholder to pursue the registered keeper of a vehicle for unpaid parking charges if the registered vehicle keeper refuses or is unable to identify the driver at the time the parking charge was incurred. The registered vehicle keeper cannot be held liable for any unpaid parking charges if they identify the driver of the vehicle at the time the parking charge was incurred.

Current system of issuing parking charges

- 2.6. Parking charges are currently issued either at the time of the contravention (handed to the driver or placed on the vehicle windscreen) or by sending a ticket to the vehicle's registered keeper by post (usually when a contravention is detected remotely, e.g. via cameras). To be able to send tickets by post or enforce unpaid tickets issued at the time of contravention, parking operators must identify the vehicle's registered keeper, which can be done by making a request to the DVLA for those details.
- 2.7. To access that DVLA data, operators must demonstrate that they have a reasonable cause to receive the information as well as be a member of a DVLA 'Accredited Trade

¹ <https://www.gov.uk/government/news/end-of-the-road-for-cowboy-car-clampers>

Association' (ATA). To become an ATA, organisations are required to have a DVLA-approved Code of Practice, providing guidance on how it expects its members to operate, as well as setting minimum standards including for signage, dealing with complaints, managing appeals, setting caps for parking charges and debt recovery fees, and setting expectations for early payment discounts. They are also required to provide an independent appeals service, whereby drivers or registered vehicle keepers who wish to challenge a parking charge are required in the first instance to appeal directly to the operator. If that first-stage appeal is rejected, the driver or registered vehicle keeper can appeal further to the second-stage appeals service provided by the ATA of whom the operator in question is a member.

DRAFT

3. Problems under consideration

- 3.1. There is evidence to suggest that the current system of private parking regulation is not fit for purpose. The substantial increase in parking charge volumes since the introduction of the POFA and the concerns raised about existing industry standards are key indicators of this.

Increasing number of parking charges issued

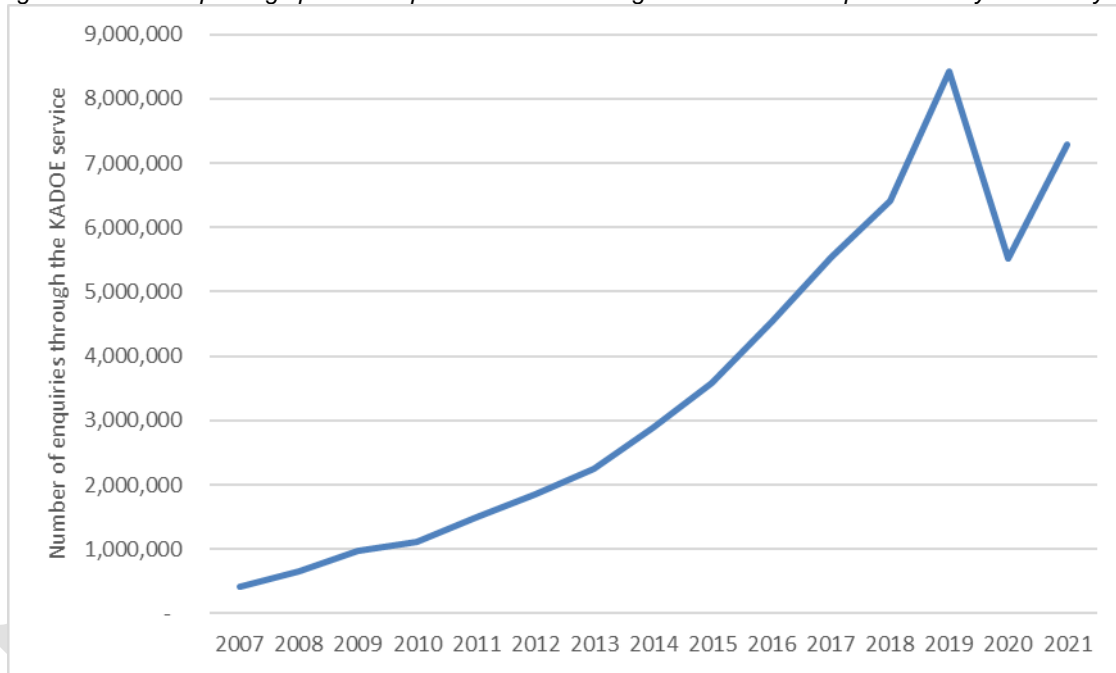
Summary

- Requests for registered vehicle keeper data (a proxy for parking charges issued) experienced around a 350% increase from 1.9m in 2012 to 8.4m 2019
- Aside from a temporary dip during the pandemic, these numbers have shown an overall increasing trend, with the 2021 figure totalling 7.3m.
- These increases appear to be disproportionate, even allowing for the increases in vehicles on the road and the use of ANPR technology in the industry. This suggests fundamental problems with the market.

- 3.2. Since the introduction of the POFA, the number of parking charges issued annually has increased substantially. It should be noted that, whilst one ATA does currently collect data from its members on private parking charges issued via its biannual census, data from across the whole industry is not collated or held centrally. However, data published by the DVLA on the number of registered vehicle keeper requests made by private parking operators provides a useful proxy for the volume of parking charges issued and gives insights into the trends that can be expected of that fuller dataset.
- 3.3. An increase in parking charges was to be expected with the ban of vehicle clamping. The 2011 POFA Impact Assessment² estimated that, in addition to around 1.8m parking charges issued annually at that time, the number of extra tickets would increase initially by 0.5m to total 2.3m parking charges (up 30%) per year and remain at this rate. However, as can be seen from Figure 3.1, the upward trend has not stopped, with the volume of keeper detail requests continuing to rise, from 1.9m in 2012 to 8.4m in 2019. This represents an increase of around 350% within the period. Whilst the volume of requests fell during 2020 likely due to the impact of the COVID-19 pandemic, 2021 data shows a resumption of the upward trend.

² <https://www.parliament.uk/globalassets/documents/impact-assessments/IA12-004F.pdf>

Figure 3.1: Private parking operator requests to DVLA for registered vehicle keeper details by calendar year



- 3.4. The increased use of technology to enforce parking controls on private land is likely to have impacted this increase in registered vehicle keeper requests. The use of cameras such as Automatic Number Plate Recognition (ANPR) or Manual Number Plate Recognition/Monitored Surveillance System (MNPR/CCTV) provide greater efficiency in detecting non-compliance or more assiduous enforcement of perceived breaches. The most recent British Parking Association (BPA) census data states that 86% of charges issued by its members are issued via ANPR or MNPR cameras – up from 33% in 2011.
- 3.5. The increase in registered vehicle keeper requests could also be impacted by the growth in the amount of driving over this period, increasing from 243.9 million vehicle miles in 2009 to 262.9 million in 2019³, and therefore an increased demand for parking. However, this only represents a 7.9% increase, compared to around a 770% increase in vehicle keeper requests over the period (when comparing KADOE data in calendar years)⁴. This implies that non-compliance with private parking restrictions is increasing and is not simply a result of there being more cars on the road.
- 3.6. The reasons for parking charges being issued are diverse and can range from genuine mistakes (either on the part of drivers or operators) to intentional non-compliance. Further sections explore the causes for this. However, whether the ticket issued is justified or not, the increasing number of parking charges is a problem. Members of the parking industry often point out that, as a proportion of total parking visits which take place, only a very small proportion result in a parking charge being issued. Multiple industry sources state that only 0.3% of parking ‘acts’ result in a parking charge being issued. However, whilst this may seem small as a percentage, the Government considers the total number of charges issued to be significant.
- 3.7. The increasing number of parking charges has negative impacts on drivers, registered vehicle keepers, parking operators and landowners. For example, drivers and registered vehicle keepers face financial and potentially legal implications. Under the current

³ <https://roadtraffic.dft.gov.uk/summary>

⁴ <https://webarchive.nationalarchives.gov.uk/ukgwa/20171012053927/https://www.gov.uk/government/publications/who-dvla-shares-data-with>

industry Codes, the maximum parking charge for any contravention is £100 (discounted by 40% for early payment). An additional £70 fee can be added to the original charge for late or non-payment of this charge as part of the debt recovery process. If a parking charge remains unpaid, the driver or registered vehicle keeper can be taken to court to seek a County Court Judgement (CCJ) via the small claims court to enforce the payment, and seek additional legal costs for doing so. If the CCJ remains unpaid it will appear on the driver or registered vehicle keeper's credit report for six years, which affects an individual's credit score and can have harmful consequences (such as affecting their ability to borrow money). The fact that CCJs are publicly available also means they can be viewed by potential employers or landlords. Should a parking operator seek to enforce an unpaid judgement, further costs will be incurred that may be recoverable from the driver or registered vehicle keeper.

- 3.8. Similarly, non-compliance with parking restrictions can also have adverse consequences for the management of private land, whether or not public parking is permitted. If a driver fails to follow the parking restrictions, such as by parking beyond the permitted period or parking over multiple bays, there are consequences for the turnover and availability of parking. In turn, this may have implications for the landowner on behalf of whom the land is being managed, as well as those who are legitimate users of that land. For example, a business may suffer if a sufficient supply of parking to serve its customers is not available, or the residents of an apartment block may suffer considerable inconvenience if parking spaces reserved for their private use are blocked by others who have no legal right to park there. Parking therefore has a legitimate role to play in the delivery of a service, and the ability for operators to issue parking charges through the POFA framework using ANPR technology is important in enabling them to be issued efficiently.
- 3.9. Based on the existing data, this IA estimates that should things continue as they are, the number of registered vehicle keeper requests, and therefore parking charges, will continue to rise at an average annual growth rate of 3%⁵ (based on the historic average growth rate in KADOE values between 2012/13 and 2019/20 – see methodology section for more detail). It is expected that by 2033 private parking operators will make over 12m registered vehicle keeper requests in that calendar year alone to the DVLA.

Concerns regarding existing industry standards

Summary

- Large volume of qualitative evidence which consistently highlights similar themes relating to negative user experience with private car parks
- 416 pieces of correspondence received by DLUHC and 224 news articles analysed.
- Common themes include poor operator practices (particularly miscommunication of information), issues with the debt recovery process, and issues with the appeals process.

- 3.10. The rapidly increasing volumes of parking charges has led some consumer and motoring groups, and members of the public, to suggest that there are major problems in the system. In discussions and correspondence with the Department, a range of specific concerns have been raised in relation to:

⁵ The Average Annual Growth Rate (AAGR) is calculated by dividing the average growth rate by the number of years across which the growth occurs

- a. The behaviour and practices of operators, in particular inadequate signage that creates confusion for drivers, and delays in drivers or registered vehicle keepers receiving notification of a parking charge, with implications for appealing. There are also reports of instances of debt recovery or court proceedings commencing without the driver or registered vehicle keeper's knowledge as the notification was sent to the wrong address.
- b. The nature of parking charge notices, including their threatening tone and the level of charge being the same regardless of the seriousness of the breach. The current industry cap is £100 (with a 40% discount for early payment) regardless of whether the breach is minor, such as overstaying by a couple of minutes, or more serious, such as parking in a way which causes an obstruction.
- c. The debt recovery process, in particular the use of aggressive debt collection practices, with the use of intimidating or pseudo-legal language, and escalating fees and charges. Currently, an additional £70 fee can be added to the original parking charge for late or non-payment of this charge. For drivers or registered vehicle keepers who are unable to afford the original charge, fees and charges can spiral and lead to court action and debt.
- d. The appeals process, including concerns that appeals have been rejected which should have been upheld. There is a perception that the two current second-stage appeals services are not fair or independent, often deterring drivers or registered vehicle keepers from using them and risking losing the opportunity to pay the parking charge at the discounted rate.

3.11. In relation to these concerns, consumer and motoring groups have questioned whether existing industry standards and their enforcement are fit for purpose. In practice, parking operators should aim to increase compliance with parking restrictions through clear, well-designed, legal and enforced parking controls. However, some consumer and motoring groups question whether the current private parking business model, where parking operators make profits from enforcement of charges, instead incentivises the operators to adopt poor practices to increase the number of parking charges. Moreover, concerns were raised about the effectiveness of industry self-regulation, in particular whether the ATAs, whose existence relies on their members continuing to pay membership fees, are the right bodies to be auditing compliance with their Codes of Practice and overseeing the second-stage appeals process.

3.12. There are currently no independent studies or reviews that explore the current private parking landscape or increasing volumes of parking charges in particular. However, the aforementioned sentiments were echoed by motorists in a survey by the RAC Opinion Panel about private parking enforcement, carried out in 2016⁶. Of 2,194 drivers who responded to the survey, 45% felt that private parking enforcement policies were too heavy-handed. Whilst most respondents accepted that parking charges were necessary, 73% felt that the current £100 cap was excessive and often disproportionate to the level of parking contravention, and only 22% thought that signage in private car parks was clear and the terms and conditions easy to understand. Overall, 52% of respondents felt that changes to the current system were required and 73% felt the sector should have to fall under Government regulations.

3.13. A similar narrative is also prevalent in various media reports and documentaries about private parking industry, as well the correspondence the Department for Levelling Up,

⁶ <https://media.rac.co.uk/pressreleases/motorists-want-to-see-better-government-regulation-of-private-parking-1868752>

Housing and Communities (DLUHC) receives from Parliamentarians and the public. To understand the issues in the market, analysis was conducted of 416 pieces of correspondence DLUHC had received over a 12-month period from 2021-22 related to parking. Similar analysis was conducted of published parking-related articles. This provides additional insights to illustrate the issues but should of course be caveated as having a degree of negative bias as correspondence and stories tend to be driven by negative experiences.

- 3.14. Correspondence related to private parking constituted 78% of the sample, and parking operators were named explicitly in 182 cases (44% of total cases, 56% of those related to private parking). The correspondence was analysed thematically, to determine relevant themes and sub-themes. As outlined in Table 3.1, more than half of correspondents (53%) mentioned operator behaviour and/or practices, whilst exactly half (50%) mentioned parking charges. 66% of correspondence noted at least two themes, whilst 31% had three or more themes. The most common themes to be raised were: a) operator behaviour and parking charges; and b) operator behaviour, and the debt recovery process and debt recovery fees.

Table 3.1: Frequency of themes identified from correspondence related to private operators

Theme	Frequency of mentions in correspondence
Operator behaviour/practices	53%
Parking Charges	50%
Code of Practice	40%
Debt recovery process/fees	34%
Appeals process	28%

- 3.15. Of the sub-themes from Table 3.1:

- a. In the sub-theme 'operator behaviour/practices': 32% of all correspondence mentioned miscommunication of information, 24% mentioned bullying/harassment from operators, 19% mentioned penalisation of vulnerable customers/equality issues and 14% mentioned operator profits.
- b. In the sub-theme 'parking charge notice': 50% of all correspondence mentioned complaints about receiving a parking charge and 18% mentioned the level of parking charge.
- c. In the sub-theme 'Code of Practice': 22% of all correspondence mentioned individual aspects of the Code and 11% questioned when the Code will come into effect.
- d. In the sub-theme 'debt recovery process/fees': 15% of all correspondence mentioned the legitimacy of debt recovery fees, 14% mentioned bullying/harassment during the debt recovery process and 11% raised the amount of debt recovery fees.
- e. In the sub-theme 'appeals process': 24% of all correspondence questioned the effectiveness of the appeals processes and 17% raised concerns about the transparency/fairness of appeals services.

- 3.16. DLUHC also analysed 224 news articles on the topic of parking using the same themes and sub-themes as the correspondence analysis. 86% of the articles were about private parking operators, with specific operators named in 161 articles (72% of total articles, 83% of those about private parking). As outlined in Table 3.2, 76% of news articles mentioned operator behaviour/practices, whilst 70% mentioned a parking charge. As with

departmental correspondence, 77% of news articles mentioned multiple themes, with operator behaviour and parking charges being the most frequent themes to come up together.

Table 3.2: Frequency of the themes identified from news articles related to private operators

Theme	Frequency of mentions in news articles
Operator behaviour/practices	76%
Parking Charge	70%
Appeals process	27%
Debt recovery process/fees	15%
Code of Practice	11%

3.17. Of the sub-themes from Table 3.2:

- a. In the sub-theme 'operator behaviour/practices': 34% of all articles mentioned miscommunication of information, 24% mentioned the penalisation of vulnerable customers/equality issues, 21% mentioned bullying/harassment from operators and 14% mentioned operator profits.
- b. In the sub-theme 'Parking Charge Notice': 59% of all articles mentioned a complaint over receiving a parking charge and 18% mentioned the level of parking charge.
- c. In the sub-theme 'appeals process': 16% of all articles mentioned the effectiveness of appeals process and 12% mentioned the transparency/fairness of the appeals service.
- d. In the sub-theme 'Debt recovery process/fees': 10% of all articles mentioned the legitimacy of debt recovery fees.

4. Rationale for intervention

- 4.1. The themes identified in correspondence and media articles, as explored in section 3, alongside the substantial increase in parking charge volumes signal a number of issues with the current private parking system, many of which are inter-related. For the purposes of this IA, these issues are grouped into three (in no particular order):

Issue 1	Motorists being unfairly penalised due to a lack of, or inconsistency in, information on parking restrictions
Issue 2	Treatment of motorists in the enforcement of parking charges
Issue 3	Concerns about a lack of independence and consistency in the appeals system

Issue 1: Motorists being unfairly penalised due to a lack of, or inconsistency in, information on parking restrictions

- 4.2. The substantial increase in parking charge volumes seen in recent years could indicate that drivers and registered vehicle keepers are sometimes being unfairly penalised. Feedback from the public, as well as consumer and motoring groups, frequently mentions the issue of inadequate signage in some private car parks creating confusion for drivers and registered vehicle keepers, which results in parking charges being issued unfairly. These issues are evidenced by a range of media reports, documentaries and substantial correspondence received by DLUHC. Analysis of correspondence received by DLUHC relating to private parking found that 34% of all correspondence mentioned a miscommunication of information. Similar themes are present in a survey of the RAC Opinion Panel about private parking enforcement carried out in 2016.⁷ Of 2,194 drivers who responded to the survey, only 22% thought that signage in private car parks was clear and the terms and conditions easy to understand.
- 4.3. There is also the fact that there are currently two ATAs with their own Codes of Practice, which contain different requirements for the management and operation of private car parks. This leads to a situation in which consumers are often making choices with imperfect information, whether because there are differences between operators' car parks that the consumer is not aware of, or because certain key information is not required to be provided to consumers under the relevant industry Code.
- 4.4. Confusing and/or misleading information can inhibit consumers' ability to make informed choices when effectively entering into contracts with parking operators. Whilst in many cases this information could be found through parking operators' websites, in many circumstances drivers may not be aware of that and/or may consider it an unreasonable requirement to be able to access the service. This can create circumstances in which some motorists are being unjustly penalised through no fault of their own, for example over-staying their allotted time without realising. This can also therefore mean reduced turnover and availability of parking spaces, from which landowners suffer.
- 4.5. There is scope for Government intervention to address this problem by strengthening the industry's self-regulation. By bringing consistency to factors such as the provision of information, and to the approach to enforcing standards on the industry, standards in the industry can be raised to benefit drivers and registered vehicle keepers, and operators and landowners alike. Whilst many operators in the industry hold themselves to a high

⁷ <https://media.rac.co.uk/pressreleases/motorists-want-to-see-better-government-regulation-of-private-parking-1868752>

standard, Government intervention is required to raise standards for those operators who behave poorly.

Issue 2: Treatment of drivers and registered vehicle keepers in the enforcement of parking charges

- 4.6. Where parking charges are issued to drivers and registered vehicle keepers, there are concerns about the practice of some operators in enforcing these. Analysis carried out by DLUHC of news articles related to private parking found that 76% of them mentioned operator behaviour and/or practices. 21% mentioned, in particular, bullying and/or harassment from operators. Similarly, analysis of private parking-related correspondence received by DLUHC saw 24% of pieces of correspondence mentioning bullying and/or harassment from operators, and 14% mention this in relation to the debt recovery process. In the RAC Opinion Panel survey, whilst most respondents accepted that parking charges were necessary, 45% felt that private parking enforcement policies were too heavy-handed.
- 4.7. Concerns raised through these sources highlight issues of (among others):
- Operators and/or debt recovery agencies delaying issuing notice of charges to the point where it is not reasonable to expect a driver or registered vehicle keeper to be able to adequately evidence that they are being charged unfairly.
 - Debt recovery or court proceedings commencing without the driver or registered vehicle keeper's knowledge as the notification was sent to the wrong address, consistent with the standards applicable to the organisation in question but unreasonable for the user.
 - Particularly aggressive debt collection practices being used, with the use of intimidating language like "illegal", "crime", and "bailiffs", designed to imitate the local authority system, which can frighten drivers and registered vehicle keepers into paying charges whether they are warranted or not, often without having all the relevant information. This can see users who are unable to afford the original charge pushed into spiralling debt and court action.
- 4.8. These situations are unfair and can cause substantial distress to drivers and registered vehicle keepers, with people feeling forced into making payments which, in some cases, they may not necessarily be required to make.
- 4.9. In the private parking market, certain groups with access requirements, such as the elderly or people with disabilities, may be particularly reliant on car parks to retain access to services, since other transport methods may be inadequate for their needs. The most common mode of travel for those with mobility difficulties is by car⁸. In 2020, older people with a driver's licence accounted for 14% of all full car licence holders. This was a 23.6% increase from 2016, suggesting an increasing reliance on car travel for older people⁹. The ability to continue driving as individuals become older is also a fundamental determinant of the quality of life among older adults¹⁰. 24% of news articles and 19% of Departmental correspondence related to private parking reported the penalisation of vulnerable customers/equality issues. Poor practices on the part of private parking operators may particularly impact these more vulnerable groups. The Government will

⁸ National Travel Survey, DfT, 2021,

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1101636/nts-2021-factsheet.pdf

⁹ Reported road casualties Great Britain: older drivers' factsheet 2020. GOV, 2020, <https://www.gov.uk/government/statistics/reported-road-casualties-great-britain-older-driver-factsheet-2020/reported-road-casualties-great-britain-older-drivers-factsheet-2020>

¹⁰ Coughlin, J.F.: Longevity, lifestyle, and anticipating the new demands of aging on the transportation system. Public Works Manag. Policy. **13**, 301–311 (2009).

carry out a full Equalities Impact Assessment on the Code when the decisions on parking charge levels and debt recovery fees are made, before re-laying the Code in Parliament.

- 4.10. Whilst in some instances this behaviour from parking operators and debt recovery agencies is in breach of the relevant ATA's Code of Practice, there are other instances in which it is compliant with that Code. It is also not clear that operators and debt recovery agencies who breach of the relevant Code of Practice in these and other ways face sufficient (if any) sanctions. Government intervention is needed to raise the standards of the worst performers, bringing them into line with those organisations who operate in a fairer way to motorists. It is also needed to strengthen sanctions against those who engage in such unfair behaviour.

Issue 3: Concerns about a lack of independence and consistency in the appeals system

- 4.11. Each ATA has a self-created second-stage appeals service, with concerns frequently raised that these are unfair in their judgements and insufficiently independent from the ATA to work fairly for the interests of the driver or registered vehicle keeper as well as the operator. Analysis of private parking-related correspondence received by DLUHC found 24% of all correspondence mentioned the effectiveness of the appeals process, with 16% of all private parking-related media articles analysed doing the same. 17% of correspondence mentioned the transparency and/or fairness of existing private parking appeals services, as did 12% of the articles.
- 4.12. It could be argued that the reliance of ATAs on membership fees from their member organisations means there is not an effective incentive for ATAs to take a truly balanced approach to auditing compliance with their Codes of Practice and overseeing the second-stage appeals process.
- 4.13. Government intervention is needed to bring consistency and independence to the appeals system. This system needs to be sufficiently independent from the industry to provide confidence to drivers and registered vehicle keepers that their interests are safeguarded by it.

Parking (Code of Practice) Act 2019

- 4.14. In response to problems arising in the operation of the current system and to calls from members of the public and consumer and motoring groups for action, the 2017 Conservative manifesto pledged to "take steps to tackle rogue private parking operators". The Parking (Code of Practice) Bill was subsequently introduced with the aim of issuing a consolidated Code of Practice containing guidance about the operation and management of private parking facilities, bringing higher standards and improving consistency in the private parking system. Many in the industry agreed that changes to the system were required and in principle supported the legislation to raise standards.
- 4.15. In March 2019 the Parking (Code of Practice) Act¹¹ received Royal Assent. Many MPs and Peers speaking in favour during the second reading stage cited examples of bad practice from specific parking operators or debt recovery agencies in their constituencies or from their own experience¹². The Act requires the Secretary of State to publish an independent Code of Practice. It also provides the Secretary of State with powers to appoint a single appeals service, independent from the private parking industry, to handle

¹¹ <https://www.legislation.gov.uk/ukpga/2019/8/contents/enacted>

¹² <https://bills.parliament.uk/bills/2076/stages>

second-stage private parking appeals, and to levy operators to cover the costs incurred or expected in discharging the Act's functions.

Implementing the Code of Practice

- 4.16. DLUHC is responsible for implementing the 2019 Act, including producing the Code and establishing the wider enforcement framework for this. The Code will apply in England, Scotland and Wales, and will specify requirements for private parking operators managing activities in public use car parks, private use car parks, short stay areas and prohibited parking areas. It will not cover on-street parking on public highways or land managed by local authorities subject to civil enforcement, nor will it overrule the provisions and enforcement of byelaws where they apply for parking, for example at airports or rail stations.
- 4.17. In November 2019 the Government engaged the British Standards Institution (BSI) to facilitate the development of the Code as a Publicly Available Specification (PAS) – a form of British Standard. Whilst compliance with a PAS is not mandatory, the intention was to ensure that compliance would be necessary through the accompanying certification process, to be established as part of the wider Code enforcement framework. The BSI convened a steering group of key consumer and industry representatives, including representatives from both trade associations and several parking operators, to help develop the Code and agree its contents through consensus. The first draft was also the subject of a public consultation from August to October 2020.
- 4.18. The Government separately consulted twice on various issues that were either not in scope of the PAS or were too contentious for the BSI steering group to be able to reach consensus on. These included:
- a. The wider enforcement framework;
 - b. A single Government-appointed appeals service for drivers and registered vehicle keepers to challenge parking charges;
 - c. The levels of private parking charges;
 - d. An appeals charter; and
 - e. The principles of a levy on the industry to fund the new system's costs.
- 4.19. Whilst the majority of the content of the Code was agreed by the BSI steering group or through public consultation, the Code was ultimately finalised by Ministers, including making decisions on areas where disagreement remained. The Code was laid before Parliament on 7 February 2022 for a 40-day period, providing both Houses with an opportunity to resolve not to approve it. No such resolution was passed in that period.
- 4.20. However, in April 2022 a number of private parking operators and debt recovery agencies challenged, by way of Judicial Review, the Government decision following consultation to introduce new levels of private parking charges and to ban debt recovery fees through the Code. These challenges related solely to the appropriateness of those measures – no other element of the Code was challenged, and pre-action protocol letters expressed support for the rest of the Code. In response, the Government agreed to temporarily withdraw the Code and re-examine the policy in relation to parking charges and debt recovery fees, by compiling this IA and conducting a further consultation on those issues. The Government will then take new decisions relating to parking charge levels and debt recovery fees.

- 4.21. As described above, there are various problems in the industry which have arisen from the current system of self-regulation, which are having negative impacts on drivers and registered vehicle keepers in particular but also on operators and landowners. The proposed measures are intended to raise standards across the industry, tackling problems in the current self-regulated industry but in a proportionate manner that retains industry leadership. Equity and efficiency are key drivers for the proposed measures.
- 4.22. A significant number of enquiries from the public and MPs continue to come into Government about the status of the Code, and ATAs have expressed concerns about the stagnation of standards due to delays in the Code's implementation. Given the clear and continuing support for the Code, and the fact that there is a statutory obligation to introduce a new Code, the Government still considers this a necessary step and will re-lay the Code in Parliament once the appropriate decisions have been taken in relation to parking charge levels and debt recovery fees.
- 4.23. To ensure decisions on parking charges and debt recovery fees are well informed, this IA considers the impact of the whole Code to establish the effectiveness and proportionality of the proposed measures. As such, the objectives for the wider Code and its enforcement framework differ from, but are inextricably related to, those separately identified for the parking charges and debt recovery fees elements on which decisions are to be taken following consultation.
- 4.24. The Parking (Code of Practice) Act 2019 requires the Secretary of State to prepare a Code of Practice that "contains guidance that promotes best practice in the operation and management of private parking facilities". To deliver this and address the problems identified above, the objectives for the wider Code and its enforcement framework are shown in Table 4.1, which should result in an overall reduction in the number of parking charges issued, evidenced in part by a reduction in the number of requests for DVLA data.

Table 4.1: Objectives - wider Code and enforcement framework

Objective	Intended impact
A) Create consistency across the private parking system.	This will ensure a single set of raised standards that means drivers and registered vehicle keepers are subject to similar rules and consequences regardless of the site in which they park, limiting non-compliant parking driven by insufficient information.
B) Ensure fairness for drivers, registered vehicle keepers, and landowners.	This should protect drivers and registered vehicle keepers from poor behaviour from parking operators and debt recovery agencies, and from the receipt of unfair parking charges. At the same time, the interests of landowners should be protected as parking operators provide an effective system of parking management on their behalf, having the tools to manage non-compliance in a way that is proportionate to their legitimate interests.
C) Increase transparency in the way the private parking industry operates.	Drivers will have clarity on terms and conditions for parking, and the industry will be more accountable for its practices. This can reduce breaches by giving drivers and registered vehicle keepers a greater understanding of what is expected of them and greater trust in the legitimacy and motivations of the industry (and of the charges and fees it levies).

- 4.25. To deliver these objectives, the Code of Practice and its associated enforcement framework are expected to include:
- The production of a new certification scheme, based on the new Code of Practice and independently assessed by the United Kingdom Accreditation Service (UKAS). This will outline how in practice the requirements of the Code should be measured, tested and assessed. Parking operators will have to be certified against this scheme if they wish to continue to have access to DVLA data.
 - A strengthened current system of self-regulation through which the ATAs are required to undergo accreditation by UKAS as Conformity Assessment Bodies (CABs). This is to ensure that the ATAs have the necessary processes in place to assess conformity and compliance with the Code among operators, rather than Government having a direct role in doing so.
 - Giving the Secretary of State for DLUHC the responsibility for accrediting the ATAs.
 - The creation of a single appeals service, independent from the parking industry, to handle second-stage appeals against private parking charges.
 - The establishment of a Scrutiny and Oversight Board to oversee the operation of the new system, monitor its effectiveness and recommend changes as necessary when the Code is reviewed every two years.
 - The capping of parking charges, and either capping or banning of debt recovery fees (subject to consultation, see the section below for specific coverage of this).

Problems relating specifically to parking charges and debt recovery fees

- 4.26. There is public concern about the level of parking charges and debt recovery fees enforced by the industry. Analysis of correspondence received by DLUHC on private parking found 18% of all correspondence mentioned the level of parking charges, 15% mentioned the legitimacy of debt recovery fees and 11% mentioned the amount of debt recovery fees. Similarly, 18% of private parking-related news articles analysed mentioned the level of parking charges and 10% mentioned the legitimacy of debt recovery fees.
- 4.27. Consumer and motoring groups, as well as members of the public, argue that where charges are issued and debt recovery is undertaken, there is considerable scope for drivers and registered vehicle keepers to be exploited by unfair practices. Concerns are frequently raised through correspondence and media articles about the private parking business model, suggesting that operators profiting from the enforcement of charges can incentivise them to adopt poor practices to increase the number of parking charges issued. The incentives in the market can be distorted to create a situation in which operators see more benefit from non-compliant parking than they do from their core business of compliant parking.
- 4.28. Companies House data suggests that the net profits of the five largest parking operators for whom data was available in 2019 were between 18% and 39%¹³ (equivalent data is not available for smaller operators to provide a comparison). Consumer and motoring groups have argued that these profit margins represent supernormal profits that should not be expected if the incentives in the industry were primarily to deliver an effective

¹³ The figures were arrived at by using Companies House data, through searching for each individual parking operator, and examining their full accounts for each year, which include their yearly turnover and profits. The net profit % was then calculated by dividing net profit by turnover and multiplying by 100. The limitations of this data are that this only covers companies that provide figures, which worked out at 24 out of 214, with companies exempt from providing figures under section 477 of the Companies Act 2006, which grants audit exemption if two or more of the following apply: an annual turnover of no more than £10.2 million, assets worth no more than £5.1 million or 50 or fewer employees on average. Therefore, the results may not be reflective of the top 5 as other parking operators may have had higher profits they have not had to report and thus could not be analysed or included in this dataset.

parking service. Of course, a level of profit is to be expected in a private industry, however the lack of transparency around caps and the operator business models means we cannot take assurance that the market is operating fairly.

- 4.29. The existing industry parking charge cap of £100 is both higher (outside of Greater London and Scotland) and less flexible than that charged by local authorities for public car parking. This can mean that similar breaches in local authority or private car parks can attract significantly different charges. The local authority system is often viewed by motorists as fairer because a lower or higher level of charge is issued, depending on the seriousness of the contravention. It should be noted that the local authority and private parking systems are not entirely comparable, given the inherent profit motive in the private system and the differing enforcement powers between the two systems, so whilst comparisons can be drawn, differences will remain.
- 4.30. The Government has engaged with the trade associations about how their current caps were set. The BPA confirmed that the caps were set by its Board, consisting of both parking operators and debt recovery agencies. Whilst they confirmed that the Board considered issues such as how much it costs to enforce parking charges (including debt recovery costs) and what would constitute an effective deterrent, no further detail was provided. When the IPC was established, they adopted the already existing BPA caps to be competitive, aside from the debt recovery fee cap being set at £60 rather than BPA's £70 (to which it has subsequently been increased).
- 4.31. Through engagement with the industry it has become clear that the unit cost per successful debt recovery is on average around seven times lower than the existing industry cap of £70. However, the industry claims the fee must be higher than it actually costs for recovery in order to provide a deterrent against non-payment of a parking charge and because the higher fee helps to compensate for those who are charged but from whom debts are not recovered. In practice, this means that those who pay such a fee are in effect paying for those who do not pay their debt. Furthermore, the Government has not seen sufficient evidence to demonstrate a) that debt recovery fees should in principle serve as a deterrent against the non-payment of a parking charge; and b) whether the current fee is even effective in acting as a deterrent against non-payment of a parking charge. According to industry data, just under half of parking charges are paid, leaving the remaining either cancelled or unpaid. This challenges the argument that this acts as an effective deterrent against non-payment.
- 4.32. Government intervention in the caps being set for parking charges and debt recovery fees can help to address these problems, improving the level of protection afforded to drivers and registered vehicle keepers, without doing undue harm to the operators' and landowners' key interests in ensuring the availability of parking spaces. In an industry where the incentive is to provide an effective parking service, the focus for parking charges and debt recovery fees should be on supporting that system, rather than concerns for profits made from those charges and fees.

Review of parking charge and debt recovery fee caps

- 4.33. The specific objectives for the parking charge and debt recovery fee elements of the Code are to:
 - a) Ensure that private parking charges are consistent across the industry and vary in accordance with the severity of the breach;

- b) Ensure that levels of private parking charges prevent non-compliance with parking restrictions on private land;
- c) Ensure that there is sufficient deterrent against the non-payment of legitimately issued parking charges, enabling the fair and efficient management of parking spaces on private land;
- d) Ensure that any debt recovery fees are justified and, if so, are transparent and not excessive; and
- e) Reduce the number of unjust small claims against drivers and registered vehicle keepers.

4.34. These objectives and their associated options have been developed considering the responses to previous consultations, and are expected to help deliver the objectives of the wider Code and enforcement framework.

4.35. If the Code did not set limits for parking charges and debt recovery fees, these would, in effect, be uncapped, as the new Code will supersede the current industry Codes of Practice (which do currently set limits). This would expose drivers and registered vehicle keepers to potentially highly variable and unreasonable or excessive charges. It is therefore appropriate for the consolidated Code to also include these types of caps. However, Government must follow a robust process of ensuring that those are fit for purpose. Through this IA we therefore test five options, each representing a different combination of parking charge and debt recovery fee treatment, as explored in section 5.

5. Description of options

Overview

- 5.1. This section outlines the options which have been developed to address the problems in the market and achieve the policy objectives (outlined in Sections 3 and 4). Annex A outlines options that were considered only at a 'long-listing' stage since they were deemed not to have met the objectives of this policy. This section primarily deals with options which were deemed to meet the policy objectives and are appraised within this IA.
- 5.2. Whilst both regulatory and non-regulatory interventions have been considered, a regulatory response is considered necessary given the statutory obligation to create a new Code, the integrity of the process to develop it, and broad support for the Code from industry, consumer and motoring groups, MPs and the public. As such, this IA does not consider any alternatives to the implementation of the Code. This IA does not consider options in relation to the other elements of the Code. The IA does, however, assess these options in the context of the impact of the whole Code to provide an indication of the likely impact of the overall policy to be implemented.
- 5.3. The IA therefore considers options for the two sub-policy decisions set out below:
 - a. Parking charge levels: this decision is on the right level for parking charges to be capped at for a contravention of parking terms and conditions on private land, and the appropriate level of discount for paying a parking charge within 14 days of its receipt.
 - b. Debt recovery fees: this decision is on the level of fee that can be added on top of the late or unpaid parking charge as part of the debt recovery process.
- 5.4. These decisions will have interacting costs and benefits, and as such, are assessed together within a given policy option. These options assume the rest of the Code will be implemented in its current form.
- 5.5. The Government reserves the right to modify these options following the current call for evidence depending on evidence this secures. In any event the options are expected to be subject to further consultation before decisions are taken.

Outline of the Code of Practice

- 5.6. This section details the elements of the intervention which (subject to minor amendments where needed for consistency and/or accuracy) will not vary between different policy options, but were proposed in the version of the Code laid in Parliament in February 2022 without challenge, and are appraised within this IA. The new Code will create additional costs for operators, and as the implementation of the wider Code does not vary between the different policy options, these costs will be the same across all options.
- 5.7. The Private Parking Code of Practice is expected to include:
 - a. Tightening the obligations on parking operators to ensure that signs and markings are clearly visible and convey all the information drivers and registered vehicle keepers need. Parking operators will also need to display a notice informing drivers and registered vehicle keepers of any changes to the terms and conditions

- of a car park for at least four months after any change. This will ensure that those parking negligently are not doing so for a lack of information provided.
- b. Tightening the obligations on parking operators to ensure that payment machines display all appropriate and relevant information, including the consequences of a machine being unavailable. This will ensure that drivers and registered vehicle keepers will be able to sufficiently comply with payment requirements.
 - c. Introduction of mandatory consideration¹⁴ and grace¹⁵ periods. This will make the provision of consideration and grace periods more consistent across different car parks. It will help to reduce the number of parking charges issued for minor overstaying or as a result of confusion about the length of these periods.
 - d. Introduction of specific requirements for pay-and-display parking, including requiring operators to provide clear instructions on where the receipt should be displayed, requiring parking attendants to conduct a thorough check before issuing a parking charge for not displaying a receipt, and requiring time-stamped images showing that no receipt has been displayed where a parking charge is issued by post. These requirements should ensure that drivers and registered vehicle keepers who have correctly paid and displayed are not subject to parking charges.
 - e. Introduction of requirements for parking operators in relation to ensuring photographic equipment is fit for purpose and properly maintained before issuing parking charges, ensuring images are not digitally altered, using photographic evidence as the basis of a parking charge, and carrying out manual quality control checks before using photographic evidence in a parking charge. This will prevent the use of covert and faulty surveillance in generating charges.
 - f. Standardising requirements in relation to a notice of parking charge, to limit the use of language and presentational tools that misinform or intimidate the recipient into paying and dissuade them from lodging an appeal where appropriate.
 - g. Introduction of requirements for parking operators to provide an appeals process for a parking charge within 28 days of their delivery, or outside of this period where the person who is appealing has mitigating circumstance to do so. Additionally, in considering appeals, parking operators must recognise the situations set out in the Code's Annex F.3 as mitigating circumstances warranting cancellation of a parking charge. Operators will have discretion in applying this to individual cases, however drivers and registered vehicle keepers will have recourse to a new independent second-stage appeals service which operators must use and if there is evidence that operators are not following the appeals processes set out in the new Code, this could be grounds for investigation.
 - h. A requirement to use the Government-appointed single appeals service to handle second-stage parking charge appeals. Currently, both ATAs have their own independent appeals services and there are concerns regarding their independence. The introduction of a single appeals service that is independent from the parking industry should ensure that any incorrect parking charges are resolved appropriately, and that drivers and registered vehicle keepers have confidence in these judgements.

¹⁴ Time allowed prior to parking, for a motorist to understand the contract they are entering and access an appropriate space to park.

¹⁵ A period of time added to the parking period within which time no parking charge applies, to ensure minor lateness is not penalised.

- i. Introduction of requirements for parking operators to undertake appropriate data collection and sharing following the introduction of the Code. This will allow the effectiveness of the Code to be monitored and evaluated.
- j. The creation of a Scrutiny and Oversight Board to oversee and monitor the new regulatory system, including reviewing the evidence generated through monitoring and evaluation and making recommendations on updating the Code every two years. This will ensure the ongoing efficacy of the policy.
- k. Whilst not prohibiting on the use of debt recovery agencies, prohibiting the use of threatening or intimidating language in the recovery of debt and an obligating all debt recovery agencies involved in the collection of private parking-related debt to be full members of an ATA. This will ensure accountability to the sector and alignment of incentives with best practice to limit unfair practices.
- l. Strengthening of the current system of self-regulation by producing a certification scheme, independently assessed by UKAS, to which ATAs must adhere if their members wish to request DVLA data. Trade associations will be accredited by UKAS as CABs who will, in turn, certify parking operators against the scheme. This will ensure accountability and operator compliance with the Code.
- m. Introduction of requirements for undertaking a 'soft trace' where the registered vehicle keeper or hire company does not respond to a parking charge, to ensure the correct correspondence details of the driver or registered vehicle keeper are known before commencing enforcement action. If new details are found, this will also restart the 28 day appeal process. This will ensure that drivers and registered vehicle keepers have possession of the full relevant information and can take appropriate action, rather than being subject to action to which they had no initial recourse.
- n. Introduction of requirements for parking operators to ensure that both camera vehicles and parking attendants can be appropriately identified with relevant markings and identification respectively. This will prevent the use of covert and inappropriate means for generating charges.
- o. Operators are already required to have complaints procedures in place, but the Code includes additional specific requirements that must be followed to ensure best practices in the industry.
- p. Introduction of requirements for parking operators to ensure that their staff, whether working as parking attendants (i.e. on site) or handling and processing appeals and operating ANPR systems, are given the appropriate training in accordance with the standards set by the certification scheme. This will ensure best practices in the industry in accordance with the regulation.
- q. A requirement for parking operators who do not own the land on which they are carrying out parking management to have written confirmation from the landowner to carry out such management. This will ensure that landowners have been made aware of and accept the approach their chosen parking operator will take and that responsibilities between the landowner and the parking operator are clear.
- r. A prohibition on operators issuing parking charges on the basis of photographic evidence supplied by a third party unless it has evidence to show that notification could not reasonably have been given to the driver or affixed to the vehicle. Third parties who obtain this evidence need to be certified by CABs. This will ensure that drivers and registered vehicle keepers are aware they committed a

contravention at the time of doing so and do not commit multiple similar contraventions before receiving a parking charge.

- s. A requirement for parking operators to obtain and maintain public liability and employers' liability insurance. This is currently a requirement of both trade associations and will represent a formalisation of the policy.
- t. A prohibition on the use of incentive schemes that incentivise the issuing of a greater number of parking charges. This is one of the main drivers of failures in the market and will act to ensure parking charges are not generated unfairly but in proportion to the harm caused.

Policy Options for parking charge levels and debt recovery fees

5.8. This section outlines the elements of the policy where we are considering options for appraisal. For these sub-policy decisions, Table 5.1 outlines the options which are appraised in this IA, whilst the following sections outline the options in more detail. Options 1-5 all retain the Code, whereas option 0 retains no Code and no changes to parking charge/debt recovery fee levels.

Table 5.1: Policy options

Option	Parking charge levels	Debt recovery fees
0	Do nothing	Do nothing
1	Retain £100 limit set by ATAs, including the current 40% discount for paying a parking charge within 14 days of its receipt.	Retain current cap of £70.
2	Set parking charges at £50/70 for England and Wales (outside London), £80/130 inside London, and £80/100 for Scotland, depending on the seriousness of the contravention, while retaining the £100 status quo for abusing a Blue Badge bay and parking on land where parking was not invited and in some restricted car parks (residential and staff-only) outside London. The discount for paying a parking charge within 14 days of its receipt would increase to 50%.	Lower cap to 30% of parking charge levels.
3	As above (option 2).	Banned.
4	Set parking charge levels at £70/100, depending on the seriousness of the contravention, including retaining the £100 status quo for abusing a Blue Badge Bay and parking on land where parking was not invited and in some restricted car parks (residential and staff-only). The discount for paying a parking charge within 14 days of its receipt would remain at 40%.	Lower cap to 30% of parking charge levels.
5	As above (option 4).	Banned.

Option 0:

5.9. The counterfactual or 'do-nothing' scenario suggests what would occur if existing market arrangements continued and the Government did not intervene. In this scenario there would be no Government Code implemented and no associated caps on parking charges and debt recovery fees, meaning they would remain at existing levels set by ATAs through their own Codes. Given the statutory obligation to lay a Government Code, this

option is provided purely as an analytical tool to assess the impact of the proposed policy options and is not a genuine option.

- 5.10. To proceed with this existing (or “business as usual”) scenario would not address the failures in the market, nor would it meet the policy objectives of introducing greater consistency, fairness or transparency into the private parking system.

Option 1:

- 5.11. This option is the minimal intervention option. In this scenario:
- a. The Code would be implemented.
 - b. Caps on parking charges and debt recovery fees would be included in the Code at the levels currently set by the industry.
 - i. For parking charges, both ATAs have set a £100 limit on the amount that can be charged for an alleged breach of the terms and conditions of the car park, with higher amounts continuing to be permissible only with approval from the ATA.
 - ii. The discount for paying a parking charge within 14 days of its receipt would remain at 40%.
 - iii. Debt recovery fees would remain capped at £70.
- 5.12. One of the key purposes of a parking charge is to dissuade motorists from breaking parking restrictions. The industry is adamant that the existing caps are sufficient to prevent non-compliance with parking restrictions. Multiple industry sources state that 99.7% of parking ‘acts’ comply with parking restrictions, with the remaining 0.3% resulting in a parking charge being issued. Furthermore, the industry claim that the existing caps allow parking operators to manage parking effectively, including the provision of free time-limited parking where relevant. Most of the operators engaged in developing the policy to date have claimed that lowering the caps would increase non-compliance.
- 5.13. If choosing this option, the Government would need to ensure that parking charges vary in accordance with the severity of the breach, and that debt recovery fees are justified, transparent and not excessive. To do that, the Government is seeking further evidence to demonstrate the extent to which the current industry-set limits ensure compliance and assist with overall parking management.

Option 2:

- 5.14. Option 2 would amend both the parking charge levels and debt recovery fees compared to current levels. In this scenario:
- a. The Code would be implemented.
 - b. Parking charge levels would be similar to those proposed in the Code in February 2022¹⁶, varying by region and contravention type (thus by the seriousness of the breach¹⁷).
 - i. The new levels would be £50/£70 for England and Wales (outside London), £80/£130 inside London, and £80/£100 for Scotland, reflecting the current

¹⁶ The cap on local authority parking charges in Scotland has been raised since the Code was laid in February 2022 to £80/£100, which is reflected in the options considered in this IA. This is the only difference to those earlier proposals.

¹⁷ Definition of Higher and Lower contraventions can be found within the withdrawn Code of Practice here: <https://www.gov.uk/government/publications/private-parking-code-of-practice/private-parking-code-of-practice>

level of local authority penalty charges in these locations, while the £100 status quo for abusing a Blue Badge bay and parking on land where parking was not invited and in some restricted car parks (residential and staff-only) would be retained outside London. Parking operators would not be able to seek approval to issue charges at a higher level from their trade association.

- c. The discount for paying a parking charge within 14 days of its receipt would increase from 40% to 50%.
- d. The cap on debt recovery fees would be reduced to 30% of parking charge levels¹⁸.
 - i. For a low-level breach in England and Wales, the maximum debt recovery fee would be £15, whilst for a high-level breach in London the maximum debt recovery fee would be £39.

5.15. Table 5.2 shows the proposed parking charges by location and contravention type, whilst Table 5.3 shows the proposed debt recovery fees by location and contravention type. These levels reflect current local authority levels as an indication of an appropriate level in different locations.

Table 5.2: Proposed parking charges (options 2 and 3)

Type of breach	England (Outside of London) and Wales	London	Scotland
Lower	£50	£80	£80
Higher	£70	£130	£100
Other	£100	£130	£100

Type of breach	England (outside of London) and Wales	London	Scotland
Lower	£15	£24	£24
Higher	£21	£39	£30
Other	£30	£39	£30

Table 5.3: Proposed debt recovery fees (option 2)

- 5.16. A debt recovery fee proportionate to the initial charge could serve to:
- a. Deliver a fairer system by ensuring fees are not excessive and are instead reflective of the level of parking charge; and
 - b. Provide consistency with fees in other industries.
- 5.17. This option would meet the objectives of the policy by creating consistency and greater transparency across the private parking sector, as well as a fairer system for drivers and registered vehicle keepers. It would strongly align with the objective of ensuring that parking charges that are issued legitimately vary according to the severity of the breach of the parking terms and conditions. Currently, the £100 cap on parking charges applies in all circumstances regardless of the seriousness of the breach. A driver or registered vehicle keeper could therefore receive the same charge for a minor breach, such as not being parked within the markings of a bay, or a more serious breach, such as parking causing an obstruction. The £100 cap also currently applies in all locations. However, there is an argument that, as demand for parking and thus parking tariffs are higher in

¹⁸ This 30% figure has been generated by analysing additional fees in other industries, such as for gas and electricity companies.

London, there is a greater incentive for drivers and registered vehicle keepers not to comply with parking restrictions and thus the parking charge needs to provide a greater deterrent.

- 5.18. In this option, parking charges would vary depending on the location and seriousness of the breach. The levels reflect those in local authority parking, as the fact that these are currently in place suggests that they provide a sufficient deterrent, are deliverable, and allow parking operators to fulfil their role in carrying out the effective management of parking. However, there are of course differences between the private and local authority systems, with local authorities not providing parking to make a profit, which could impact on the deterrent effect and deliverability of the charges for private parking.
- 5.19. The industry has argued that debt recovery fees are important in enabling it to manage its debt recovery operations. Engagement with parking operators and debt recovery agencies suggests that the cost of debt recovery (at approximately £8.42) is on average roughly eight times lower than the limit currently imposed by the trade associations on debt recovery fees, but that paid fees fund the overall system, including costs of handling both cases where recovery is successful and unsuccessful. The industry also argues that the fee is necessary to provide a deterrent against non-payment of legitimately issued parking charges.
- 5.20. The lower cap on debt recovery fees reflects debt recovery practices in other industries. For example, the average gas and electricity bill in the UK is approximately £100 per month¹⁹. EON charges a £10 late payment fee, a £20 debt collection fee, or take 31% of the debt balance to cover the administration cost of a debt collection agency if this stage is reached. EDF charge a £10 late payment charge for existing customers and take 20% of the debt balance to recover costs for customers who have left. British Gas debt collection and recovery measures range between £13 and £28, whilst Scottish Power debt collection and recovery measures range between £10 and £33.
- 5.21. The lower cap on debt recovery fees in this option would still provide an additional income stream to enable operators to engage debt recovery agencies to manage debt recovery as part of the overall management of parking operations. It balances the principles that the fee must not be excessive with fairness for drivers and registered vehicle keepers who do pay the fee. The potential harm to drivers and registered vehicle keepers would be reduced as the fee would be lower, but if the fee is not justified at all, this level would still be too high.

Option 3:

- 5.22. Option 3 would be similar to the proposals for parking charges and debt recovery fees set out in the Code in February 2022. In this scenario:
 - a. The Code would be implemented.
 - b. As in option 2, parking charges would be similar to the levels proposed in the Code in February 2022 (see Table 5.2).
 - i. The new levels would be £50/£70 for England and Wales (outside London), £80/£130 inside London, and £80/£100 for Scotland, reflecting the level of Local Authority penalty charges, while the £100 status quo for abusing a Blue Badge bay and parking on land where parking was not invited and in

¹⁹ <https://www.moneyhelper.org.uk/en/blog/utilities/how-much-is-the-average-gas-and-electricity-bill-per-month>

some restricted car parks (residential and staff-only) would be retained outside London. Parking operators would not be able to seek approval to issue charges at a higher level from their trade association.

- c. As in option 2, the discount for paying a parking charge within 14 days of its receipt would increase from 40% to 50%.
 - d. Debt recovery fees would be banned.
- 5.23. This option would meet the overall objectives of the policy by creating consistency, transparency, and a fairer system for drivers and registered vehicle keepers. As with option 2, it would strongly align with the objective of ensuring that parking charges vary in accordance with the severity of the breach, while also allowing parking operators to manage non-compliance.
- 5.24. It would also strongly align with the objective of protecting drivers and registered vehicle keepers from excessive debt recovery fees. As highlighted in option 2, the industry has suggested that the cost of debt recovery is relatively small per case and that paid fees fund the costs of handling both cases where recovery has been successful and unsuccessful. There is an argument that these costs could be covered by the parking charge issued, which should be used to fund operations to manage non-compliance as well as serving as an income stream. This should be possible with parking charge levels set at a reasonable level. There is also a question of whether it is fair to those drivers and registered vehicle keepers who pay the debt recovery fee and are currently in effect also covering the costs of debt recovery against those who do not pay. As such this option aims to protect compliant drivers and registered vehicle keepers.
- 5.25. The industry has argued that, with the removal of the fee, there would no longer be a sufficient deterrent against non-payment of legitimately issued parking charges. It argues that this may in turn impact operators' ability to manage their car parks, since drivers may respond by contravening the terms and conditions of private car parks more frequently, given the alleged lower incentive to pay any parking charge that is issued. However, it could also be argued that the risk of county court action alone provides a sufficient incentive to adhere to parking restrictions and pay a parking charge. The Government is seeking further evidence about the deterrent effect of both parking charges and debt recovery fees. In any case, this potential outcome needs to be balanced against the additional protection to drivers and registered vehicle keepers.
- 5.26. The industry has also argued that the removal of debt recovery fees would mean that debt recovery agencies can no longer operate, meaning that operators are likely to issue more county court claims to recover unpaid parking charges. They suggest that debt recovery agencies provide a valuable service beyond debt recovery, by preventing charges becoming out of control through the use of payment plans rather than recovery through the small claims court. While the role that debt recovery agencies play is important, further evidence is required to establish whether the fee is necessary in this role.

Option 4:

- 5.27. Option 4 would involve some variation in parking charge levels by contravention but not by location. In this scenario:
- a. The Code would be implemented.

- b. Parking charges would be amended so that they vary only by contravention type (see Table 5.4).
 - i. New levels would be £70/£100 depending on the contravention type, including retaining the £100 status quo for abusing a Blue Badge bay and parking on land where parking was not invited and in some restricted car parks (residential and staff-only). Parking operators would not be able to seek approval to issue charges at a higher level from their trade association.
- c. The discount for paying a parking charge within 14 days of its receipt would remain at 40%, in line with current industry practice.
- d. As in option 2, the cap on debt recovery fees would be reduced to 30% of parking charge levels (see table 5.5).

Table 5.4: Proposed parking charges (options 4 and 5)

Type of breach	Non-discounted	Discounted
Lower	£70	£42
Higher	£100	£60

Table 5.5: Proposed debt recovery fees (option 4)

Type of breach	Fee
Lower	£21
Higher	£30

- 5.28. This option would create consistency and transparency for drivers and registered vehicle keepers, whilst also ensuring that parking can be managed effectively on behalf of landowners. It differs from options 2 and 3 as parking charge levels do not vary between geographic regions. It would constitute a continuation of the principles of the current system, which sets a cap on levels regardless of location. While there is an argument that demand for parking and parking tariffs are higher in London, and therefore a higher parking charge is required to deter non-compliant parking, the evidence to support this is currently limited. We also have little evidence around whether the need for a similar higher deterrent applies to other locations. Setting parking charges at this level across locations would aid the transition between systems and ensure equal treatment in the private parking system across England, Scotland and Wales for drivers and registered vehicle keepers.
- 5.29. The level of parking charge would still vary according to the severity of the breach. More serious breaches would still be liable for a £100 charge whilst less serious breaches, which are often non-intentional on the part of the driver or registered vehicle keeper, would be liable for a £70 charge. This would increase fairness for drivers and registered vehicle keepers who have contravened parking restrictions in error.
- 5.30. This option aligns with option 2 in terms of debt recovery fees, with a percentage cap on the maximum level of parking charge, but not differing across geographic locations. As set out above, this would provide an additional income stream to enable operators to manage debt recovery and overall parking operations, but it would not be excessive for drivers and registered keepers.
- 5.31. Compared to options 2 and 3, this proposed option has the benefit of being simpler for both drivers and registered vehicle keepers and operators, containing only four levels of

parking charges and two levels of debt recovery fees compared to potentially up to nine levels for both parking charges and debt recovery fees for option 2.

Option 5:

- 5.32. Option 5 would mirror option 4 for parking charge levels and option 3 for debt recovery fees. In this scenario:
- a. The Code would be implemented.
 - b. As in option 4, parking charge levels would be amended so that they vary only by contravention type (see Table 5.4).
 - ii. New levels would be £70/£100 depending on the contravention type, including retaining the £100 status quo for abusing a Blue Badge bay and parking on land where parking was not invited and in some restricted car parks (residential and staff-only). Parking operators would not be able to seek approval to issue charges at a higher level from their trade association.
 - c. As in option 4, the discount for paying a parking charge within 14 days of its receipt would remain at 40%.
 - d. As in option 3, debt recovery fees would be banned.
- 5.33. This option would arguably create a fairer system for drivers and registered vehicle keepers, with lower charges than currently exist and no debt recovery fees. As with the other options, it would introduce consistency across the private parking sector and transparency in relation to its operation, while still providing additional income and providing parking operators with the tools to effectively manage parking on behalf of landowners. The arguments for the proposed parking charge levels are set out in option 4 and for banning debt recovery fees in option 3. The higher levels of parking charges in comparison to options 2 and 3 could mean that the need for debt recovery fees is reduced, as the profit from parking charges could be used to fund the costs involved in managing non-compliance, including debt recovery and small claims. As with option 4, it would also have the benefit of being a simpler system for drivers and registered vehicle keepers to understand and for operators to administer.

6. Methodology

- 6.1. This IA follows standard practice, as outlined by the HM Treasury Green Book²⁰. It assesses the expected costs and benefits of each of the policy options, against the counterfactual scenario (option 0), which shows the continuation of existing market arrangements. As discussed below, all the impacts of the policy are appraised. However, only the costs of this IA are monetised, with the benefits described qualitatively due to a lack of evidence on consumer and business behaviour. The impacts are considered over a ten-year appraisal period between 2024 and 2033.
- 6.2. This IA appraises the impacts of the proposed policy options using two key metrics: (1) The Social Net Present Value (SNPV) in Section 7 and (2) The Equivalised Annual Net Cost to Business (EANDCB) in Section 10.
 - a. The SNPV²¹ provides a real and discounted assessment of the overall impact of the policy options to society – in simple terms it is the benefits minus the cost of each policy option across the appraisal period.
 - b. The EANDCB provides a real and discounted assessment of the overall direct impact to businesses.
- 6.3. It is worth noting that a high EANDCB does not necessarily imply a high cost to society, as costs borne by business may be balanced by benefits to consumers. This section deals with the methodology for both sections, but more specific methodology for the EANDCB as required is outlined at the start of Section 10.
- 6.4. As this is a draft IA, it is important to note that: a) the proposals are still in development; b) the analysis is still in development, with further evidence invited and welcomed to strengthen this analysis; and c) further analysis after the current call for evidence is expected to be presented with a consultation on options for parking charges and debt recovery fees. An updated IA will be published together with the consultation response.
- 6.5. This section covers the following elements relating to analysis:
 - a. An assessment of the evidence, potential data limitations and proposed resolutions;
 - b. The existing state of the private parking market;
 - c. The analytical approach adopted in this IA, and which parts of the regulation have been appraised, and which parts have not; and
 - d. An explanation of why this analysis is considered sufficient and proportionate for the purpose of this IA.

Data limitations

- 6.6. To build the evidence base supporting potential impacts of the Code, two consultations have been conducted to date, as well as engagement with the industry both formally and informally. Responses from these activities have been analysed, and the most robust available evidence and data has been taken forward into the analysis undertaken in this IA and also towards developing an overall understanding of the industry.

²⁰ <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020>

²¹ All monetised impacts are presented in 2023 prices and are discounted using the social discount rate of 3.5% a 2023 base year.

6.7. The data used within this analysis primarily relies on what has been extracted from a sample of firms in the industry as well as published financial accounts data, since there is no consistently produced and uniform industry-wide data or relevant official statistics available. This limits both the current understanding of the industry and how it is likely to respond to the regulation. Table 6.1 outlines the stakeholders that have been engaged to date.

Table 6.1: Stakeholders engaged to date

Parking Industry	Consumer and Motoring Groups
International Parking Community (IPC)	AA
British Parking Association (BPA)	RAC Foundation
Excel Parking and Vehicle Control Services	RAC
ZZPS	Individual Consumer Representatives
Agena Group	
Debt Recovery Plus	
Parking Eye	
Euro Car Parks	
Group Nexus	
Gladstones Solicitors	
Carflow	

6.8. The Government has also engaged with a sample of local authorities across the UK to obtain relevant data on their parking management. Whilst the local authority system differs in some important ways, there is still useful information on areas such as cost requirements and driver behaviour. This evidence has been used alongside additional evidence from consumer and motorist groups and ATAs.

6.9. Mazars, commissioned by the BPA and working with their Approved Operator Scheme Census, produced a report in 2021 on the impacts of the proposed changes in the previous consultation. This analysis generates some assumptions and provides information on current estimated revenues, expected future revenues after the changes, enforcement costs and industry profit margins primarily in response to changes in the levels of parking charges. However, the report is subject to some limitations:

- a. The analysis makes no assumption about changes to the parking industry over time (providing only a static view);
- b. The report focuses primarily on the impact of the change to parking charge levels and does not fully consider the impacts of other changes, such as to debt recovery fees. It also does not consider other possible revenue streams, such as tariffs or other services provided by operators;
- c. The report does not undertake sensitivity analysis for its critical assumptions to address analytical uncertainty; and
- d. The report focuses solely on the impact to the parking industry and does not consider broader social impacts such as the transition costs associated with implementing the Code.

6.10. This analysis provides useful insight into the industry as well as suggestions for how analysis could be conducted. However, the report requires further analysis to estimate the full impact of the regulation. Given the limitations noted above, the results of the Mazars analysis are considered insufficient as an evidence-base for this IA.

- 6.11. It should be noted that the evidence generated from engagement with stakeholders and existing reports primarily informs the potential costs of the Code and its supporting framework. The potential benefits of the Code and its supporting framework are dependent on evidence about consumer and market behaviour which has not historically been collected. As such this IA, whilst appraising all potential impacts of the Code, primarily monetises the potential costs.
- 6.12. To deal with the high level of uncertainty in this analysis, a range of sensitivities testing key assumptions are also presented (see Section 8). Furthermore, since this is a draft IA, the call for evidence will be used to test existing evidence and assumptions with stakeholders to inform the final-stage IA, which will reduce the uncertainty in the final-stage appraisal.

Private parking – general evidence used in analysis

- 6.13. In 2012, the RAC Foundation alongside the BPA produced a report which suggested that there were approximately 20,000 car parks in the UK²², with 52% of these car parks being on private land²³, constituting approximately 10,400 private car parks. Data from the IPC in 2022 stated that they cover approximately 16,000 private car parks, whilst the BPA estimate their equivalent figure to be approximately 27,000 in 2022. This suggests that there is a total of approximately 43,000 private car parks overseen by the BPA and IPC collectively in the UK. There has therefore been significant estimated growth in the amount of private land parking since 2012, which is likely to have been driven by a number of different factors.
- 6.14. Of the approximately 43,000 private car parks, the ATAs have provided estimates of the respective sizes – see Table 6.2. The majority (66%) of private car parks have fewer than 50 parking spaces. 15% and 16% of private car parks have between 50-99 and 100-499 parking spaces respectively, whilst only 3% have more than 500 parking spaces. This suggests that the majority of car parks that fall under this regulation are relatively small, with more than 80% having fewer than 100 parking spaces.

Table 6.2: Estimated private car parks by number of parking spaces in 2022

Number of car parking spaces	Total	Proportion of total (%)
Under 50	28,173	66
50-99	6,654	15
100-499	6,811	16
500+	1,362	3

- 6.15. These private car parks are managed by parking operators and the two ATAs provide a list of their approved members on the respective BPA²⁴ and IPC²⁵ websites. At the time of writing, the BPA have 111 approved members and the IPC has 94, for a total of 205.
- 6.16. As shown in Figure 6.1, the number of private parking operator requests to DVLA for registered vehicle keeper details has increased significantly since 2007. However, there

²² RAC Foundation, 2012, https://www.racfoundation.org/assets/rac_foundation/content/downloadables/facts_on_parking.pdf

²³ BPA, 2013, https://www.britishparking.co.uk/write/documents/library/reports%20and%20research/bpa_uk_parking_sector_report_awweb.pdf

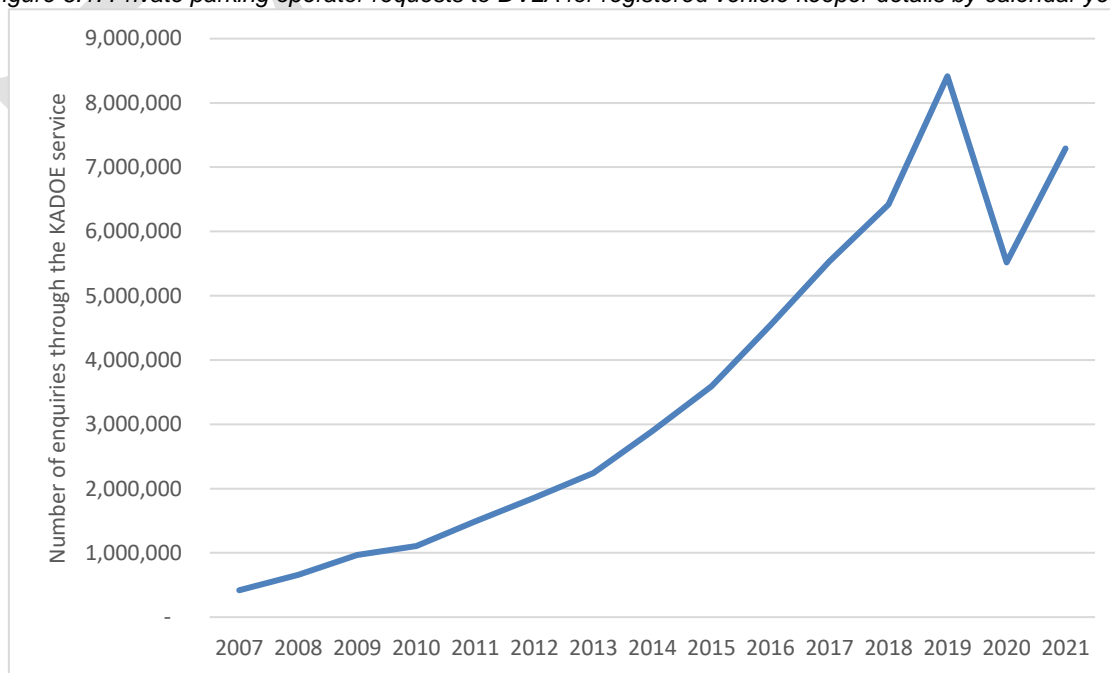
²⁴ See here for BPA parking operators: <https://www.britishparking.co.uk/bpa-approved-operators>

²⁵ See here for IPC parking operators: <https://theipc.info/aos-members>

will be differences between the number of parking charges and vehicle keeper detail requests since:

- a. In some instances, operators may affix a parking charge directly to a vehicle negating the need for a request to the DVLA if this is then paid²⁶. This means that that KADOE data may underestimate the true number of parking charges issued. Conversely, some parking charges affixed directly to a vehicle may still escalate to a request being made to the DVLA;
- b. Requests to the DVLA may not result in parking charges if this action is not taken forward by operators, thereby potentially overestimating the number of parking charges issued; and
- c. There may be repeat requests for the same vehicle/same contravention. This means that the KADOE data may potentially overestimate the number of parking charges issued.

Figure 6.1: Private parking operator requests to DVLA for registered vehicle keeper details by calendar year²⁷



- 6.17. Given the points above, KADOE data as a proxy for parking charges exhibits some limitations and it is difficult to know to what extent this data alone overestimates or underestimates the true number of parking charges issued since 2007. Note that the last year for which there is data is 2021.
- 6.18. BPA data on the number of parking charges issued between July 2019 and June 2022 is around 20% lower than KADOE enquiry data over the same period (on average). This BPA census data represents around 70% of the private car parking industry, leaving 30% of parking charges uncaptured (i.e. IPC parking charges), whereas KADOE data represents a more varied sample of the private car parking industry (reflecting both BPA and IPC enquiries), and likely captures some of the data not captured by BPA census data. Both BPA and KADOE data follow similar patterns over the three-year period in question.

²⁶ If the driver or registered vehicle keeper fails to pay or appeal the charge, then a request for the registered keeper details could still be required, as permitted under PoFA 2012. Parking operators need to allow 28 days before making the enquiry to DVLA to allow the driver time to pay or appeal.

²⁷ Data on requests from year 2022-2023 only includes data from the first three quarters

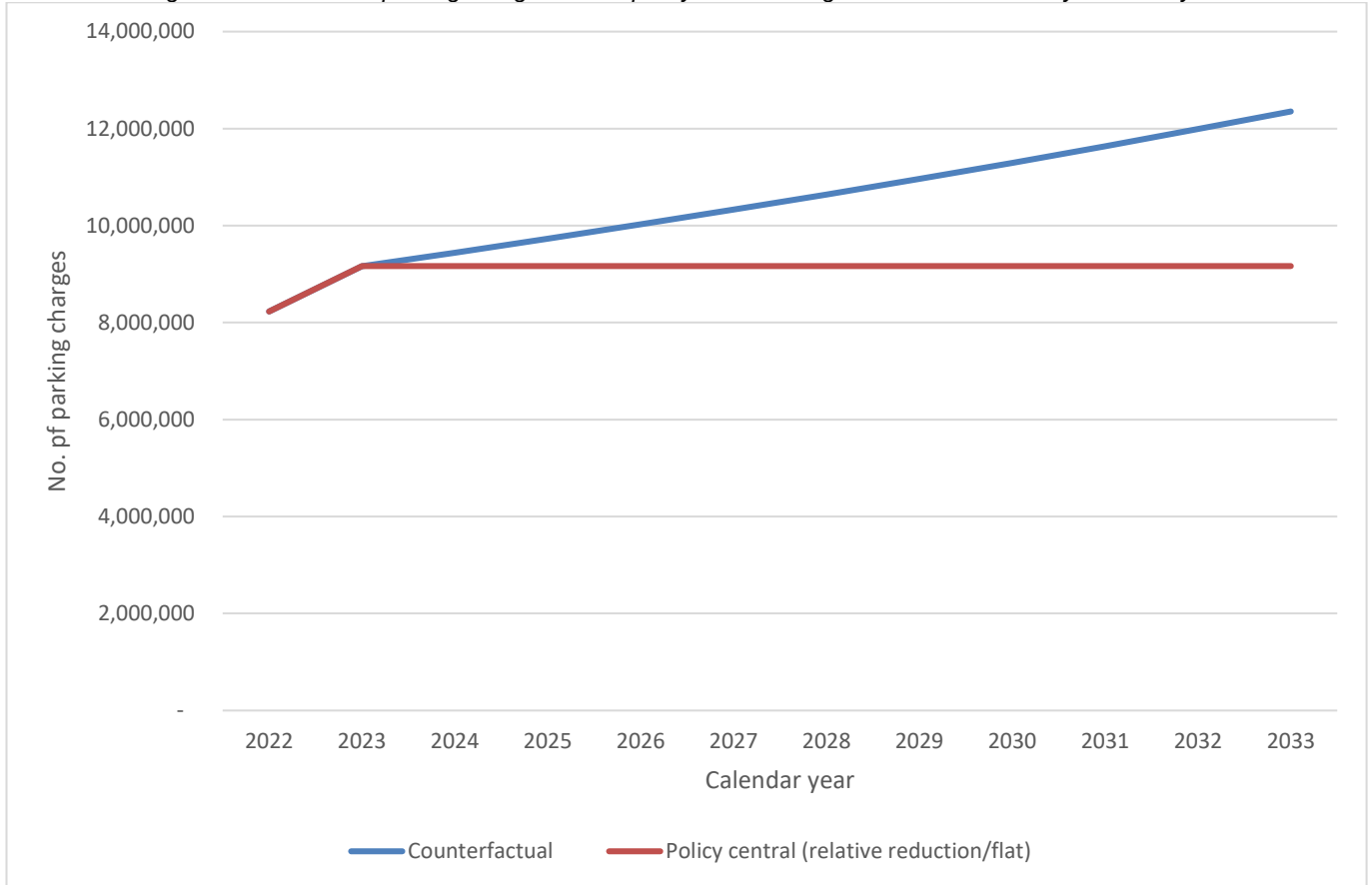
- 6.19. In the absence of additional evidence, the BPA census data can be used to estimate the share of IPC parking charges, providing a more complete estimate of the industry. Between July 2019 and June 2022, BPA operators issued around 18.2 million parking charges. The remaining IPC parking charges for this period can be estimated based on this BPA census data. Taking BPA operator parking charges as representing 70% of the private car parking market, it can be estimated that around 7.8 million parking charges were issued by IPC operators²⁸. It has been necessary to estimate IPC's share of the market for the purposes of this IA, however the Government is seeking to attain fuller and more direct ATA parking charge data through the current call for evidence and through direct engagement with these bodies.
- 6.20. Aggregating the BPA share with the approximated IPC share gives around 26.1 million parking charges for the three-year period. For the same period, there were around 22.2 million KADOE enquiries. This represents a difference of 4 million. One possible reason for this difference is that some parking charges are affixed directly to vehicles and not always necessarily processed through the DVLA (as noted earlier in this section). It is possible then to assume that KADOE enquiry data (all things considered) underestimates the number of parking charges issued historically. However, in the absence of more direct data, it is difficult to be certain.
- 6.21. Given this, KADOE enquiry data can be taken as an acceptable starting point for establishing the counterfactual scenario informing modelling in this IA (this is the scenario against which the policy scenarios are compared to assess policy impacts). The Government is seeking direct data regarding historical parking charges issued as part of the current call for evidence to improve the estimation of a counterfactual scenario.
- 6.22. It is important to differentiate between parking charges which are paid (at both the discounted and non-discounted levels) and parking charges which are not paid. It has been assumed that 47.5% of parking charges are paid, since this aligns with evidence from a range of industry data sources. Furthermore, this evidence indicates that 12% of all parking charges are cancelled, which suggests that 40.5% of all parking charges issued remain unpaid or unresolved.
- 6.23. Of these parking charges that are paid, we have so far only considered the total number and not its potential constituent parts. There are three ways the number of parking charges could usefully be subdivided if further evidence is made available to do so:
- a. Region: Evidence from operators suggests that London makes up 17% to 43% of the parking charges issued in the UK. When considering all the available evidence from industry, it has been assumed that 35% of parking charges are generated in London as a central scenario.
 - b. Discount: The number of parking charges can be divided between those that are paid at the discounted and undiscounted levels. Industry data suggests that of total parking charges, a reasonable split between discounted and undiscounted parking charges is to assume that 40% are paid at the discounted rate and 8% at the undiscounted rate, with the remaining 52% going to debt recovery, cancelled or unaccounted for.
 - c. Level of contravention: Data from operators suggests that the proportion of lower tier contraventions for local authorities is approximately 70%. Data directly from local authorities suggests that this figure could be as high as 95% and as low as

²⁸ Divide 18.2 by 7 to calculate 10% of BPA share, then multiply this by 3 to calculate the remaining 30% (IPC share)

70%. This suggests that a reasonable central scenario for the number of lower tier contraventions is 80%.

- 6.24. It is necessary to forecast the total number of parking charges across time for appraisal. The last year for which there is data is 2021/22. Parking charges for 2022/23 – 2023/24 have been estimated based on data in the last year provided to us (2021/22) which is then converted to calendar years. The appraisal starts from 2024 and ends in 2033. Between this period, it is assumed parking charges grow at an average annual rate of 3%. This is a figure based on the historic average growth rate in KADOE values between 2012/13 and 2019/20 (this period shows the most consistent trend across the overall data period and is therefore used as the growth rate basis).
- 6.25. Post-2024 (from which the appraisal begins), a total of three scenarios are considered for the number of parking charges in the do-something (policy) scenario, with the impact of these compared against the do-nothing (counterfactual) scenario. The central do-something scenario assumes that, post-intervention, parking charge volumes remain flat against the counterfactual. This is because there is no reliable evidence to base the forecasted change in parking charge volumes on – it is not clear whether parking charge volumes will rise or fall in absolute terms against the counterfactual.
- 6.26. Assuming a flat trend removes the need for this judgement, however, holding parking charges flat does mean that parking charges are assumed to fall in relative terms against the counterfactual. This relative fall reflects the belief that the Code and supporting framework will have a downward impact on the number of parking charges issued through all the measures outlined in Section 5.
- 6.27. This will mean that the overall profit impact on businesses is determined by both changes in parking charge caps as well as parking charge volumes (i.e. change in “price” and change in “quantity” relative to the counterfactual). Parking charge cap variations across the appraisal follow the options set out in this IA, whereas parking charge volumes across the appraisal is assumption-based. Figure 6.2 compares the forecasted do-something scenario against the do-nothing (counterfactual) scenario.

Figure 6.2: Illustrative parking charge volume policy scenarios against counterfactual by calendar year



Policy option impact categorisation

- 6.28. The proposed policy options cover a range of interventions which are and are not within scope of this IA. Impacts can broadly be characterised into:
- a. **Included or excluded:** If an impact is excluded then it will not form part of the SNPV or EANDCB. However, if an impact is included, then it may be within the SNPV/EANDCB, or may not (this will be outlined in more detail below). An impact may not be included within the IA for several reasons:
 - i. **Small:** If an impact is identified but is deemed to be small in absolute size, then it would be disproportionately burdensome to appraise. As such, these impacts are excluded from the IA.
 - ii. **Not a new burden:** If a requirement is included, but it is not likely to change behaviour (i.e. it codifies existing behaviour) or is a recommendation, then this will not generate new impacts compared to the counterfactual which need to be appraised. As such, these impacts are excluded from the IA.
 - iii. **Lack of data:** If an impact is identified but there is insufficient evidence at this stage, then it is not appraised within this draft IA. However, further evidence will be gathered and if possible, analysis will be conducted for the final-stage IA.
 - b. **Monetised or non-monetised:** An impact is monetised if an estimated value is attributed to its relative size. Some impacts are not monetised but instead are appraised qualitatively.

6.29. Table 6.3 presents the impacts by categorisation and the following sections outline each categorisation in more detail. It should be noted that the impacts which are assessed primarily pertain to the costs of the Code, given the inherent difficulty in assessing the potential benefits – this is outlined in more detail below.

Table 6.3: Categorisation of impacts of the options

		Monetised	Non-monetised
Included	In SNPV	<ul style="list-style-type: none"> • Signage (production and installation) • Soft trace • Familiarisation • Parking charge notice updates • Monitoring and evaluation framework • Single Appeals Service • Certification scheme • Scrutiny and Oversight Board 	<ul style="list-style-type: none"> • County Courts • Consumer benefits • Indirect discounts • Discount rate
	Not in SNPV	<ul style="list-style-type: none"> • Parking charges • Debt recovery fees 	
Excluded	Small		<ul style="list-style-type: none"> • Camera vehicles • ID for parking attendants • Land value charge
	Not a new burden		<ul style="list-style-type: none"> • Parking machines • Complaints procedures • Training of staff • Insurance • Grace and consideration period • Signage material change notice • Photo quality check
	Lack of data		<ul style="list-style-type: none"> • Signage (maintenance) • Renegotiation of contracts • Self-ticketing costs

Included (not in SNPV) and monetised:

6.30. It should be noted that the loss of profit directly from changes to parking charges and debt recovery fees form an important aspect of this IA. However, in both instances these impacts constitute an economic transfer – which is a redistribution of the impact from one stakeholder to another. A cap on parking charges and debt recovery fee changes should result in a benefit to parking users at the expense of parking operators, for no overall net social benefit or cost to society, merely an economic transfer between consumers and business. As stated in the HMT Green Book, economic transfers do not make society as a whole better or worse off, and therefore are not considered within a social appraisal, so

they are not included in the estimates of SNPV. However, these impacts are included within the EANDCB analysis since this relates specifically to a cost to business.

Included (in SNPV) and monetised:

6.31. A number of aspects of the Code are monetised within the IA and for the SNPV; these impacts are largely cost-related and they do not affect the revenues/profits of parking operators. These impacts largely pertain to the Code and its supporting framework (which are outlined in more detail Section 5) and as such, it should be noted that these costs will not vary across the proposed options (i.e. will not vary with changes in caps).

Included (in SNPV) and non-monetised:

6.32. The resultant cost from the potential change in volume of cases going through the County Court process is non-monetised (and thus described qualitatively only) but is included indirectly within the SNPV (i.e. as a non-monetised impact). The argument for a potential change in cases from industry is that with changes to parking charges and debt recovery fees, contraventions may increase due to the lack of deterrent²⁹ and where debt recovery fees are no longer viable, parking operators may go directly to court. This would result in costs to:

- a. Parking Operators and DRAs;
- b. Drivers and registered vehicle keepers; and
- c. County Courts.

6.33. One of the reasons for the non-monetisation of this impact is that the potential change in volume to drivers and registered vehicle keepers and operators/DRAs, as with parking charges and debt recovery fees, is likely to represent a transfer of costs – insofar as costs may be recouped in court. As such, these costs would be excluded from the SNPV. However, where costs cannot be recouped, this would classify as an additional burden and should be included in the SNPV. However, it is difficult to assess the proportion of cases which would fall into each category.

6.34. Whilst the Government has received some evidence on the current status of cases going to County Court and the costs involved in this process, there is currently insufficient evidence on the likely behavioural implications of the proposed policy options. Indeed, since the County Court stage comes after both the issuance of parking charges and debt recovery fees, the uncertainty in each of these stages together makes the County Court stage highly uncertain. This could be remedied by generating analytical assumptions on the behaviour that would develop post-policy implementation. However, these analytical assumptions are likely to be highly uncertain, sensitive and broad, making their inclusion inadvisable³⁰. As such, the decision has been taken to qualitatively assess the impact of the change in volume of cases but not to provide a monetised estimate.

6.35. Finally, there are three impacts which are included in the IA but not monetised due to the impracticality of obtaining information on them. It should be noted that this reason for being non-monetised is similar to the lack of data exclusion category; however, for the former (impracticality of obtaining information), it is either impossible to obtain this data or

²⁹ Note, it has therefore been assumed that the costs to business outlined in the EANDCB will be directly offset by benefits to consumers.

³⁰ Further evidence could also be generated from running trials; however, it has been deemed that this would a) be disproportionate to the level of impact and b) would result in further delays to the publication of the Code.

highly costly to do, whereas it is easier to remedy the lack of the data exclusion. The three impacts which are excluded due to the impracticality of obtaining information are:

- a. Consumer benefits: this denotes impacts to consumers, for example reduced costs and stress associated with receiving and dealing with a parking charge, improved satisfaction with parking services or worse parking behaviour.
- b. Indirect impacts: this includes impacts such as to the economy and to local businesses which occur indirectly. This set of exclusions includes elements such as whether some car parks will continue to be able to provide free parking and potential second-order impacts on local businesses. The quantitative exclusion is driven by the difficulty in quantification, due to requiring specific research conditions (i.e., experimental research) which would be disproportionately costly to generate and undertake.
- c. Discount rates: for some policy options, the discount rate (the saving possible for paying a parking charge early) would increase from the current 40% to 50%. This could have some behavioural implications for the driver or registered vehicle keeper, namely inducing earlier repayment. However, there is insufficient evidence to suggest the likely behaviour change and its impact, and therefore this impact has not been monetised.

Excluded (small) and non-monetised:

- 6.36. There are three impacts which are excluded from the analysis because they are considered to be small:
- a. Camera vehicles: camera vehicles which are operated by parking operators will be required to be easily recognisable through adequate branding. However, through discussions with ATAs, it has been identified that the number of camera vehicles is relatively small, which will in turn make the cost of branding small. This impact has therefore been excluded.
 - b. ID for parking attendants: parking attendants will be required to wear adequate identification when managing private parking. However, the BPA already requires this within their Code and the burden of the regulation would fall solely on IPC operators. Given the limited cost of ID, it has been deemed that this cost will be small and therefore disproportionate to include within this IA.
 - c. Land value changes: it has been argued that as a result of this regulation, private land which is used for parking will become less valuable. This has been excluded because a) whether the impact will be negative is highly uncertain, such that land values may increase or decrease and b) the impact is likely to be small given that the counterfactual for certain sites will often remain the same (sites used for similar purposes or could be sold for new purposes). Overall, this suggests that the overall impact is likely to be small and it has therefore been excluded.

Excluded (not a new burden) and non-monetised:

- 6.37. Some elements of the Code will not result in a substantive change in behaviour for the parking industry, since the current trade associations already have these or similar requirements in place. Furthermore, in some instances, these elements constitute recommendations which would vary their uptake and related costs. The elements that therefore do not need to be monetised are as follows:

- Updates to parking payment machines, which constitute a recommendation and whose impact it will be impractical to appraise given the lack of evidence on behavioural changes from parking operators.
- Updates to complaints procedures, which constitute an existing requirement for the ATAs.
- Provision of training for staff, which constitutes an existing requirement for ATAs.
- Provision of adequate insurance, which constitutes an existing requirement for the ATAs.
- Inclusion of grace and consideration periods, which constitute an existing recommendation from the ATAs and the impact on which is argued to be relatively small and difficult to assess given the lack of information on parking charges issued specifically for these reasons.
- Requirements for material signage change notices, which constitute an existing requirement for the ATAs.
- Requirements for a photo quality check for photos used to issue a parking charge, which do not constitute a new burden.

Excluded (lack of data) and non-monetised:

- 6.38. Three impacts are excluded from the SNPV due to a lack of available data. The first is the cost implications of the requirement for parking operators to renegotiate their contracts with landowners, given the new Code and supporting framework. There is currently a lack of information on how many parking operators operate on sites where they are the landowner and where they are not. As such, since further evidence is being gathered on this number and the potential costs, this impact has been excluded from the SNPV.
- 6.39. The second impact which has been excluded due to lack of available data is on self-ticketing. Self-ticketers are third parties, such as landowners, who are not employed by a parking operator but have permission to issue a parking charge or record the evidence to issue a parking charge themselves. The Code is expected to incur additional costs for self-ticketers as it will require them to be certified by CABs. However, there is currently a lack of evidence on the number of self-ticketers and as such, whilst further evidence is gathered, this impact has been excluded from the SNPV.
- 6.40. The third impact is the cost of maintaining newly installed signs resulting from the Code. The Government has engaged stakeholders (parking operators and local authorities) and have not received substantive evidence on this cost. It has therefore not been included within this IA.

Analysis sufficiency

- 6.41. Given the limitations in the evidence base and the small sample of organisations that have provided evidence and the limitations of that evidence, it is difficult to provide appraisal which is certain. This IA has however tried to gather evidence from all available sources including operators, trade associations and consumer and motorist groups as well as from external sources such as local authorities and published statistics. The current call for evidence is intended to strengthen the evidence base where appropriate to inform the final IA and decisions to be taken.

- 6.42. The exclusion of some impacts is necessary, but this appraisal has sought to include the largest breadth of impacts possible and the inclusion of analysis on parking charges and debt recovery fees is indicative. Overall, this analysis is deemed to be proportionate and satisfactory for the purposes of this policy.
- 6.43. Sensitivity analysis is included for all key modelling inputs to reflect the range of certainty. A relatively critical uncertainty is the movement of parking charge volumes across the appraisal period. Alongside the central scenario, an additional scenario has been considered and this should provide a range of impact (that is, the impact may lie between the two parking charge volume scenarios).

DRAFT

7. Social Net Present Value (SNPV) analysis

7.1. This section outlines the costs and benefits associated with the Code against the continuation of existing market arrangements in the counterfactual scenario (option 0). The options are compared by considering the extent to which they respond to the issues and market failures outlined in sections 3 and 4 and the overall costs and benefits of the options. This section first outlines the overall results for each of the five options, before the benefits and costs are discussed in more detail. All figures are in 2024 prices and discounted to a 2024 base year.

SNPV outputs

7.2. The overall monetised impacts of each of the options are presented in Table 7.1. The table presents the total real and discounted SNPV over the ten-year appraisal period for all appraised options against the counterfactual (option 0), as well as the average annual SNPV.

Table 7.1: Outputs over the appraisal period for all options

Option	Total SNPV £m	Average Annual SNPV £m
Options 1-5	-38	-4

Costs

7.3. This section outlines the potential costs of the policy options and first covers the monetised costs before outlining the non-monetised costs. The five options will incur a range of costs which will primarily come from the non-varying elements of the proposed policy options and as such, it is expected that the costs will be the same across the policy options. Table 7.2 outlines the total real and discounted costs over the ten-year appraisal period by cost type.

Table 7.2: Real and discounted costs over the appraisal period by type across all options

Cost	Total cost £m	Average annual cost £k
Familiarisation	5	491
Parking charge notice update	0.002	0.2
Signage (production and installation)	20	2034
Soft trace	6	557
Single Appeal Service	2	200
Certification scheme (business)	5	475
Certification scheme (govt)	0.1	10
Scrutiny and Oversight Board	0.2	21
Monitoring and evaluation framework	0.2	24
Total	38	3812

Monetised costs

Signage:

7.4. Parking operators may incur a one-off cost from updating existing signs and installing new signs, as parking operators will be required to ensure that there is sufficient signage

within the private land they manage, so that drivers and registered vehicle keepers can make a fully informed decision as to whether they wish to accept terms and conditions.

- 7.5. For updating existing signs as per the requirement to install or update entrance signs, as a simplifying assumption, it has been assumed that not all private car parks will have to update their entrance signs. As a further simplifying assumption, given the lack of evidence received, for terms and conditions signs within a parking site, it has also been assumed that the number of signs varies by the size of the site. Table 7.3 sets out the number of car parks per size using information from ATAs and the assumed number of signs by car park size. Given this, it has been assumed that there are approximately 159,000 signs in private car parks in the UK and, as a simplifying assumption, it has been assumed that half will require updating (i.e. 21,500).

Table 7.3: Number of signs by private car park size

Number of space in car park	Estimated number of signs	Number of car parks	Number of signs
<50	2	28,173	56,346
50-99	4	6,654	26,616
100-499	8	6,811	54,489
500+	16	1,362	21,799
Total		43,000	159,248

- 7.6. As a simplifying assumption, it has been assumed that the number of new signs to be installed (rather than updated) will constitute a 20% increase on the existing number of signs, meaning that a further approximately 32,000 signs will need to be installed.
- 7.7. Signs that are already in place may need to be replaced to reflect the new terms and conditions resulting from the Code (i.e. 21,500 signs), whilst for new signs the additional cost of installation will be incurred (i.e. 32,000 signs). Note, it has been assumed that this will be borne in the first year of the appraisal period. Based on data from industry, the cost of producing a sign has been estimated at £50 whilst the cost of installing a sign is estimated at £174. As such, the estimated real and discounted cost of new signage across the ten-year appraisal period is approximately £20.3m.

Soft trace:

- 7.8. Operators will incur a cost from the requirement to undertake a soft trace of drivers and registered vehicle keepers' details to ensure that before commencing enforcement action, they have the appropriate contact details. As outlined in the methodology, it has been assumed that 20% of parking charges reach debt recovery stage. Debt recovery agencies have outlined that, in most cases, a soft trace is undertaken. However, this has not covered the full range of the industry, nor operators who undertake their own enforcement action. As such, it has been assumed that the number of parking charges that will require a soft trace due to the policy will be an additional 15%, giving a total of 35% of parking charges that require a soft trace.
- 7.9. The difference in the number of parking charges that require a soft trace in the counterfactual is subtracted from the number of parking charges that require a soft trace due to the policy intervention. This is then multiplied by the cost of soft trace per parking

charge to determine the total cost. Given evidence from industry, the cost of a soft trace is estimated to be £1.50.

- 7.10. It should be noted that there are two impacts driving the cost projected for undertaking soft traces of drivers and registered vehicle keepers. The first is the increase in the proportion of parking charges that require a soft trace. The second is the relative changes in the levels of parking charges in the policy and counterfactual scenarios, which is what the cost of a soft trace is multiplied by across the appraisal period. The total real and discounted cost of soft trace is £6m.

Familiarisation:

- 7.11. Parking operators will incur a one-off cost from familiarising themselves with the Code. As a simplifying assumption, it has been assumed that for every parking operator and private car park, it will take one Full Time Equivalent (FTE) at the Office Manager and Supervisor level one day to familiarise themselves with the Code³¹. There are approximately 43,000 car parks and 205 operators, so the total number of FTE days spent familiarising with the Code is assumed to be 43,205. Using wage estimates, for one FTE at Office Manager and Supervisor level (£14.94 per hour), and multiplying this by the 43,205, this will result in a total real and discounted cost of £5m within the first year of the policy. Given that all car parks may not have specific staff and instead be overseen centrally by a parking operator, this is likely to be an overestimate of this cost.

Parking charge updates:

- 7.12. The Code will require parking operators to update their parking charge notices to limit the use of language and presentational tools that misinform or intimidate the recipient. It is estimated that for each of the parking operators, it will take one FTE working at the administrative occupational level one hour to copy the available template and implement the necessary changes³². The wage of an FTE working at administrative level has been assumed to be £12.27 per hour. The total real and discounted one-off cost will therefore be £2k.

Single Appeals Service:

- 7.13. Costs will also be incurred by the Government for setting up the second-stage single appeals service, and these will be split between set-up and ongoing costs.
- 7.14. In terms of set-up costs:
- The Government is estimated to have incurred £128k in costs through undertaking the initial discovery on digital development, including both consultant and in-house staff costs (including for the development of a business case and liaison with consultants).
 - It is estimated that the Government will incur £421k for consultant and in-house staff costs for the Alpha-stage digital development. It is also predicted that the Government will incur £1.6m for Beta-stage digital development, depending on the outcomes off the Alpha-stage.

³¹ Analyst assumption based on 2021 ASHE data. See here for more information:

<https://www.ons.gov.uk/surveys/informationforbusinesses/businesssurveys/annualsurveyofhoursandearningsashe>

³² Analyst assumption based on 2021 ASHE data. See here for more information:

<https://www.ons.gov.uk/surveys/informationforbusinesses/businesssurveys/annualsurveyofhoursandearningsashe>

- c. Combining these costs leads to a total real and discounted one-off cost of £2.1m for establishing the Single Appeals Service.

Table 7.4: Total nominal and undiscounted costs for the Single Appeals Service by type across the ten-year appraisal period

Type	Cost £m
Digital development – Discovery	0.1
Digital development – Alpha	0.4
Digital development - Beta	1.6
Total	2.1

- 7.15. As with the existing POPLA and IAS appeals services, the operation of the new section-stage single appeals service will be self-financing (funded by the costs to operators for contesting each appeal). The Government has previously stated that it does not intend for the costs per appeal to operators in any new system to be substantially different to the current industry average, and we remain committed to introducing a system which keeps costs down for operators as far as is practical. However, the focus must also be on providing value for money for all parties and making sure that a robust, high quality system is established that lasts and has the confidence of parking operators, drivers and registered vehicle keepers using the system.
- 7.16. POPLA, which is the BPA's existing appeals service, currently charges £27.50 per appeal (£0 if the operator concedes). The IAS, which is the IPC's appeals service, charges £15 per appeal if the operator wins, £25 per appeal if the operator loses, and £0 if the operator concedes. Whilst the exact costs will be determined through further development, initial conclusions suggest that, for a viable self-financing appeals service operating model, a cost structure similar to the existing POPLA model would need to be applied. The cost per appeal for BPA operators is therefore unlikely to be significantly different than the current costs, however there would be an increase for IPC members, who constitute approximately 30% of all operators. It remains uncertain how behavioural changes in response to the Code will impact on the future number of second-stage appeals, therefore the potential additional costs to IPC members is not included within the SNPV analysis.

Certification:

- 7.17. The Government, ATAs and operators will incur costs from the new certification process and its creation. It is important to note that the Conformity Assessment Scheme (CAS) is still being developed. As such, the costs presented within this section represent the best estimate of costs given current policy development but are likely to change as the scheme is finalised.
- 7.18. The Government has incurred an estimated cost of £18k for its initial engagement with UKAS to develop, assess and submit the proposed CAS. The Government will also incur staff costs from developing the CAS, which are expected to equate to approximately £83k. The total real and discounted cost to the Government is £96k.
- 7.19. UKAS will begin the certification process by accrediting trade associations as CABs, which will then require re-accreditation every four years. UKAS has indicated that the BPA and IPC would be classified as small certification bodies, with accreditation costs expected to be as follows (including contingency):
- a. Initial assessment - £15k

- b. Surveillance assessment (years 1-3) - £12k
- c. Reassessment (year 4) - £16k

- 7.20. ATAs will have to establish CABs as new legal entities under the new system, which will also have associated costs. It is expected that some of these costs will be transferred to operators through increased membership fees (set out below), with the rest (approximately £107k) met through existing ATA reserves.
- 7.21. ATAs will also incur additional ongoing costs (estimated to total approximately £210k per year), but it is expected that these costs will be transferred to operators through increased membership fees. As a result, it is estimated that membership fees for operators will likely increase by at least 25%, or £5.8m.
- 7.22. The total cost of the policy options compared to the counterfactual will be the additional costs incurred due to the Code – i.e. the new costs compared to continuation of existing membership fees. When combining all costs to businesses (excluding Government costs), the estimated total real and discounted cost across the ten-year appraisal period is £6.1m.
- 7.23. Both trade associations have been clear that certification costs for parking operators are extremely hard to estimate without further detail on the CAS. It is clear that operators will be charged other fees by the CAB, in addition to the membership fees of the ATAs. The CAB fees are likely to include client certification fees, audit fees and site registration fees, but the level of these is unclear. Given the need for further detail on the certification scheme and the uncertainty present in this analysis, figures for these costs have not been included within the SNPV.

Table 7.5: Total nominal and undiscounted costs for certification by type across the ten-year appraisal period

Type	Costs £m
Government UKAS engagement	0.02
Government staff costs	0.08
CABs accredited by UKAS	0.3
Establishing CAB	0.1
Operator membership fee increase	5.8
Total	6.3

Scrutiny and Oversight Board:

- 7.24. The Government will incur costs to set up the Scrutiny and Oversight Board in terms of staff resource. Over the next 12 months, these costs are estimated to total approximately £26k. Once the Board is established, Government staff will be required to provide secretariat duties. It is assumed that there will be up to four Board meetings per year, with an estimated total staff cost of approximately £92k over the appraisal period.
- 7.25. The Scrutiny and Oversight Board will review the Code every two years. This may include recommendations for policy amendments, involving advice to ministers on any changes, and it is estimated that the total staff cost for this across the whole appraisal period will be £29k.
- 7.26. The development of the Scrutiny and Oversight Board is still being undertaken; however, it is possible that Board members could be remunerated. It is assumed that the Board will

meet up to four times a year and consist of eight members meeting for three hours each time. However, given preparatory time, as a conservative assumption, it has been assumed that members will require a day of preparation for each meeting. In 2021, the average daily rate for public appointments was £338 per day. As such, over the appraisal period the real and discounted cost would be £124k.

- 7.27. Combining all these costs, the real and discounted total cost of the Scrutiny and Oversight Board is £213k.

Table 7.6: Total nominal and undiscounted costs for the Scrutiny and Oversight Board by type across the ten-year appraisal period

Type	Costs £k
Staff costs – set-up	26
Board running costs – Government	92
Two-year review	29
Board running costs – paid board members	124
Total	272

Monitoring and evaluation framework:

- 7.28. It is important to note that the monitoring and evaluation framework is still being developed and, as such, the costs presented within this section represent the best estimation of costs given the current policy development.
- 7.29. Parking operators and the ATAs will be required to collect data which will be used to assess the effectiveness of the regulation via the Scrutiny and Oversight Board. The Government has contracted external consultants to assist in setting up the monitoring and evaluation framework, including developing and iterating a monitoring dashboard, which has involved costs of approximately £82k. There may also be a further cost for hiring consultants to set up an initial dashboard and test data collection processes, expected to be approximately £100k.
- 7.30. Although it is still early in policy development, it is expected that the return of data to the department will take place twice per year. For the Government, it has been estimated that the staff costs involved in this process will result in a real and discounted total cost of £67k.
- 7.31. Finally, there may be some extra resource requirements for data reporting, with tasks including quality assurance and liaising with relevant analytical teams for sign-off. It is estimated this will equate to a total real and discounted cost of £15k.
- 7.32. Businesses may also incur costs from collecting and distributing this data. However, given the need for further detail on the monitoring and evaluation framework, these figures have not been included within the SNPV.

Table 7.7: Total nominal and undiscounted costs for the monitoring and evaluation framework by type across the ten-year appraisal period

Type	Costs £k
M&E consultants – scoping of data	82
M&E consultants – dashboard setup	100

First six monthly return and analysis	6
All other six monthly returns and analysis	67
Extra resource for annual reporting	15
Total	270

Non-monetised costs

County Court

- 7.33. As outlined within the methodology section (section 6), this SNPV includes but does not monetise costs related to the potential change in the volume of cases going to the County Court, as there is insufficient evidence on the likely behavioural implications of the proposed policy options. Moreover, there is a lack of data on the number of parking claims going through courts and their outcomes, both historically and in general.
- 7.34. The HM Courts and Tribunals Service (HMCTS) does, however, provide data for the top 30 bulk small claim issuers submitting claims through a system called Secure Data Transfer. This data, whilst not comprehensive, may be indicative. Within the top 30, the Government identified two private parking operators and three legal firms specialising in, or exclusively dealing with, parking claims on behalf of various private parking operators. Table 7.8 shows the number of claims these five parking claimants have issued in the last five financial years and their rank in the top 30. It should be noted that in the last two financial years, parking claimants have been in the top 10, which suggests that the parking sector is one of the most significant issuers of small claims.
- 7.35. As can be seen from the table, there have been considerable variations in the number of parking claims throughout the years, which makes predicting future volumes of claims difficult. However, it is worth noting that even where volumes of parking claims have decreased, the rankings of these parking claimants in the top 30 have remained fairly consistent.

Table 7.8: HMCTS data on private car park-related bulk claimants

		Anonymised claimants				
		A	B	C	D	E
2018/19	Claims (k)	79.5	-	36.2	57.5	37.7
	Rank (top 30)	2	-	10	4	8
2019/20	Claims (k)	56.5	7.1	34.3	69.8	33.1
	Rank (top 30)	4	25	8	3	9
2020/21	Claims (k)	36.8	23.3	21.5	15.4	10.9
	Rank (top 30)	4	8	10	12	17
2021/22	Claims (k)	51	77.2	27.7	51.1	21.4
	Rank (top 30)	6	2	8	5	10
2022/23	Claims (k)	44	98	22.5	71.7	28.2
	Rank (top 30)	6	2	10	3	9

- 7.36. It should also be noted that figures for 2020/21 are significantly lower than the figures from other financial years. This is likely due to the COVID-19 pandemic and restrictions on travel, which could have resulted in fewer parking events. This in turn could have resulted in fewer parking charges overall and, therefore, fewer cases that remained

unpaid and were subject to court action. Figure 6.1 on the number of private parking operator requests to DVLA for registered vehicle keeper details by year supports this.

- 7.37. As noted above, evidence on the deterrent effect of parking charges in encouraging compliant parking, and of debt recovery fees in encouraging payment of parking charges, has scope to be strengthened. If these do provide an effective deterrent, then the number of cases going to County Court can be expected to differ between policy options, both as differing levels of parking charge see different levels of compliance (and therefore parking charges issued), and as differing approaches to debt recovery fees see different levels of payment. In this case, option 1 would be expected to see the smallest change from the counterfactual as it largely mirrors the status quo in terms of parking charges and debt recovery fees. In fact, it may be assumed that fewer cases will go to County Court as the other elements of the Code should result in fewer parking charges being issued and more parking charges cancelled, successfully appealed or paid. Moreover, the requirement to carry out 'soft trace' (to ensure the correct correspondence details before commencing enforcement action in cases where a driver, keeper or hire company does not respond to a parking charge notice within the relevant period) should result in fewer County Court claims and, where these are issued, fewer default judgments.
- 7.38. However, parking operators and debt recovery agencies argue that without a debt recovery fee, the incentive to pay a parking charge decreases, resulting in fewer parking charges paid. The industry claims that this may in turn result in drivers contravening more frequently, affecting the ability of operators to effectively manage private land. As such, they argue that they may need to take drivers and registered vehicle keepers to court more frequently to ensure there is a sufficient incentive to both pay the parking charges and not contravene the rules of parking on private land.
- 7.39. Furthermore, parking operators and debt recovery agencies suggest that banning debt recovery fees, as in options 3 and 5, would prevent debt recovery agencies from providing an intermediate service between the parking charge and court, as the debt recovery fees are used to recoup the costs of their operations. According to the industry, debt recovery agencies provide a valuable service that helps operators and drivers or registered vehicle keepers to settle unpaid parking charges and avoid court action, which is costly for all. This service includes assessment of vulnerable individuals and facilitation of payment plans where drivers and registered keepers cannot afford to pay the charge. However, data from industry suggests that around 20% of all parking charges that are issued progress to the debt recovery stage and that only 15% of all cases that reach this stage are paid; the rest remain unpaid or proceed to small claims court.
- 7.40. Work is ongoing with the Ministry of Justice and the industry to obtain data on the number of parking claims that are currently going through the court system and outcomes of these claims, and through the call for evidence the Government is aiming to gather evidence on the behavioural implications of introducing the Code and various options for parking charges and debt recovery fees.

Indirect impacts

- 7.41. Parking on private land is divided between parking which is invited and not invited. Parking which is invited may be offered for free or for a price. Parking operators argue that if the cost of the Code is too burdensome, this may result in a decrease in the number of car parks that provide free parking to recover revenue. Additionally, some operators have argued that where this and other revenue streams are insufficient to

support continuation of operation, they will be required to close car parks. In both instances, this would result in an indirect cost to drivers. It is difficult to assess the prevalence of these impacts given the lack of revenue and cost information provided by operators.

- 7.42. In terms of the closure of private car parks, it is expected that the Code will particularly impact operators that rely on business models which require a maximisation of parking charges. These operators may choose to leave the market and they may be replaced by operators with different business models given the consistent high demand for parking. This is likely to be the case around centres of consumer demand such as supermarkets, high streets, and tourist attractions. Furthermore, the Government has not received evidence on the business models or profitability of parking operators and as such, it is difficult to assess a potential reduction in profitability requiring closure.
- 7.43. The overall result is that a relative minority of car parks are expected to close, but the vast majority are expected to remain open and/or some may move to tariff-based parking systems. However, the latter is at the discretion of landowners rather than operators, and as landowners will want to continue to attract consumers to their services the likelihood of tariffs increasing is limited. As such, it is expected that the cost to consumers will be relatively limited.
- 7.44. Similarly to the impact on parking operators, debt recovery agencies argue that if debt recovery fees were banned or significantly reduced they would not be able to offer their services to customers. They argue that they provide support for vulnerable consumers who would otherwise be taken to court and offer long-term financing options so that parking charges and debt recovery fees may be recovered sustainably. It is argued therefore, that there will be indirect impacts on consumers who will not be able to access these services. As noted above, it should not be assumed that reductions in, or banning of, debt recovery fees would mean debt recovery agencies are not able to operate, but it could require changes to how they work with private parking operators.
- 7.45. For options 3 and 5, the abolition of debt recovery fees is likely to have a large impact on the present operating model of many debt recovery agencies who recover their costs through the revenue generated by debt recovery fees, requiring changes in how they are paid for their services where they continue to operate. Those operators who view debt recovery as valuable may therefore have to renegotiate their business arrangements with debt recovery agencies. This would limit the number of debt recovery agencies not offering their services. However, as the Government has not received evidence on the business models or profitability of debt recovery agencies, it is difficult to assess a potential reduction in profitability requiring closure. Evidence on this is sought through the current call for evidence.
- 7.46. Alternatively, operators may choose to bring debt recovery services in-house, resulting in a continuation of these services. As such, these options are likely to result in closure of some debt recovery agencies, but it is likely that operators and debt recovery agencies will utilise different models to continue operation, given that they can generate market value. The impact on consumers is likely to be present but relatively small.
- 7.47. For options 2 and 4, the impact when considering an equivalent number of parking charges progressing to the debt recovery stage is likely to be smaller than for options 3 and 5, given the continuation of debt recovery fees (albeit at a lower level). As such, it is expected that many debt recovery agencies would continue to operate as they do now,

with some likely to move to new business arrangements with operators and some operators bringing debt recovery services in-house. As such, all other things being equal the impact on consumers for options 2 and 4 should be larger than in option 1, but smaller than options 3 and 5.

- 7.48. As outlined above, it has been argued by the industry that reducing parking charges and debt recovery fees will result in a rise in contraventions and a reduction in the number of parking charges paid, as drivers and registered vehicle keepers would in more cases make the conscious decision to ignore the terms and conditions of parking on private land because the sanction or deterrent has been reduced. Evidence to support this argument has not been available to date. The industry argue this could result in a detriment to would-be users of private car parks as the availability of spaces is reduced where drivers are overstaying. This IA does not set out to quantitatively assess the change in deterrence or behaviour following the implementation of the Code, given the implicit difficulties in doing so as outlined in the methodology. However, a qualitative assessment has been undertaken. Evidence on this effect is sought through the call for evidence and industry engagement to inform the final IA and decisions to be taken.
- 7.49. Some operators highlight the issue of repeat offenders, who repeatedly contravene the terms and conditions of parking on private land despite receiving multiple parking charges. Operators define a repeat offender as a driver or registered vehicle keeper who is issued with three or more parking charges. Reports from operators suggest that approximately 22-23% of parking charges relate to re-offending drivers or registered vehicle keepers. If including those who receive two or more parking charges as repeat offenders, this increases to 33%. If reducing parking charges and debt recovery fees do have a negative effect on the deterrent provided by these, and therefore on levels of compliant parking and payment of parking charges, this effect is likely to be less significant for these persistent/repeat offenders insofar as the proposed changes are unlikely to change their decision-making process and the presence of small claims is likely to be the most significant deterrent. As such, changes in deterrence are mainly considered for non-persistent/repeat offenders.
- 7.50. There are a number of important considerations when assessing how the potential changes to parking charge levels and debt recovery fees, as well as the wider Code, could affect the level of deterrent against non-compliant parking or non-payment of parking charges:
- a. Absolute differences in parking charges: For non-persistent/non-repeat offenders, it is assumed that any change in the deterrence effect from changes to parking charges is likely to be small. This is because most of the reductions in parking charges are relatively small, and in some cases the changes allow higher or similar parking charges (for example under options 2 and 3 for London and Scotland). However, parking operators argue that deterrence needs to be considered in the context of the whole system, such that it is the combination of changes to the Code, its supporting framework, parking charges and debt recovery fees which matters.
 - b. Debt recovery agencies: Parking operators and debt recovery agencies have argued that the ban or reduction in debt recovery fees would limit the presence of debt recovery agencies providing crucial services to allow customers to pay and avoid court. As argued above, this impact is likely to be relatively small as debt recovery agencies with different business arrangements emerge and debt

recovery services are brought in-house to parking operators. As such, debt recovery is likely to continue under those options, if in a different form.

- c. Perceived fairness: Many complaints from drivers and registered vehicle keepers are driven by the perceived unfairness of their parking charge. The Code and its supporting framework should allow easier challenging of unfair parking charges and reassure drivers and registered vehicle keepers of the validity of their contravention. This may result in a higher proportion of parking charges being paid.
- d. Transparency: Similar to the above, the introduction of the Code and its supporting framework should improve the transparency of the services that parking operators provide and the terms and conditions of that provision. As such, drivers and registered vehicle keepers may be able to make more informed decisions, reducing the number of contraventions overall.
- e. Engagement: It has been argued above that a lower parking charge and lower debt recovery fee may increase engagement with the parking-charges system from some drivers and registered vehicle keepers, such that they have increased incentive to pay, whilst for other drivers and registered vehicle keepers it may reduce engagement.

7.51. Overall, assessing the impact of the proposed changes on the deterrence effect faced by non-repeat offenders is very challenging. It is argued that changes to the Code and its supporting framework bypass the issue of deterrence by decreasing contraventions and reducing non-engagement with operators due to the perceived unfairness of the system. Indeed, for some drivers and registered vehicle keepers reduced parking charge levels may increase payment, and in turn raise operator revenues. However, as set out above, it is argued by the industry that the level of deterrent may decrease due to the changes, particularly in debt recovery fees. Overall, the impact on deterrence levels is highly uncertain and likely to be mixed for different drivers and registered vehicle keepers, but with its impacts mitigated through the Code and its supporting framework.

Benefits

7.52. As outlined within the methodology section, the Code's potential benefits are non-monetised, and therefore this section outlines these benefits qualitatively. Furthermore, it should be noted that given the benefits primarily derive from the non-debt recovery fee and non-parking charge elements of the regulatory framework, it is expected that the benefits will not vary across the various options.

Non-monetised benefits

7.53. The primary benefit of the proposed regulatory framework is that we expect it will lead to a reduction in the number of unjust parking charges issued (and subsequently the steps taken to enforce them) by ensuring that drivers and registered vehicle keepers have clarity on the terms and conditions for parking on private land and are able to effectively contest disputed cases. This will occur through the introduction of requirements such as higher standards for signage, mandatory consideration and grace periods, and an improved appeals process. This should also help to ensure that contraventions that disproportionately harm vulnerable groups, such as parking in designated Blue Badge bays, is reduced.

- 7.54. Overall, these changes should serve to reduce the proportion of parking charges that are deemed to be unfair, and in doing so to reduce or limit growth in total parking charges issued, when compared to the counterfactual. Along with financial benefits for consumers, this will also reduce the burden of dealing with a parking charge, which has stress and wellbeing implications. It is expected that, of the benefits which are not monetised, this will have the largest positive impact on drivers and registered vehicle keepers over the lifespan of this appraisal.
- 7.55. By extension this should also mean that benefits are realised for landowners, for instance retailers who rely on the availability of parking spaces for customers to be able to access them. These improved standards should help to increase rates of compliant parking by making it less likely that drivers will be unaware of the rules relating to a particular car park. Where compliance in parking is increased, so too should be the turnover and availability of parking spaces, by extension providing better access for customers and clients for these landowners and businesses.
- 7.56. The overall improvements in standards will benefit parking operators and debt recovery agencies reputationally, since the issuance of a parking charge is likely to be perceived as more robustly undertaken and easier to challenge if contentious. This may improve the ability for these businesses to conduct their business at a lower cost and in shortened timeframes. Indeed, evidence provided by parking operators suggests that a large portion of parking charges go unpaid even after debt recovery fees and small claims. These changes, combined with the reduction in the value of parking charges and debt recovery fees, may induce drivers and registered vehicle keepers to pay and pay earlier (i.e. at the discounted rate), thus increasing parking operator and debt recovery agency revenues.
- 7.57. Overall, there are likely to be significant benefits from this policy across the range of options for operators, debt recovery agencies, landowners/businesses, and drivers and registered vehicle keepers; and particularly for the latter, in addressing the current market failures.

Overall results

- 7.58. This policy is likely to have a range of benefits and costs incurred across the policy options. Assessment of the overall impact is difficult, given the cross examination of quantitative and qualitative analysis. However, it is likely that this policy will result in significant benefits to consumers through the Code and its supporting framework, which will serve to reduce the consumer detriment that exists and address existing market failures.
- 7.59. There are also expected to be significant costs, particularly borne by some businesses in options 3 and 5 which ban debt recovery fees (although with costs also expected to arise in options 2 and 4). This will have a significant impact on the parking industry; section 9 considers the impacts arising directly to the industry from proposals related to parking charges and debt recovery fees. The lack of evidence on the deterrent effect both of parking charges and debt recovery fees means no firm conclusions are drawn on these. The call for evidence and ongoing engagement is aiming to increase the evidence availability to support the Government's understanding of this effect, and by extension to understand how the options might affect the court system.
- 7.60. Overall, it is expected that the costs of this policy directly from the Code and its supporting framework are likely to be smaller than the benefits incurred both to

consumers and the industry. For changes to parking charge levels and debt recovery fees, the overall assessment is more uncertain with significant costs and benefits, and the presence of equity and fairness arguments which go beyond the scope of this analysis.

DRAFT

8. Sensitivity analysis

- 8.1. There is considerable uncertainty associated with many of the assumptions and inputs used in this appraisal, as outlined in the methodology section (section 6). The overarching driver of uncertainty in this analysis is the lack of uniform, comprehensive and available data on the market (which the Code in part aims to address). While some of this uncertainty will be mitigated through evidence collected during the call for evidence and through ongoing engagement, this section illustrates the impacts on the SNPV when varying certain assumptions. Given the SNPV does not vary across the options, it can be assumed that the variance applies to all the options equally. Table 8.1 illustrates the key assumptions which have been tested for their impact on the SNPV, whilst the range of variance has been explained below:
- a. The number of private car parks: A sensitivity of +/- 10% has been applied to the number of private car parks (with a central figure of 43,000). This assumption factors into the costs for signage (new and existing). Signage costs vary with the number of car parks and their respective sizes, as more (and larger) car parks require more signage which increases costs proportionately. Percentage variations have been applied in the absence of better evidence.
 - b. The number of signs installed: A sensitivity of +/- 25% has been applied to the number of signs installed. This assumption factors into the costs for signage (new and existing). The number of signs installed depends on the number of signs that are currently compliant with the proposed regulation. Percentage variations have been applied in the absence of better evidence.
 - c. The number of signs per car park: A lower bound sensitivity of -50% has been applied to the central figures of 2, 4, 8 and 16 signs per car park. An upper bound estimate increases these central figures by +200%. It is difficult to ascertain the exact number of signs per car park; a larger lower and upper bound has therefore been applied to capture potential variation in costs as a result of uncertainty in signage numbers.
 - d. The number of new signs: A lower bound sensitivity of 10% has been applied to the central figure of the number of new signs per car park, with an upper bound sensitivity of 40% to allow for potential higher variation in the number of new signs. The new signs along with the existing signs make up the total cost of signage.
 - e. Wage levels: A sensitivity of +/- 10% has been applied to wage rates for both internal and external FTE resources which inform various costs. Wage values internally are more reliable using gov.uk data; there is less certainty regarding external occupations. Percentage variations have been applied in the absence of better evidence.
 - f. FTE requirements: A sensitivity of +/-25% has been applied to the central figures for internal and external FTE resources which inform various costs.
 - g. Cost assumptions: A lower bound sensitivity of -25% has been applied to the central figures for cost assumptions which inform various impacts of the Code and its supporting framework. An upper bound estimate increases these central figures by +25%. The cost assumptions relate to varying overall costs, such as the costs of signage, running a soft trace and hiring consultants for M&E. A standard lower and upper bound has been applied to capture reasonable variation in these costs.
 - h. Proportion of new parking charges that require a soft trace: A sensitivity of +/- 25% has been applied to the proportion of parking charges that require a soft trace. This requirement will depend on how many debt recovery agencies undertake soft

trace and how many will have to following the proposed implementation of the policy. Percentage variations have been applied in the absence of better evidence.

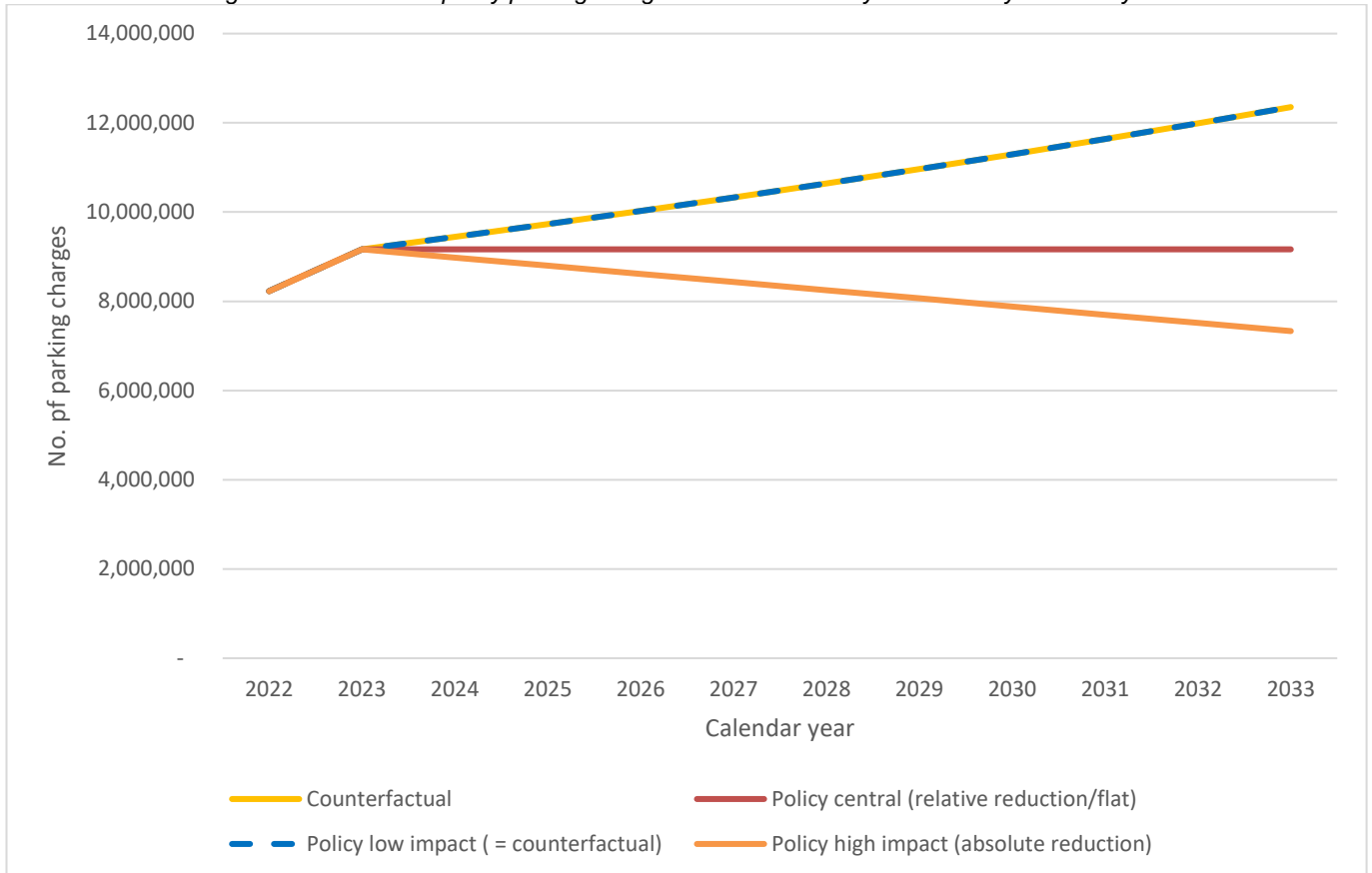
- i. Policy parking charge volumes: High impact: There also is a “high impact” scenario, which assumes that policy parking charge volumes fall in absolute terms relative to the counterfactual. This is a situation in which that the Code and supporting framework will a significant impact on the number of parking charges through a 2% reduction in parking charges each year. This can be seen in Figure 8.1 in the downward sloping line.
- j. Policy parking charge volumes: Low impact: There is a “low impact” scenario, which assumes that policy parking charge volumes grow at the same rate as in the counterfactual. This effectively assumes that the Code and supporting framework will have no impact on the number of parking charges (which is a 3% per year growth rate beyond 2023, based on historical values). Figure 8.1 shows this, noting that the “Policy = counterfactual” line is imposed on the “Counterfactual” line as they are equal.

Table 8.1: Factors considered in the SNPV sensitivity analysis³³

Assumption	Low	Central	High
Number of private car parks	38,700	43,000	47,300
Number of signs installed	10,750	21,500	32,250
Number of signs by car park size	1,2,4,8	2,4,8,16	4,8,16,32
Number of new signs	10%	20%	40%
Wage levels	-10%	N/A	+10%
FTE requirements	-25%	N/A	+25%
Cost assumptions	-25%	N/A	+25%
% Of new parking charges requiring a soft trace	5%	30%	55%
Policy parking charge volumes	As outlined above		

³³ Cost assumptions refers to wherever specific cost figures are utilised, for example on consultant fees (where variable) or the cost of running a soft trace.

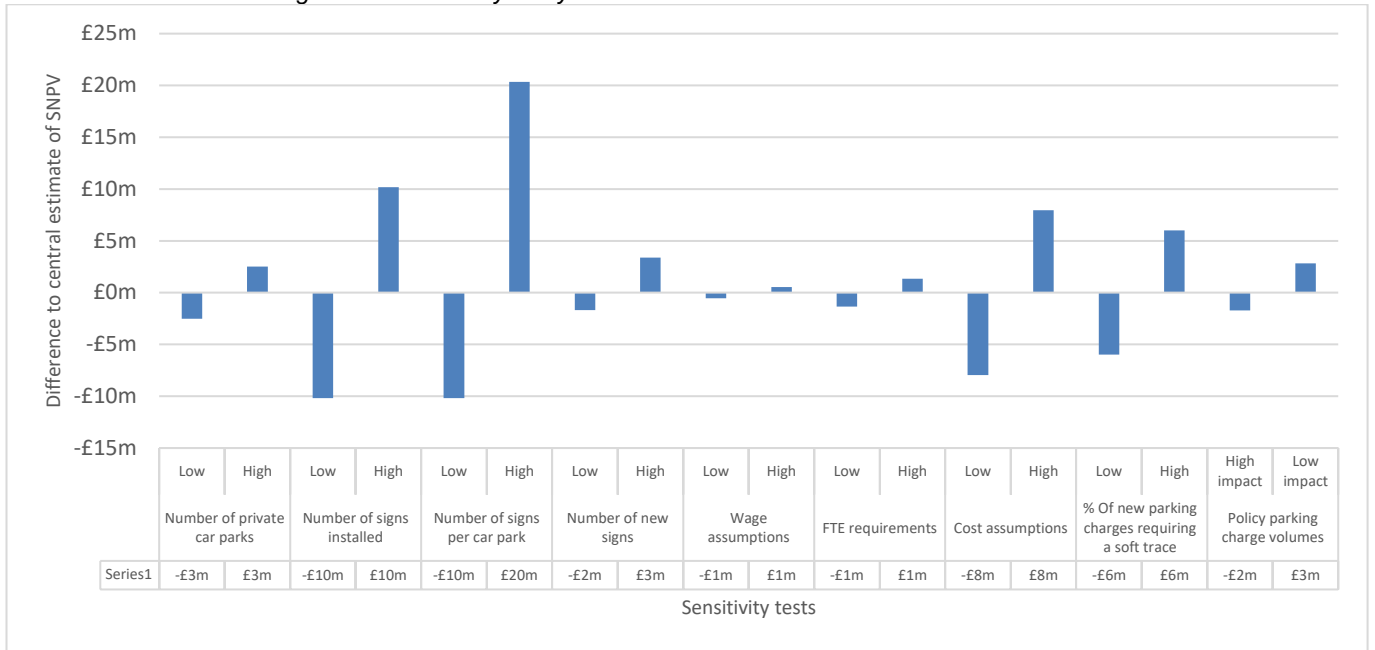
Figure 8.1: Illustrative policy parking charge volumes sensitivity scenarios by calendar year



8.2. The results of the sensitivity analysis can be seen in Figure 8.2. This analysis demonstrates:

- a. For the majority of sensitivities, the difference from the central estimate of the SNPV is less than £10m.
- b. The two primary drivers of uncertainty in the estimate of the SNPV are the number of signs installed and the number signs per car park as these show the greatest difference from the central estimate
- c. Wage assumptions, FTE requirements, the number of private car parks, and the counterfactual and policy parking charge levels have the least impact on the SNPV, shown by the relatively minimal difference.
- d. The estimate of the difference from the central SNPV estimate therefore varies between -£10m (lower SNPV of -£28m) and +£20m (higher SNPV of -£58m).

Figure 8.2: Sensitivity analysis and difference to central estimate of the SNPV



9. Equivalent Annual Net Direct Cost to Business (EANDCB)

Overview

- 9.1. This section considers the impacts arising to businesses because of the Code. Impacts can be considered direct or indirect. An impact is considered 'direct' if it arises directly from the implementation of the Code, whilst an indirect impact does not³⁴. These direct impacts are assessed using the standard methodology to calculate the equivalent³⁵. This differs from previous sections as outputs were presented utilising average annualisation instead of equivalised annualisation.
- 9.2. When an additional regulatory burden (or benefit) is placed on businesses, they may choose to react by, for example, increasing prices or reducing investment. If a mechanism exists that enables some or all this burden to be passed on to other businesses and/or drivers or registered vehicle keepers, this subsequent effect is generally regarded as being indirect and should be excluded from the calculation of the EANDCB. This analysis therefore makes no assumptions on how businesses will react to the Code.
- 9.3. Whilst in the SNPV analysis, impacts classified as economic transfers are not considered since they essentially 'net-off', if one party in the transfer is a business, then these impacts are considered within the EANDCB analysis. As such, for changes to parking charge levels and debt recovery fees, this analysis considers their impact on businesses. However, these impacts must be kept in context and considered within the broad framework of the SNPV analysis and other factors.
- 9.4. Aside from the impacts of the Code outlined above, all other impacts (such as the cost of familiarisation and signage) can be considered direct since they will arise directly from the Code's implementation.
- 9.5. This section first outlines the methodology for the EANDCB analysis, before outlining its results. Given the uncertainty inherent within this analysis, sensitivity analysis has been conducted to understand how responsive the impacts of the proposed policy will be to changes in the underlying assumptions and inputs.

Methodology

Parking charge profit impact methodology

- 9.6. To estimate the impact on overall profits from changes to parking charge levels, the analysis estimates both the counterfactual profit levels (option 0) and those for each policy option, and takes the difference between the two. For the counterfactual scenario, this analysis uses the illustrative parking charge counterfactual scenario as outlined in the methodology, which is then subdivided between those paid at the discounted and undiscounted rates. As outlined in the methodology, it is assumed that 47.5% of all parking charges are paid, with 7.5% paid at the undiscounted level and 40% at the discounted level. As a simplifying assumption, it has been assumed that these

³⁴ An impact is likely to be direct if the measure bans, restricts, liberalises, increases or decreases the cost of a business activity, and if the impact falls on those businesses subject to the regulation and accountable for compliance.

³⁵ See here for calculator and methodological note: <https://www.gov.uk/government/publications/impact-assessment-calculator--3>

proportions will remain fixed over time³⁶. The number of undiscounted and discounted parking charges across time will then be multiplied by the parking charge levels, £100 and £60 respectively, to determine the revenue in the counterfactual scenario.

- 9.7. To estimate future revenue from parking charges, this analysis again uses the illustrative parking charge scenarios as outlined in the methodology and the respective split between those that are undiscounted and discounted. These paid parking charges, as outlined in the methodology, are then subdivided by region and contravention type in the relevant policy options. As also outlined in the methodology, it has been assumed that 35% of parking charges are generated in London and 65% are generated outside of London, whilst 80% of parking charges are for low contraventions and 20% are for high contraventions.
- 9.8. These subdivisions of the total number of parking charges are then multiplied by the relevant parking charge levels for each policy option to determine the total revenue. Profits for both the counterfactual and policy scenarios are then calculated by subtracting the cost associated with issuing parking charges from these revenues. The cost associated per parking charge issued is comprised of (1) an admin fee of approximately £8.42 (based on costs such as print and post, staff costs, IT etc.) and (2) a DVLA request fee of £2.50; this gives a total unit cost of approximately £10.92 per parking charge issued. Once profits are calculated for both the counterfactual and policy scenarios across the appraisal period, the difference between the two is summarised and this informs the EANDCB.
- 9.9. It should be noted that in the central scenario where parking charge volumes remain flat, the total EANDCB impact from changes to parking charges can be sub-divided between two primary drivers. The first are changes from parking charge levels (i.e. the caps applied to charges across options), whilst the second are changes from parking charge volumes (i.e. the absolute number of parking charges, which are consistent across all options in the policy scenario). This is not the case for the low impact scenario, where parking charge volumes increase identically to the counterfactual, and so there is no impact from volumes and profit changes are solely driven by changes to caps.

Debt recovery fees profit impact methodology

- 9.10. This analysis uses a similar methodology to the one outlined above for the profit impacts of changes to parking charge levels. It has been assumed that the number of cases that go directly to debt recovery is proportionate to the total number of parking charges. As outlined in the methodology, it is assumed that 20% of all parking charges go to debt recovery. For simplicity, it has been assumed that this figure will not change across time³⁷. This is due to lack of information around how this figure could change. However, this assumption must be relaxed when looking at the expected impact of more cases going to county courts (in the non-monetised costs sections earlier – where it is argued that more or fewer cases could go to court over time).
- 9.11. Of the 20% that go to debt recovery, it is assumed that 15% are paid based on evidence from operators and debt recovery agencies. As such, the parking charge scenarios outlined in the methodology will be multiplied by these figures to determine the total

³⁶ To note, the Government is not making an assumption about the behaviour of operators and debt recovery agencies, this assumption is a purely analytical and simplifying, so that an estimate of the potential profit loss can be provided.

³⁷ To note, the Government is not making an assumption about the behaviour of operators and debt recovery agencies, this assumption is a purely analytical and simplifying, so that an estimate of the potential revenue and subsequent profit loss can be provided.

number of parking charges that go to debt recovery and are paid. It is assumed that the debt recovery fees will remain at £70 and therefore the total revenue from debt recovery fees will be equal to this fee multiplied by the number of parking charges in the counterfactual scenario. As a simplifying analytical assumption, it is assumed that no parking charges are paid at reduced rates which have been agreed with operators or debt recovery agencies.

- 9.12. To determine the impact of the policy options on profits from debt recovery fees, the total parking charge volumes in each policy scenario is multiplied by the proposed policy option for debt recovery fees (this is in addition to revenue generated from the parking charges themselves³⁸) to obtain the estimated revenue to be received. Profits for both the counterfactual and policy scenarios are then calculated by subtracting the cost associated with retaining debt recovery fees from these revenues. The unit cost per successful debt recovery is assumed to be an administration fee is approximately £8.42 (the same administration fee per parking charge issue outlined above). As with parking charges, the profit differences across the appraisal period inform the EANDCB.
- 9.13. As is the case of profit changes from parking charges, the total EANDCB impact from changes to debt recovery fees can be sub-divided between two primary drivers: debt recovery fee levels (i.e. the caps applied to debt recovery fees across options) and parking charge volume levels (which determine the amount of parking charges that go to the debt recovery stage). This is the case for the central scenario, but not the case for the low impact scenario (in which volumes play no role).

Code and regulatory framework methodology

- 9.14. The methodology for estimating the costs of the Code and the regulatory framework is not different to what has been outlined within the methodology and SNPV sections, however the cost to business assessment in following section removes all costs to Government. All of these costs are considered directly resulting from the Code.

Analysis

- 9.15. As in the SNPV section, the real and discounted cost to business from the Code and its supporting framework have not changed and these costs are set out in Table 9.1. As outlined, in the methodology of this section and the earlier methodology section, these costs will not differ between options. However, it should be noted that these costs will differ from those presented in Table 7.2 as these outputs utilise equivalent annualization as compared to average annualization.

Table 9.1: Illustrative Equivalised Net Annual Direct Cost to Business (EANDCB) from the Code and its supporting framework as compared to the counterfactual

Cost	EANDCB £k
Familiarisation (Business)	600
Parking charge notice update (Business)	0
Signage (production and installation) (Business)	2,486
Soft trace (Business)	115
Single Appeals Service (Government)	244
Certification scheme (Business/Government)	617

³⁸ Debt recovery fees are split between operators and debt recovery agencies; however, the appraisal treats both as one entity (i.e. the industry) and so all revenue/profit impacts are captured through a single funnel

Scrutiny and Oversight Board (Government)	28
Monitoring and evaluation framework (Government)	30
Total	4,120

9.16. The EANDCB from changes to parking charge levels across the options compared to the counterfactual are outlined in Table 9.2. Option 1 has the lowest illustrative total EANDCB of £42m, whilst options 2 and 3 have the largest total EANDCB at £162m. The primary driver of the EANDCB for option 1 is the change to parking volumes, which drive a greater change in EANDCB when compared to parking charge levels. This is because compared to the counterfactual, levels remain the same and it is only the fall in volumes that describes the EANDCB. In contrast, parking charge levels is the primary driver of changes in option 2 to 5. These comparisons can be made by comparing the figures in the “Parking charge levels” column to the “Parking charge volumes” column for those options.

Table 9.2: Illustrative Equivalised Net Annual Direct Cost to Business (EANDCB) from changes to parking charge levels as compared to the counterfactual

Option	EANDCB change ³⁹ (£m) from		
	Parking charge levels	Parking charge volumes	Total
Option 0 (counterfactual)	0	0	0
Option 1	0	42	42
Option 2	121	42	163
Option 3	121	42	163
Option 4	69	42	111
Option 5	69	42	111

9.17. The EANDCB from changes to debt recovery fees are outlined in Table 9.3. Option 1 has the lowest illustrative total EANDCB at £8m, whilst option 3 has the largest EANDCB at £36m. Across options 2 to 5, changes to parking charge volumes are not the primary driver of the EANDCB as debt recovery fee levels drive a greater change in EANDCB when compared to parking charge volumes – this can again be seen by comparing the figures in “Debt recovery fee levels” column to the “Parking charge volumes” column for those options. The EANDCB in option 1, however, is driven primarily by parking charge volumes (note that there is a zero change in EANDCB for debt recovery fee levels in option 1 as these are unchanged from the counterfactual).

Table 9.3: Illustrative Equivalised Net Annual Direct Cost to Business (EANDCB) from changes to debt recovery fee levels as compared to the counterfactual

Option	EANDCB change (£m) from		
	Debt recovery fee levels	Parking charge volumes	Total
Option 0 (counterfactual)	0	0	0
Option 1	0	8	8
Option 2	23	8	31

³⁹ This table is showing how much of the EANDCB changes from (1) parking charge levels – i.e., the charge by option, and, (2) the debt recovery fees – i.e. the debt recovery fee in debt recovery also by option

Option 3	28	8	36
Option 4	20	7	27
Option 5	26	8	34

9.18. The EANDCBs from the Code, its supporting framework, and changes to parking charge and debt recovery fee levels are outlined in Table 9.4. The primary drivers of the EANDCB across the five options are the changes to parking charge levels. Overall, option 1 has the lowest illustrative EANDCB at £54m, whilst option 3 has the highest illustrative EANDCB at £203m.

Table 9.4: Illustrative Equivalised Net Annual Direct Cost to Business (EANDCB) from the Code as compared to the counterfactual

Option	EANDCB change (£m) from			Total
	Parking charge levels	Debt recovery fee levels	Code and supporting framework	
Option 0 (counterfactual)	0	0	0	0
Option 1	42	8	4	54
Option 2	163	31	4	198
Option 3	163	36	4	203
Option 4	111	27	4	143
Option 5	111	34	4	149

Sensitivity analysis

9.19. As with the SNPV analysis, and as outlined in the sensitivity analysis for the SNPV (section 8), there is considerable uncertainty associated with this analysis. As such, this sub-section includes an outline of the impact on the estimated cost to business from varying some of the modelling assumptions. The sensitivity analysis applied to SNPVs covers relevant assumptions pertaining to the relative size of costs to business from the Code and its supporting framework. This sub-section is concerned primarily with assumptions that pertain only to the EANDCB analysis (i.e. those assumptions that directly impact overall profit outputs because of changes to parking charge levels and debt recovery fees).

9.20. Table 9.5 below illustrates the key assumptions for the EANDCB analysis. The assumptions being tested filter into the revenue flows from parking charges and debt recovery fees across the options. These revenue flows then determine the overall impacts on profits captured in the EANDCB.

- a. Proportion of parking charges that are inside London: As outlined in the methodology, data from operators suggested a range of 17% to 50% of parking charges being inside London. This assumption impacts the revenue figures for both parking charges and debt recovery fees, as parking charges and debt recovery fees vary inside and outside London for some options. For some options, the greater the share of parking charges and debt recovery fees in London, the greater the profit losses (against the counterfactual), as both charges are higher in London. The lack of data makes it difficult to know the precise percentage of parking charges in London, but there are some arguments to suggest that it is higher than the central 35%, so the analysis has allowed for a higher upper bound.

The upper and lower bounds have been established based on different industry sources.

- b. Proportion of parking charges that are non-discounted/discounted: A sensitivity of +/-25% has been applied to the % of parking charges that are non-discounted and discounted. This assumption impacts parking charge revenue figures as these vary depending on whether the charges are paid at the full or discounted price – parking charge revenues are higher when paid at the full rate. Percentage variations have been applied in the absence of better evidence.
- c. Proportion of all parking charges that go to debt recovery that are paid: A sensitivity of +/-25% has been applied to the proportion of all parking charges that go to debt recovery that are paid. This assumption impacts debt recovery fee revenue (and profit) figures as these vary depending on the amount of parking charges that both go to debt recovery and are then subsequently paid. Percentage variations have been applied in the absence of better evidence.
- d. Proportion of parking charges that are low contraventions: A lower bound estimate of 70% has been applied to the central percentage of 80%. An upper bound of 90% has been applied. For some options, this assumption impacts the profit figures for both parking charges and debt recovery fees, as parking charges and debt recovery fees vary with the type of contravention, with lower contraventions reflecting lower parking charges. The upper and lower bounds have been established based on different industry sources.
- e. Policy parking charge volumes: As already outlined in the SNPV sensitivities section in section 8, there are “low impact” and “high impact” scenarios. The low impact scenario assumes that policy parking charge volumes grow at the same rate as in the counterfactual.

Table 9.5: Assumptions considered in the EANDCB sensitivity analysis

Assumption	Low	Central	High
% of all parking charges that are non-discounted	5.6%	7.5%	9.4%
% of all parking charges that are discounted	30%	40%	50%
% of all parking charges that go to debt recovery that are paid	2.3%	3%	3.8%
% of parking charges that are low contraventions	70%	80%	90%
% of parking charges that are inside London	17%	35%	50%
Policy parking charge volumes	As outlined in above and in Section 8		

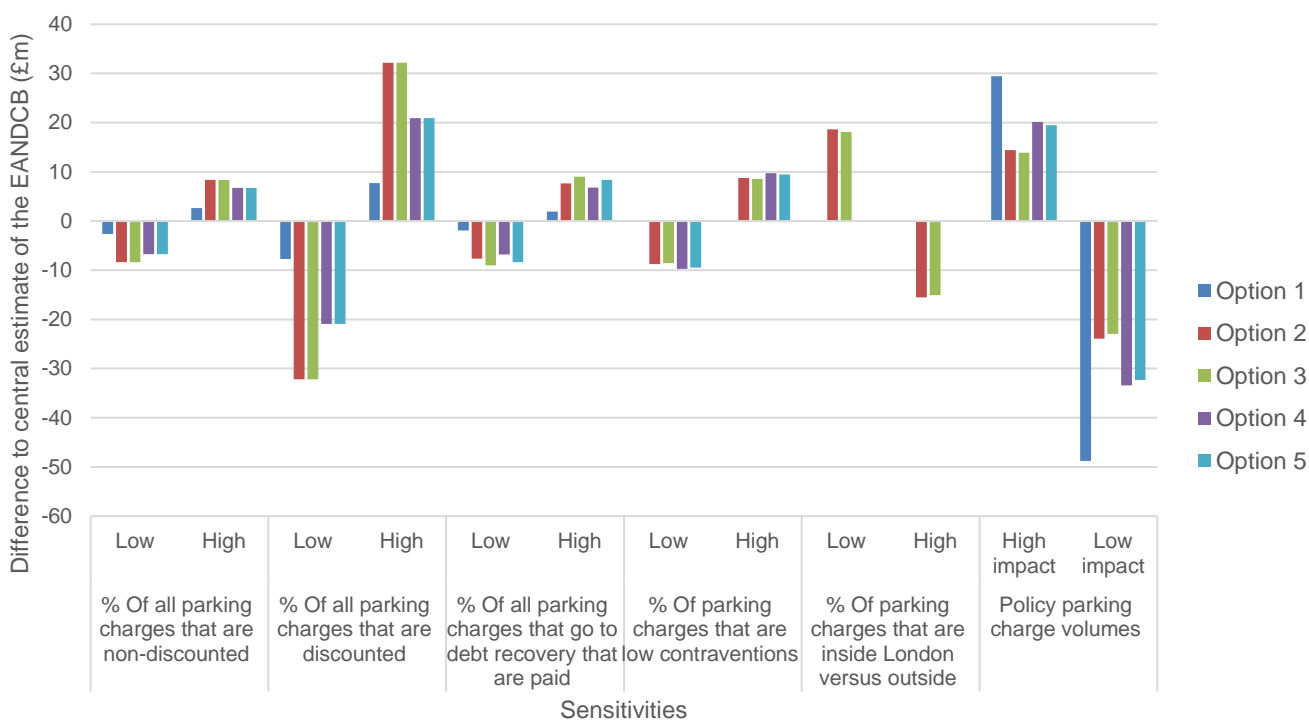
9.21. The results of the sensitivity analysis can be seen in Figure 9.1 below. This analysis demonstrates:

- a. For the majority of sensitivities, the difference from the central estimate of the EANDCB is less than £30m.
- b. The biggest drivers of uncertainty in the EANDCB estimates are the low impact policy parking charge volume scenario and the percentage of parking charges that are discounted

- c. Option 1 shows the largest change from the central estimate for the low impact policy parking charge volumes sensitivity, which is driven by the relative change in revenue between the counterfactual and policy volumes – this is expected as option 1 is solely driven by volumes and so is the EANDCB is more sensitive to changes in volumes than for options 2 to 5 (in option 1, caps are unchanged from option 0, the counterfactual). This is also true for the high impact scenario where option 1 is more sensitive to changes in volumes, relative to options 2 to 5 where the variation is less extreme as EANDCBs here are partly driven by volumes and partly by changes in caps.
- d. Outside of the policy parking charge volume sensitivities, another primary driver of variation from the central EANDCB estimate is from changes to the percentage of all parking charges that are discounted. As this assumption feeds into the parking charge volumes on which the EANDCBs are based, the relatively wide policy variations in the rates at which parking charges are discounted expectedly lead to more extreme variations in EANDCBs.

9.22. Overall, the sensitivity analysis suggests that the largest variations in EANDCB occur from changes in the policy parking charge volumes as these feed most directly into profit differences.

Figure 9.1: Sensitivity analysis and difference to central estimate of the EANDCB



Overall

- 9.23. It is first worth noting that this analysis does not consider the direct benefits to business from this regulation, given the reasons outlined in the methodology. These impacts are likely to be relatively small compared to the costs, but this may reduce the total cost to business from the regulation.
- 9.24. Overall, the cost to business is expected to be relatively large over the appraisal period but similar across options 2-5, with option 1 smaller as there is no change from the

counterfactual to parking charge levels and debt recovery fees, and so costs are driven entirely by an assumed fall in parking charges over the appraisal period. Given the lack of information from businesses on their existing revenue structures, it is only possible to assess the overall (industry) impact on profits rather than impacts on specific operator groups which would require more precise data and information.

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10. Wider impacts

Competition assessment

- 10.1. In many locations, private car parks may represent monopolies or be in monopolistic competition, as there may currently be no other feasible alternatives for drivers to access parking provision. The overall improvements in standards may lead to a reduced profitability for private parking operators. This may in turn reduce their ability to limit entry of new private car parks into their local markets and increase competition.
- 10.2. However, the Code may increase the initial set-up costs for businesses in entering the market, for example by requiring adequate signage or certification. This may decrease firms' abilities to enter the market and potentially stop the entrance of inferior and low-quality parking operators from entering the market – to the benefit of drivers and registered vehicle keepers.
- 10.3. The impact on competition is highly uncertain and likely to be mixed, but overall, it is expected to be small. It is difficult to make a more robust assessment of competition impacts given the lack of information regarding to what extent the Code will limit the number and range of suppliers (private parking operators). Modelling suggests that, depending on the option (primarily options 2 to 5), there will be impacts on operator profitability through changes in parking charge caps and debt recovery fees, and additional costs for implementing the Code and supporting framework.
- 10.4. Without additional information on business practices, it is difficult to assess to what extent private parking operators will be affected in their ability to provide services. Further evidence gaps regarding the costs private parking operators face and geographical coverage of operations also limits any competition assessment. The Government hopes to fill some of these evidence gaps through the current call for evidence and ongoing engagement.

Equalities assessment

- 10.5. Car parks are an important intermediate good, since they are often used when drivers want access to other services. It is expected that there will be a broadly positive impact on all drivers and registered vehicle keepers, but this is expected to be particularly the case for vulnerable, disabled or elderly people where driving may be one of the few ways to access services, such as for a weekly shop. Travel by car is the most common mode of transport for those with mobility difficulties⁴⁰ and driving is a key determinant of the quality of life among older adults. Furthermore, in 2020 older people with a driver's licence accounted for 14% of all full car licence holders. This was a 23.6% increase from 2016 suggesting an increasing reliance on car travel⁴¹. The ability to continue driving as individuals become older is also a fundamental determinant of the quality of life among older adults⁴². It is expected therefore that the Code will have a direct benefit to these vulnerable, disabled or elderly drivers and registered vehicle keepers by making car parks easier to access and improving standards. For example, the Code is expected to require the cancellation of a parking charge where a Blue Badge is later supplied.

⁴⁰ National Travel Survey, DfT, 2021,

⁴¹ Reported road casualties Great Britain: older drivers' factsheet 2020. GOV, 2020, <https://www.gov.uk/government/statistics/reported-road-casualties-great-britain-older-driver-factsheet-2020/reported-road-casualties-great-britain-older-drivers-factsheet-2020>

⁴² Coughlin, J.F.: Longevity, lifestyle, and anticipating the new demands of aging on the transportation system. Public Works Manag. Policy. 13, 301–311 (2009).

- 10.6. There may, however, be some costs to such drivers and registered vehicle keepers since the implementation of a ban on debt recovery fees may result in the reduction in debt recovery services, which may assist in either cancelling, reducing or offering payment plans for vulnerable drivers and registered vehicle keepers. Furthermore, increased contraventions due to a potentially lower deterrent could result in an increase in abuse of specially designated bays. This may, however, be negated by the Code making these types of contraventions more easily charged.
- 10.7. Given the limitations in evidence on utilisation of private car parks by vulnerable drivers and registered vehicle keepers, as well as potential behaviour changes, this IA does not undertake a quantitative equalities assessment. However, overall, it is expected that the impact of this regulation is likely to be positive to these drivers and registered vehicle keepers. An Equalities Impact Assessment will also be undertaken when the decisions on parking charge levels and debt recovery fees are taken, before the Code is re-laid in Parliament.

Small and Micro Business Assessment

- 10.8. Current Government policy is that businesses with fewer than 500 employees will be exempt from future and reviewed regulations. Given that the majority of businesses for which this intervention seeks to regulate are likely to have fewer than 500 employees, as determined through discussions with the industry, this intervention does not exempt these businesses. This decision has been taken so as not to undermine the Code's effectiveness.
- 10.9. Due to a lack of evidence on the number of employees per business, parking operator turnover has been used to segment the size of businesses⁴³. Approximately 86% of businesses are classed as micro businesses whilst 8% are classed as small businesses, and 6% are classed as medium businesses, according to ATA membership band data⁴⁴. It is worth noting that many of the processes in car parking are automated and so even if employee numbers were available this still may not be the best indication of size of business.
- 10.10. Given the lack of more detailed information on small and micro businesses, i.e. their relative sizes, profitability and potential behavioural responses to the Code, this IA has not monetised regulatory impacts on small and micro businesses. However, the latter parts of this section provide a proportionate, qualitative assessment of the impacts.
- 10.11. All changes in the Code and its supporting framework should directly benefit (non-parking operator) small and micro businesses, which make use of private parking for their operations, by increasing standards. Small and micro businesses may also benefit indirectly from the Code, for example via increased footfall in the areas surrounding private car parks where their increased use is encouraged. As this is an indirect impact and likely to be highly idiosyncratic, it is expected that its overall impact will be small.
- 10.12. The Code may negatively impact on small parking operators and debt recovery agencies through improved standards, which will raise costs, and potentially through the reduction of parking charges and debt recovery fees in options 2-5. This is likely to particularly

⁴³ Thresholds based on DIT SME Action Plan (micro = turnover under £1.8m; small = turnover under £8.8m; medium = turnover under £43.9m: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/961722/SME-Action-Plan.pdf)

⁴⁴ Based on membership band data from BPA and IPC

impact operators whose business model is based on maximising either parking charges or debt recovery fees. However, the Code will in turn benefit business models which endeavour to limit the number of parking charges issued. Furthermore, improved standards may increase private car park usage as drivers would not be deterred by concerns that they will receive unfair treatment.

- 10.13. Overall, whilst it is difficult to estimate the impact on the viability of small and micro businesses, the overall impact is not expected to be large or disproportionate to the reciprocal benefits to drivers and registered vehicle keepers, or disproportionately burdensome to small or micro businesses. As noted in the competition assessment section above, the Government is seeking to gain further insight and data into the business practices of private parking operators, which should help improve this assessment.
- 10.14. The Code will not apply mitigations directly to SMEs, however there may be some level of mitigation applied indirectly as it is expected that ATAs will take the size of parking operators into account in setting fee levels for membership and certification. There will also likely be an implementation period between the point at which the Code is laid and the point at which it will come fully into effect. This will give time for the industry to adapt to the new requirements set out in the Code, which is expected to provide some mitigation for all businesses, and particularly small and micro businesses.

Trade assessment

- 10.15. The Code may reduce the costs of transporting exports and imports by road if they result in a reduction in parking charges being issued and paid by transportation companies. However, these impacts are likely to be small and there are not expected to be any other major impacts of this policy on trade.

11. Monitoring plan

- 11.1. The objectives for the Code of Practice seek to enhance consistency, fairness and transparency in the private parking industry, to protect drivers and registered vehicle keepers and enable the fair and efficient management of parking spaces on private land. Crucially these objectives aim to drive improvement over time, so this does not lend itself to a straightforward judgement of “success” or “failure” at a predetermined end point. There is, nonetheless, value in monitoring outcomes over time to ensure that the Code is delivering on its objectives and to determine where changes are needed to more effectively deliver on those.
- 11.2. Implementation of the Code will see data collected from a range of sources and centrally held by the Government. This includes data from parking operators, the new single appeals service, from ATAs, CABs, and from parking correspondence, media articles and consumer/industry feedback. Monitoring will form an important part of policy implementation, and this will be informed by the data collected. It is important that the approach to monitoring is proportionate to avoid excessive demands being placed on the industry and to ensure that data collected provides valuable insights without collecting data that is not used.
- 11.3. An ongoing monitoring role will be established through which insights gained into the private parking industry and the impacts of the Code are drawn. As part of the Code’s wider supporting framework, a Scrutiny and Oversight Board will be established to oversee the operation of the new system and monitor its effectiveness. The Board will provide a new and unique function within the private parking industry to monitor the effectiveness of the new Code. It will be expected to meet up to four times per year to make evidence-based assessments on how well the system is operating, and to undertake a review of the Code every two years. The insights drawn from the planned data collection will provide a valuable foundation on which this function is built.
- 11.4. The Board will not be expected to engage directly with individual parking companies or drivers and registered vehicle keepers regarding breaches of the Code or individual parking disputes, but instead take a higher-level view of data and trends that point to the success or failure of the Code’s aims. The Board will be expected to share these findings with CABs and compel CABs to further investigate areas of concerns. It will then be for the CABs to ensure regular audits and inspections of individual car parks and operator practices.
- 11.5. The work of the Board and its impact will be measured via an annual report, co-produced by the Board and the Government. The report will detail both the Board’s activities and their findings from the data and regular reports from the ATAs and other relevant stakeholders such as consumer and motoring groups. Two years on from full implementation of the Code, the Board will be required to make evidence-based recommendations to the Government on ways to improve the Code based on their findings to date, drawing on evidence gathered through this monitoring and analyses of trends.
- 11.6. We expect to be able to monitor the achievement of the Code’s objectives through looking at a number of metrics. Table 11.1 shows a list of indicative metrics which could be measured, although this should not be taken as an exhaustive list. The monitoring framework is currently under development so this is subject to change. Table 11.1 also shows some potential trends which could indicate success, although it should be noted

that these are highly uncertain and could be influenced by other external factors such as changes in vehicle use patterns and technological changes. The decision taken on parking charges and debt recovery fees could also have an impact on some of these trends. The data to be collected through the call for evidence and ongoing engagement and used to inform the final-stage IA will help to establish a counterfactual baseline against which future monitoring can be conducted.

Table 11.1: Indicative metrics, potential data sources and trends for monitoring

Indicative metric	Potential data source(s)	Potential trend
Total parking charges issued per year	Parking operators/ATAs/DVLA registered vehicle keeper request data	Downward impact on total numbers, either an overall reduction compared to the baseline or a reduced growth rate compared to the counterfactual.
First- and second-stage appeals per year as a proportion of total parking charges issued.	Parking operators/ATAs/New Appeals Service	Initial increase in appeals as consumers gain confidence in the system, followed by an overall reduction in the proportion of parking charges issued that are appealed as fewer unjust charges are issued.
Debt recovery proceedings undertaken per year as a proportion of total parking charges issued	Parking operator/ATAs	Downward impact on total numbers, either an overall reduction compared to the baseline or a reduced growth rate compared to the counterfactual.
Complaints against operators received by ATAs per year as a proportion of total parking charges issued.	ATAs	Initial increase in complaints received by ATAs against operators as consumers gain confidence in the system, followed by an overall reduction in the rate of complaints being escalated to ATAs as a proportion of parking charges issued as overall industry behaviour is improved.
Number of operators certified in line with the Code each year.	ATA/CABs	Gradual increase in those certified during initial implementation.
Total parking-related correspondence received by Government per year	DLUHC	Long-term reduction in the number of pieces of correspondence received as consumers' interests become better protected.

Annex A: Long-list of considered Options

1. This Annex outlines the 'long-list' of options which have been proposed to address the problems in the market and objectives of the policy but did not sufficiently meet the policy objectives outlined in Section 4.

Do not implement the Code or its supporting framework

2. In this option, the Code of Practice and its supporting framework would not be introduced, and the Government would not engage in a regulatory approach to intervene in the market. A non-regulatory approach would consist of the continued self-regulatory approach currently utilised in the market. Given that this would not address the market failures or respond to the statutory obligation to create a new Code (and the broad support for the implementation of the Code), this option was considered to not meet the policy objectives and was not considered further.

Implement the Code, but do not include caps on parking charges or debt recovery fees

3. In this option the Code would be implemented, but it would not cover the levels of parking charges or debt recovery fees. Since this Code sets out to replace existing self-regulation, there would be nothing in place for parking charges or debt recovery fees. This would therefore not meet the objectives of the policy in terms of creating a more consistent, fair and transparent system for drivers and registered vehicle keepers or landowners (on behalf of whom parking operators are providing services).

Three-Tier system for parking charges:

4. An option that was previously consulted on was creating a tiered approach to parking charges, with three tiers for differing breaches.
 - a. Upper-level breach: the highest tier with a parking charge capped at £120 and discounted to £70 where appropriate, would be for the most serious breaches which put drivers and registered vehicle keepers or others in danger.
 - b. Middle-level breach: the middle tier with a parking charge capped at £100 and discounted to £60 where appropriate, would relate to breaches that, whilst not as serious or dangerous as those in the upper level, still impact upon businesses, landowners, the environment and genuine customers or car park users.
 - c. Lower-level breach: the lowest tier with a parking charge capped at £80 and discounted to £50 where appropriate, would relate to breaches that, while not dangerous, include selfish and poor parking.
5. This policy was previously contested when it was consulted on and, given the presence of three tiers which decrease transparency, this option was considered not to meet the objectives of this policy and was not re-considered further.

Flat rate cap for debt recovery fees:

6. Aside from banning debt recovery fees, two alternative cap methods were considered. Firstly, a flat rate cap set at a figure lower than the current £70 but above £0. Secondly, a

proportional figure such that debt recovery fees are a fixed proportion of the parking charge. It was considered that the second alternative would fit the objectives of the policy more than the first alternative since:

- a. A flat cap may not meet the objective of fairness to drivers and registered vehicle keepers, as it would be difficult to ensure that it is not excessive if the level of parking charge varies.
 - b. Little evidence has been provided on the appropriate level of a flat cap across the UK, whilst for a proportionate cap, experience in other industries suggests an appropriate level.
7. Despite a flat cap better meeting the objectives of consistency, it may not best represent the overall intentions of the policy and thus does not sufficiently meet the policy objectives.

Additional regional tiers for parking charges

8. This IA has considered having either no regional tiers for parking charges or having three regional tiers (inside London, outside London and Scotland). Another option which was considered is whether there should be more regional tiers, such as for coastal areas or other urban areas. This option was not considered further since the increase in the number of tiers and their potential definitions were deemed to decrease the policy's transparency and consistency.

Annex B: Proposed higher and lower parking contraventions list for new Code

Local authority off-street contraventions from PCN Codes 6.7.7	Level
Parked in a loading place or bay during restricted hours without loading	Higher
Parked in an electric vehicles' charging place during restricted hours without charging	Higher
Using a vehicle in a parking place in connection with the sale or offering or exposing for sale of goods when prohibited	Higher
Parked in a restricted area in a car park	Higher
Parked without a valid virtual permit or clearly displaying a valid physical permit where required	Higher*
Parked in a designated disabled person's parking place without displaying a valid disabled person's badge in the prescribed manner	Higher**
Vehicle parked exceeds maximum weight or height or length permitted	Higher
Parked in a car park or area not designated for that class of vehicle	Higher
Parked causing an obstruction	Higher
Parked in car park when closed	Lower
Parked in a pay & display car park without clearly displaying multiple valid pay and display tickets when required	Lower
Parked in a parking place for a purpose other than that designated	Lower
Parked with engine running where prohibited	Lower
Parked without payment of the parking charge	Lower
Parked for longer than permitted	Lower
Parked after the expiry of paid for time	Lower
Parked in a car park without clearly displaying a valid pay & display ticket or voucher or parking clock	Lower
Not parked correctly within the markings of a bay or space	Lower
Re-parked in the same car park within the prescribed time period after leaving	Lower

*£100 if outside of London and in a resident or staff-only car park.

**£100 outside London

Local authority on-street contraventions from PCN Codes 6.7.7	Level
Stopped where prohibited (on a red route or clearway)	Higher**

Proposed additional private contraventions	Level
Misuse of Specialist Bays (Doctors' Bay, Emergency Vehicles, Parent and Child, Staff-Only Bay in a mixed-use car park etc.)	Higher
Parked in a customer only space if not a customer	Higher
Transferring a parking ticket	Higher
Failure to register vehicle if required	Higher
Parking on controlled land where parking is not permitted	Higher**
Overstaying the permitted period at a Motorway Service Area (MSA)	Higher

**£100 outside London

Annex C: Sources of evidence

This annex outlines the Impact Assessment's use of evidence. There are two categories: (1) Direct use and (2) Indirect use. Within the direct use category, evidence is separated into (i) that which was received through direct engagement and not from published sources and (ii) that which was acquired through published sources. All evidence acquired by Government has been examined and where evidence has not been used directly (i.e., the items in the indirect use table), this has instead been used to inform overall judgement and as a source of further validation and cross-reference.

Direct Use: Used for modelling and/or quoted in the Impact Assessment

Direct use: Acquired from engagement (non-published sources)

Provider	Evidence item	Evidence used
British Parking Association	AOS Census Consolidated Results (Jan-June 2022)	Parking charges paid
		Parking charges paid at discounted rate
		Parking charges paid at non-discounted rate
		Parking charges that go to debt-recovery
		Parking charges that are cancelled
		Parking charges that are unaccounted for
	Ad-hoc engagement	The number of UK car parks
		The number of car parks by space
		No. of parking operators
	AOS Census Consolidated Results (Jan-June 2022)	Historic no. of parking charges (validation only)
Industry-commissioned report	Mazars Impact Assessment Paper	
International Parking Community	Ad-hoc engagement	The number of UK car parks
		The number of car parks by space
		Parking charges inside London
	No. of parking operators	
Analysis of contravention data	Parking charges that are low contravention	
Excel Parking	Ad-hoc engagement	Soft trace
		Cost of producing signage
ZZPS	Ad-hoc engagement	Admin cost per parking charge issued
Debt Recovery Plus	Ad-hoc engagement	Unit cost of retaining additional fee
Parking Eye	Payment by Stage	Parking charges paid at discounted rate, full rate and expected increase in debt-recovery and court action
	Ad-hoc engagement	Cost of signage

Provider	Evidence item	Evidence used
The HM Courts and Tribunals Service (HMCTS)	Top 30 small court claimants 2018-2022	Five operators and legal firms (within top 30) specialising in, or exclusively dealing with, parking claims on behalf of various private parking operators

Direct use: Acquired from published sources

Provider	Evidence item	Evidence used
Companies House	Parking operator accounts/profits	Accounts/profits
RAC Media Centre	Press Release	Study on private car parks, (opinions on parking enforcement policies, amounts, signage etc.)
Department for Transport	Road Traffic Statistics	Transport used by those with mobility issues, vehicle miles
	National Travel Survey	Older driver factsheet
Office for National Statistics	Annual Survey of Hours & Earnings	Wage estimates
POFA Impact Assessment	Impact assessment	Estimated parking charges
DLUHC despatch box correspondence	Despatch Box	Key themes mentioned in correspondence
Newspaper article analysis	Website analysis	Key themes mentioned in newspaper articles
Driver and Vehicle License Association	Who DVLA shares data with (publication)	Keeper of a Vehicle at the Date of an Event (KADOE) trend (2006-2023)
	Release of information from DVLA's registers (publication)	Cost of accessing registered vehicle keeper details

Indirect Use: Used to inform judgement but not used for modelling nor quoted in the Impact Assessment directly

Provider	Evidence item	Evidence used
International Parking Community	IPC AOS Statistics (Information about sites managed by IPC AOS members)	Car parks by geography, type, enforcement
	Ad-hoc engagement	Call for evidence on: no. of car parks operated by non-landlords; no. of self-ticketers; increase in no. of car parks; increase in DRF and behavioural changes
Parking Eye	Parking Code Enforcement Framework Impact Assessment	Evidence on compliance rates relation to changes in parking charge caps
	Parking Enforcement Research	Literature into parking management and the effectiveness of enforcement

Provider	Evidence item	Evidence used
	Survey of Local Authorities for Parking on Private Land	Survey responses on the levels of parking charges
British Parking Association	Ad-hoc engagement	No. of cases taken to court
ZZPS	Teneo Economic Impact Report	An assessment of the economic impact of changes in parking charge and additional fee caps
Euro Car Parks	ECP Data Report	Arguments for retaining existing parking charge and additional fee caps
Local Authority Data	Sent out questionnaire	Survey of responses on a range of things, including size of car parks, costs of signs, no. of car parks etc
Agena	Parking Act Data Analysis Costs	Parking charges paid at discounted rate; parking charges paid at undiscounted rate; parking charges paid at debt-recovery stage (undiscounted); parking charges cancelled/unpaid
Excel Parking	Ad-hoc engagement	
Consumer groups	Ad-hoc engagement	The RAC Opinion Panel Survey 2016; Motorists testimonies including: emails, forum threads, reviews, and media articles, data on county court hearings and information on debt recovery practices