

Options assessment

Private Parking Code of Practice

Ministry of Housing, Communities, and Local Government

IA number

RPC reference number

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1. Summary of proposal

History and background

A Private Members Bill, introduced by Sir Greg Knight in response to concerns about private parking operators' behaviour, led to the introduction of the [Parking \(Code of Practice\) Act \(2019\)](#). The Act places a **legal duty** on the Secretary of State to prepare a Code of Practice. The Government Code of Practice must contain guidance that promotes good practice in the operation and management of private parking facilities, and guidance about appeals against private parking charges imposed by, or on behalf of, persons providing private parking facilities.

Under sections 1 and 2(2) of the 2019 Act, Parliament has directed that the Secretary of State must prepare a code and lay it before Parliament. Six years have passed since the Act was passed, there remains a duty on the Secretary of State to issue a statutory code, and this duty has not been satisfied. This Government is committed to fulfilling this duty and to delivering the protection intended by the Act.

There is a legal requirement in the Act to issue a code, leaving the Government at risk of legal challenge as long as it does not comply with that duty. The direction from Parliament is not simply to prepare a parking code, it is to prepare one which promotes good practice.

In February 2022, a Code was issued by Government, but it was withdrawn in June 2022 due to legal challenge. Areas of challenge included concerns that the Code incorporated lower caps than the industry caps on parking charges at the time and banned debt recovery fees. Challengers argued these points were not properly consulted on and were concerned by the lack of an impact assessment.

Previous consultation on private parking

Four consultations have been undertaken to date on the Code of Practice and the compliance framework. Following the 2019 Act, the British Standards Institute (BSI) consulted on the contents of the Code in 2020. Alongside the BSI consultation, Government consulted on the Code's enforcement framework and parking charge caps. A further

consultation on private parking charges, discount rates, debt collection fees and an appeals charter was undertaken in 2021.

In 2023 after the legal challenge, the MHCLG launched the call for evidence which sought further evidence on the parking charges and debt recovery fees, and which received around a thousand responses. In the upcoming consultation, Government plans to seek further evidence from motorists and industry as it seeks to prepare a Code.

Recent developments

In October 2024 the parking industry's two Accredited Trade Associations (trade associations) introduced a single Code of Practice (the Industry Code). The introduction of the Industry Code does not replace the legal duty on Secretary of State to lay a code. The Industry Code includes many, but not all, provisions from the withdrawn Government Code. This is discussed in more detail in section 6. Each trade association ensures their members' compliance with the Industry Code through their own processes and there are two separate second stage appeals services.

New trade association members must abide by the Code whereas existing members do not need to fully comply with the Industry Code until the transition period is complete in December 2026. This means that the full impact of implementation of the Industry Code will not be quantifiable for some years to come.

There are two main issues with the Industry Code. First, there is no mandatory data sharing between the industry and the Government meaning there is limited capacity for reviewing industry-wide trends at regular intervals and corroborating claims that are made by industry. This is a concern of government given the mounting evidence which suggests there are some operators engaging in poor practices which harm some motorists, a claim which has undergone Parliamentary scrutiny and resulted in the 2019 Act. The trade associations have indicated that they would be willing to provide critical information relating to parking charge data, but our observation is that this would be on a voluntary basis and Government would not be able to enforce this.

Second, under the Industry Code, the trade associations are responsible for ensuring their members' compliance with the Code and sanctioning them for non-compliance. This arrangement, the lack of independent scrutiny of those processes, and the limited information about parking operators being sanctioned under the Industry Code, creates the impression that trade associations are not incentivised to enforce the Industry Code and the view of motorist groups is that this contributes to public distrust of the parking industry.

Since the Industry Code came into effect around six months ago, the Government has continued to receive credible anecdotal evidence of poor practices by parking operators suggesting that the enforcement of standards is as important as setting standards. It is not surprising that instances of poor practices continue given there is a transition period for full compliance with the Industry Code.

The introduction of the Industry Code signals that the trade associations agree that change is needed within the industry. Whilst the Government intends to consult on some limited changes compared with the Industry Code, the Government is otherwise proposing standards not dissimilar to those in the Industry Code. It is reasonable to assume that the standards in the Industry Code are not unreasonable or overly burdensome for business, although this will be further tested during the consultation. The government's intention is

that moving from an industry to a government Code should not result in a major increase in regulation or cost to business but should be proportionate to the benefits. The concept of Government oversight has some support within the industry despite the introduction of the Industry Code. A senior leader at the British Parking Association was quoted in a recent article in the Daily Telegraph saying: "it would be better if there was some government oversight on this, a proper regulatory framework that doesn't involve us¹."

Summary of proposal

The policy intention of this proposal is to raise standards over time across the private parking industry in England, Scotland and Wales to better protect and support motorists whilst balancing the legitimate needs of private parking operators. Having followed relevant processes as set out in The Green Book, the proposal is to consult on proposed changes to the withdrawn code, ahead of laying before Parliament a Government Code of Practice (the Code) and introducing an accompanying compliance framework. The consultation will provide respondents the opportunity to provide their views on other options should they wish to, and the intention is to publish as much relevant information (including information about this options assessment) as possible. Whilst the Government considers that a Government Code and compliance framework is the best way to achieve the strategic objectives set out below, the Government remains open minded as to the final course of action to take and will welcome views from respondents which will be carefully considered.

As well as seeking views on proposed changes to the withdrawn Code, the consultation will also gather views on parts of the Industry Code which depart from the withdrawn Code (for example in relation to mitigating circumstances for appeal). The Government recognises that the Industry Code is the current status quo and that a government Code which alters the status quo may result in further costs being placed on industry. Consulting on these changes will enable Government to understand the impact of such changes before preparing its own Code.

In addition, Government proposes to address the lack of transparency in the current enforcement arrangements by mandating that Industry shares data with Government. Once validated internally, this data would then be shared with an independent Scrutiny and Oversight Board that is part of the proposed compliance framework. This mandatory data sharing would permit independent scrutiny of any future changes required to the Code, ensuring its contents is kept under proper review and that changes can be made as necessary, based on proper independent analysis and scrutiny of the data.

The overall proposal can be summarised as follows:

- A Government Code of Practice will clearly set out the standards which all parking operators are expected to meet and, together with the Certification Scheme, will compel industry to provide key data metrics to Government (which the Government will also share with the independent Scrutiny and Oversight Board).
- As part of this proposal the MHCLG will consult on the following:
 - Retaining the parking charge cap at £100, as per the current Industry Code, with a view to asking the Scrutiny and Oversight Board to assess and analyse

¹ [Car parks are setting motorists 'up to fail'](#) Daily Telegraph article commenting on the rise in parking charges being issued, including a quote from a senior British Parking Association spokesperson.

the caps on a biennial basis and make recommendations to the Secretary of State who has a duty to keep the Code under review.

- An appropriate level for the cap on debt recovery fees. The MHCLG has received evidence that the cap of £70 currently in the Industry Code enables charging of debt recovery fees which are disproportionately high, and out of step with similar industries. The MHCLG also does not currently have convincing evidence that the debt recovery fee is serving its intended objective of acting as an incentive to encourage payment in appropriate cases, rather than increasing costs unnecessarily by prolonging legal processes in cases without merit. Current data suggests that only 14% of cases are paid during the debt recovery stage.
- Second stage appeals to better understand motorists' ongoing negative perception of the current second stage appeals services to ensure a new solution addresses these concerns.
- The Industry Code's arrangements differ from the withdrawn Code in terms of some of the type of land definitions and length of consideration and grace periods. We will consult on these changes to gain a better understanding of their impact.
- A new possible addition to the Appeals Charter (or Annex F as it was called in the Government's withdrawn Code) which would see appeals upheld for any incident where the motorist can evidence that they had no choice but to breach the terms and conditions. Views will be sought from both motorists and industry.
- The Industry Code provides for a reduced charge of £20 where an appeal has been made and there is sufficient evidence that a mitigating factor in Appeals Charter applies. This charge was not part of the withdrawn Code. However, in the Industry Code it is applicable to the first parking charge only where payment is made within 14 days and where no second stage appeal is lodged. The MHCLG is not clear what the first charge provision means and how it is being applied in practice through the Industry Code. Therefore, the consultation will seek views on retaining the £20 charge, including industry's justification for it, and whether it could only apply to the first charge and, if so, how the first charge rule should apply in practice.
- A Scrutiny and Oversight Board will be set up to provide independent oversight of industry's compliance with the Code (see more information below).
- A Certification Scheme will be set up to ensure a consistent approach to assessing whether operators are complying with the Code (see more information below).
- Government will work collaboratively with stakeholders, including industry, to develop and publish guidance, including on what defines "no choice but to breach the terms and conditions" as listed above.

The Government compliance framework

The compliance framework seeks to ensure that parking operators comply with the Code. It would be made up of two elements – an independent Scrutiny and Oversight Board, and a United Kingdom Accreditation Service (UKAS) approved Certification Scheme to oversee how private parking operators are complying with the Code. The compliance framework would ensure that operators who engage in poor practices are held to account, with the ultimate sanction of losing access to DVLA data, under section 5 of the 2019 Act. Parking operators require access to DVLA data in order to send parking charge notices to motorists for non-compliance. The compliance framework will be supported by guidance on GOV.UK.

Scrutiny and Oversight Board

The Scrutiny and Oversight Board (SOB) forms a key part of the proposed compliance framework to support the Code. The purpose of the SOB would be to make recommendations to Government which are based on data insights. Most of the data will be collected from the trade associations and the Conformity Assessment Bodies (CABs) as well as insights from motorist groups. The SOB will play an important role in balancing the needs of motorists and industry. The intention is for the SOB to be made up of members who are independent of the private parking industry, with a range of professional backgrounds such as management consultancy, law or public administration. This is an approach that is used in other sectors, for example, in gambling regulation a similar Board, the [Advisory Board for Safer Gambling](#) provides a similar independent oversight and recommendations and has been in place for a number of years.

Once the Government Code is launched, the SOB would meet quarterly, reporting to Government at least every two years. These reports will set out the SOB's view on the Code's effectiveness in delivering its objectives and make non-binding recommendations to Government for amendments. Any changes to the Code will only be made following consultation as required by section 2 of the Act. The SOB, and the process of consultation, would give the Secretary of State better information to inform decisions in accordance with the Secretary of State's responsibility under section 3 of the 2019 Act to keep the Code under review.

Certification Scheme

The MHCLG is producing a Certification Scheme to audit the parking industry's compliance with the new Code. This follows the commitment made in the Parking Code Enforcement Framework Consultation response (2021), to strengthen the existing system of self-regulation by engaging the United Kingdom Accreditation Service (UKAS) and develop the scheme as an accredited conformity assessment system. This means that the MHCLG is developing the scheme as a third-party certification process where only organisations accredited as Conformity Assessment Bodies (CABs) by the UKAS will be able to certify operators against the scheme.

The MHCLG will be responsible for the scheme operation and updating the document, whilst the CABs will be responsible for its administration which will include handling certification applications, conformity evaluations, issue of conformity certificates, surveillance, and certification suspension or termination. UKAS will regularly monitor CABs.

The Certification Scheme will ensure:

- high quality auditing procedures that are based on international standards and are approved by UKAS;
- consistency in terms of how the operators are audited;
- independence from the industry as neither auditing arrangements nor audits are developed and conducted by the trade associations, but by certification bodies accredited by UKAS who demonstrate competence and independence;
- transparency as the scheme and all the auditing procedures will be published online alongside the Code;
- greater scrutiny as CABs will be required to renew their accreditation from UKAS every four years. Moreover, the UKAS accreditation process will involve regular

audits and inspections of CABs to ensure their audits of parking operators are rigorous and robust;

- CABs will be required under the terms of the scheme to provide government with data on parking operators' compliance with the Code, further strengthening the evidence base for any improvements to the Code.

Government Guidance

Evidence gathered through MHCLG user research and desk research in summer 2024 suggests that there is misinformation online, and motorists find it difficult to easily access clear and reliable guidance on what to expect throughout their interactions with the private parking industry. Motorists tend to seek out this information after receiving a parking charge notice. This misinformation makes it harder for motorists to make informed choices about what to do once they receive a parking charge and can result in motorists paying for parking charges which should have been cancelled if they went to appeal or, at the other extreme, motorists ending up with County Court judgments because they failed to engage in the process.

There is also little clarity for motorists on the difference between appeals and complaints to the trade associations which can result in worse outcomes for motorists without them knowing, as they end up complaining to trade associations instead of engaging with the appeals services within the allocated time. Both the industry and professionally organised pro-motorist groups and online forums provide information to motorists, the quality of this information varies.

There is a need for a single source of truth that is transparent and available to all – from the start of an interaction with a parking operator to the end of the process (including if the interaction ends up as a court case for any reason). Government guidance is welcomed by both industry and motorist groups. The MHCLG will work with both groups of stakeholders to develop guidance and will publish the guidance on GOV.UK once the Code is published. The intention is that stakeholders will be able to link and signpost to the Government guidance. The MHCLG will also work closely with appropriate stakeholders to ensure those with low literacy (including digital literacy) have equal access to the information contained within the guidance. Clear guidance will mean that motorists can have trust in, and engage with, the process, hopefully leading to more informed choices and better outcomes.

Impact on industry

Given the Industry Code is already in place, the main impact of having a Government Code comes into play when standards deviate from the Industry Code. The theory of change set out in Section 4 sets out these impacts further and will be made clearer once the Code has been prepared after the consultation. The most significant change would be any changes to the parking charge or debt recovery fee cap being independently considered by the SOB and subject to public consultation. Of course, any changes to the caps would have a cost impact on industry and would be part of any consideration to alter caps. Parking operators who actively engage in poor practices will be impacted the most. The proposal will seek to identify the parking operators that engage in poor practices and take proportionate action against them. Hopefully, this will create a level playing field and support those parking operators who work hard to provide quality services and parking facilities. Trade associations may also be asked to attend Scrutiny and Oversight Board meetings to discuss trends identified from review of industry data. This proposal puts in place a more

formal and transparent framework for overseeing changes to the Code. Whilst different processes already exist for how the trade associations enforce the Industry Code, the introduction of the Certification Scheme will be the biggest single change to parking operators and the industry.

Businesses would incur an NPC of £5.28m for the Certification Scheme over 10 years. This includes the cost to the trade associations of applying for accreditation, establishing the CAB, and providing certification for its members. This cost would be recouped by the trade associations by increasing fees for its members. The two trade associations have provided the MHCLG with an estimate for the total annual increase in membership fees they would anticipate (acknowledging their uncertainty as to the exact details of the Certification Scheme). As these two estimates vary greatly, MHCLG has estimated a range for these costs of £0.7m per year [£0.3m, £1.0m]. The central scenario would result in an NPC of £5.28m over 10 years.

The Government Code has several strengthened measures relative to the Industry Code in the counterfactual. Relative to this baseline, many of these measures would incur negligible costs to business beyond the ultimate potential impact on parking charges issued. The only direct cost considered proportionate to estimate is the mandated data sharing, with a one-off cost of £0.12m to operators.

Impact on motorists

This proposal actively seeks to reduce accidental non-compliance, and therefore parking charges issued because of accidental non-compliance, by taking action against the poor practices used by some operators which lead to motorists being issued with parking charges and doing more to raise awareness of standards and processes (such as appeals) for those motorists who seek such information. This proposal will provide much needed data and in time will help Government to better understand what is driving the high number of parking charges and allow proportionate action to be taken to support motorists where there are high levels of accidental non-compliance which could be remedied with better awareness.

This proposal could lead to more motorists engaging in the first and second stage appeals process whilst parking operators get used to the Code. Eventually, Government would expect fewer appeals to reach second stage as parking operators deal more effectively with appeals at first stage and motorists gain greater awareness of which appeals are likely to be upheld.

As set out above, MHCLG expects a decrease in the number of spurious parking charges issued to motorists who made a reasonable attempt to comply with the regulations. Government expects the whole package of measures in the preferred option to have a global impact on this number. Should this result in a 5% [2.5%, 7.5%] decrease in parking charges issued, the MHCLG estimates around £409m [£205m, £614m] less in parking charges paid over a 10-year period.

The MHCLG anticipates the preferred option would also make it easier for motorists to identify and appeal spurious parking charges. In the short term, this could increase the proportion of appeals, leading to increased time spent by motorists and increase time and appeal fee costs by operators. However, the MCHLG would anticipate in the long run that the proportion of parking charges appealed would ultimately fall, as operators issue fewer

spurious parking charges. Should this result in a 5% [2.5%, 7.5%] decrease in appeals, the MHCLG estimates an average benefit of £5.92m [£2.96m, £8.89m] per annum or net present benefit (NPB) of £47.5m over 10 years. £3.48m of this relates to the time saving for motorists, while £2.44m relates to the time and fees saving for operators.

Overall, the intention is for this policy to make private parking more transparent for motorists such that they can park in good faith and that, when incidents do occur, they are able to make informed choices about their next steps.

2. Strategic case for proposed regulation

What is the problem under consideration?

The number of parking charges being issued is at a record high. 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. DVLA vehicle keeper data requests have increased from 1.9 million in 2012 to 8.4 million in 2019, and 12.8 million in 2024. This represents around a 673% increase in requests made over the space of those years, and a 34% increase since 2019.

This increase has been accompanied by a steady stream of credible accounts of poor behaviour by some parking operators, and this has continued since the introduction of the Industry Code. These accounts are of motorists charged for breaking the rules in car parks when those rules were not clear, or where the motorist was unable to comply with the terms and conditions through no fault of their own e.g. poor signal, faulty apps, or faulty machines. Better data will help to differentiate private parking operators which provide quality services from those choosing to engage in poor practices. A robust compliance framework will help to create a level playing field, providing consequences for operators engaging in poor practice, and improving the perception of the private parking industry and the experience of motorists. The MHCLG recognises that the increase in parking charges has not been driven by poor operator practices alone. A number of factors are responsible, including:

- The abolition of clamping and the introduction of the new vehicle keeper liability regulatory regime which was established under the Protection of Freedoms Act (2012). It is much easier to issue parking charges now than it was to clamp vehicles before.
- There has been significant growth in the use of Automatic Number Plate Recognition (ANPR). ANPR records the time the vehicle entered the car park and the time it leaves; this is then compared against the parking tariff purchased by the motorist where relevant. ANPR allows firms to cut costs and automate work. Identifying non-compliant motorists and issuing parking charges has become easier and, in many cases, cheaper. According to the Financial Times (February 2025) one operator, Excel Parking, has halved their headcount since 2017, and reduced the wage bill by a third.² The most recent figures from the BPA Census in 2023, show over 90% of parking charges are issued by ANPR. Expansion into new sites has brought more motorists into contact with the enforcement system. Industry argues that 99.7% of parking events are compliant, with the spread of ANPR leading to a rise in the non-compliant motorists being identified. Work is ongoing to verify this claim.
- There has also been a significant trend since 2012 in the number of car parks under private parking management. Evidence submitted by both trade associations

estimates there are up to 49,416 car parks under private management in the UK, up from around 10,400 in 2012.

The problem under consideration is that MHCLG and Government continue to receive reports about poor behaviour by parking operators, without any clarity on the extent to which the increase in parking charges is the result of poor behaviour by operators rather than the factors listed above. Whilst the record high number of parking charges is undebatable, further investigation is required to understand what proportion of parking charges result from motorist non-compliance vs poor operator behaviour so that Government can ensure future interventions are properly targeted and balance the needs of motorists and industry. A proportion of parking charges will be issued due to wilful non-compliance of the motorist, and it is right that parking operators can manage their land in this way.

Trade associations have the power to sanction parking operators by issuing sanction points, suspending sites or operators, and expelling members. However, Government currently has little evidence on the extent to which such sanctioning takes place within the existing self-regulatory system. In addition, the MHCLG currently has little, if any, evidence to counter claims that the enforcement mechanisms underpinning the Industry Code are too lenient and are not providing sufficient deterrent to prevent poor practices by operators. However, a government compliance framework would be able to confidently address such concerns.

The MHCLG has received substantial anecdotal evidence of motorists reporting very poor experiences as a result of operator practices. Given the scale and scope of this evidence, Government considers this is likely to represent the experience of many motorists. It suggests that more needs to be done to support and protect motorists from receiving and paying parking charges where non-compliance with the terms and conditions was either outside the control of the motorist at the time of the parking event or a ticket has been issued in error. The processes currently in place are not easily understood by motorists and there is a deep sense of frustration and a lack of trust between motorists and the industry.

The Government considers that more data is required to understand what proportion of these parking charges have been issued in error (either deliberately or accidentally by the operator); which operators are engaging in poor practices; and how much can be attributed to poor awareness on the part of the motorist or wilful non-compliance by motorists. The Government considers that this consultation may yield valuable further information from motorists and industry and will carefully consider all evidence provided.

In the absence of a formal mechanism to collect industry-wide data, the existing anecdotal evidence has provided an impetus for improving government oversight of the industry. As such, a key part of our proposal centres on capturing and monitoring better industry-wide data in the future, to drive and support subsequent decision-making.

Further evidence gathering

The MHCLG will use the consultation as a further opportunity to follow up on data and evidence, taking the opportunity to seek to expand the evidence base to feed into the post-consultation Impact Assessment. The MHCLG will also seek to establish helpful or

analogous case studies (e.g. where other industry codes have been put in place, and how they worked, again to provide input to the final Impact Assessment.

What is private parking?

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. 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, which can be enforceable through a claim in the County Court in England and Wales and the Sheriff Court in Scotland. Section 56 and Schedule 4 of the Protection of Freedoms Act 2012 allow in certain circumstances for the recovery of unpaid parking related charges from the keeper or the hirer of a vehicle.

Parking charges are currently issued either at the time of 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.

To access that data, operators must demonstrate that they have a reasonable cause to receive it as well as be a member of a DVLA-accredited Trade Association (trade association). To become a trade association, the DVLA requires trade bodies to have a Code of Practice, providing guidance on how they expect 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 have a mechanism to enforce the Code of Practice and provide an independent, second stage appeals service.

Until recently, both trade associations published individual Codes of Practice. However, in October 2024 the trade associations adopted some standards from the Government's withdrawn Code of Practice and published a single Industry Code. The enforcement mechanisms and processes for second stage appeals remain different. In doing so, this adds to the lack of clarity for motorists. This will be explored during the consultation process.

Market assessment

The private parking industry is growing, with 213 operators in the market as of March 2025. The number of operators has remained relatively steady over the past decade, with mergers reducing the number and new entrants enlarging it. The industry now manages around 50,000 sites, up from 10,400 in 2012. We do not have access to data on how many parking spaces are under private operator management. The trade associations have confirmed that they do not hold this information and obtaining this figure would be challenging. One credible option to pragmatically deliver some data in future on parking spaces is to band them, i.e. 50-100, to give an indication of a car park's size.

Private parking operators generate revenue from several sources, and this is dependent on the type of car park. They can receive revenue from parking tariffs (the price to park e.g. per hour) and parking charges from contraventions of the terms and conditions relating to the use of a car park. Trade associations have confirmed that operators are seeking to diversify their income and are exploring new income streams such as charging landowners management fees and / or offering a wider service e.g. security. We have yet to see how widespread these practices are.

The growth in the number of sites under private management is likely due to the profitability of sites and the service parking operators can provide to landowners, which is often at no charge but instead due to a model of sharing income from parking revenue (whether through tariffs and/or charges). Over the last three years, seven of the ten largest firms have reported record profits.¹

The industry has also undergone significant change. A wave of takeovers since 2017 has brought most of the biggest players under the ultimate ownership of private equity groups.

What evidence is there to support the problem statement?

The MHCLG's evidence base mainly comprises correspondence, MPs raising the issues faced by their constituents, representations from motorist groups which include the RAC, RAC Foundation, the AA, IAM RoadSmart, influencers on motorist forums, and a steady stream of media coverage. The scale of this information ranges from individual motorists through to surveys of almost 14,000 drivers conducted by organisations such as the AA.

The April survey from the AA found that one in 20 drivers would pay a parking charge, even if they had not broken any parking rules. The survey also noted a significant lack of confidence motorists have in the appeals process operated by trade associations. More than one in ten said they would pay because they felt they would not get a fair hearing at appeal, while 11% said they would pay due to fearing legal action. Of those who said they would appeal a parking charge only a third felt 'confident' they would be successful. Of the survey respondents who said they would pay an unjustified parking charge, just over half said they would do so to 'get rid of the hassle'.

A recent [Westminster Hall debate](#) (held on Thursday 6 May 2025) considered the regulation of private parking. The well attended debate included calls for a private parking regulator, and there was very strong support for the Government Code of practice. Some specific examples of issues raised included:

- Issues with particular carparks or operators driving high complaints
- High numbers of constituent complaints (one MP noted she had received 140 letters from constituents since being elected last year)
- Themes of broken machines, difficulties in paying and issues with appealing parking charges
- Another MP pointed to research on hospital carparks which shows that £1.5bn in parking charges had been imposed on NHS staff, patients and visitors since 2018.
- Constituents across the country attending court to find that their hearing has been cancelled by the company at the last moment.

There were widespread reports in April 2025 of parking firms issuing thousands of demands of up to £170 to motorists who had paid for parking but been unable to input their full

registration number because of 'sticky keys' on faulty ticket machines. This is grounds for appeal under the Industry Code (as it would have been under the withdrawn Government Code).

The withdrawn Government Code included a provision whereby motorists could not be charged for not paying for parking unless a minimum of five minutes had elapsed since entering the carpark. The intention behind this was to set a reasonable minimum period to allow motorists to pay for their parking. This was replicated in the Industry Code. Some parking operators then chose to issue parking charges if a payment had not been made after the motorist had been in the carpark for five minutes.

Following adverse publicity, the Industry Code was updated in February 2025 to say that parking firms should not issue charges to those who take longer than 5 minutes to pay, provided they pay before leaving. The two most widely publicised cases of the 5-minute rule were [a motorist](#) (see BBC website), who received over 60 separate parking invoices from Excel as a faulty app meant she regularly took more than 5 minutes to pay. Taken to court for over £11k in overdue parking charges, the parking operator lost the case in April 2025 and was ordered to pay £10k in legal costs to a charity that gives free legal help. Perhaps the most widely reported of all cases is that of [the motorist](#) (see BBC website), taken to court for £1906 for late payments due to a weak mobile phone signal. Following adverse publicity, the same operator, Excel dropped their legal case in December 2024.

Motorist representatives have provided examples of motorists seeking help from online advice forums which suggest that parking operators are not complying with the Industry Code. Examples include parking charges for not paying within five minutes of parking; non-compliance with the Industry Code's Appeals Charter; repeat users of a carpark inside a 24-hour period finding that their first entry is paired with last exit, resulting in a charge for exceeding staying periods; faulty machines and apps. We cannot independently verify these claims and this evidence remains anecdotal.

The Industry Code includes a sanctions section which allows the trade associations to impose various actions where operators are found in breach of the Code by issuing sanction points, suspending sites or operators, and expelling members.

The MHCLG has little evidence on the extent to which such sanctioning takes place. months. The extensive nature of the, albeit anecdotal, evidence of poor practice seen over that period leads Government to consider there is a real need for independent verification that trade associations are appropriately and consistently sanctioning parking operators who fail to follow the Code. The Government will seek views on this in the upcoming consultation.

Asymmetric information – motorists having less information than parking operators – is a significant factor in accidental non-compliance by motorists. It can occur at the point of parking which impacts the decision about whether a motorist chooses to park but it also happens at the point at which a motorist receives a parking charge. Some operators are engaging in poor practices by withholding information or using misleading tactics so that motorists are not aware of their rights e.g. changes to the parking charge fee, the appeals system or debt recovery. In addition, the proliferation of discussion threads in online motorist forums has obvious potential to give motorists a large amount of advice which may be inconsistent, incomplete, unclear or out of date, given that it will not always have been verified or kept under regular review by trustworthy sources. It also contributes to the

increasing pressure within the court system as the number of cases reaching court continues to increase.

Why is Government action or intervention necessary?

Government is under a legal requirement to introduce a Code which promotes good practice. A lack of transparency continues to exist within the sector alongside a significant amount of reports of poor practice by parking operators.

Parking charges can have a detrimental impact on motorists, and there is more that some operators could do to prevent the frustration experienced by motorists who are issued parking charges either due to accidental non-compliance or poor practices of some parking operators.

Without Government intervention, a transparent and robust framework for compliance is missing and unlikely to be brought forward by industry. Government intervention is needed to ensure that further interventions are data driven and prompt. For there to be trust in the system and to ensure motorists are appropriately protected, Government needs to build a clear picture of which operators are falling short, and industry needs to demonstrate that action is being taken against those operators. This will not only lead to better outcomes for motorists but also be a deterrent for other parking operators who may be considering engaging in poor practices, raising standards across the industry.

The aim of the compliance framework is to ensure that standards across the private parking industry are raised, where these are currently falling short. Enforcement activity will identify breaches of the Code and ensure that consistent action is taken, with the compliance framework providing an effective deterrent against poor practice. Any changes to standards over time will be data driven, proportionate, and balance the needs of motorists and the parking industry.

Over time, the Government's framework will lead to improved outcomes for both industry (which will benefit from raised standards and a better service with the reputational benefits that brings) and motorists, who will be aware of the terms and conditions they are signing up to and will be able to avoid 'unfair' parking charges if they choose to. Where fewer parking charges are issued in error, and motorists engage in the process, the benefits will be felt by all. Lack of government action or intervention may lead to increasing pressure on the County Court.

What gaps or harms would occur if Government doesn't intervene?

There is a legitimate public expectation that Government will launch a Code due to the Act which places a duty on the Secretary of State to publish a Code of Practice providing guidance on private parking and guidance on good practice. There is considerable evidence that the public want transparency, and they want to see parking operators who engage in poor practices held to account. The consultation will seek further evidence on this and views on the proposal set out above. Without Government intervention there is no guarantee of Government receiving the data required to understand the extent of issues within the sector and no transparent compliance framework.

3. SMART objectives for intervention

Objectives

The overarching aim of the policy is to implement measures that raise standards across the private parking industry and protect motorists from poor practices by some operators. We currently have a legal obligation to issue a code, substantial anecdotal evidence of poor practice, and an existing Industry Code which largely accepts the standards from the withdrawn Code which demonstrates that industry agrees change was needed.

In brief the three high level policy objectives for this work are:

- **Objective 1 –To drive up standards in the operation and management of private parking facilities.**

The Industry Code sets the current standard within the private parking industry, but the lack of independent oversight and enforcement means there is no reliable way of knowing whether these standards are being properly enforced. Without appropriate enforcement, the value of the Code is undermined because having a code does not translate into better outcomes.

This objective seeks to provide clarity on what those standards are for both private parking operators and motorists. Those standards should deliver better quality parking experiences, reduce the number of parking charges that are issued in error and eliminate practices which leave motorists feeling threatened and unable to challenge parking charges. This in turn may increase trust between motorists and parking operators enabling motorists to park without fear of an unjustified parking charge.

There must be a transparent and trusted process to outline how compliance with the standards will be managed with a clear process for holding operators to account if they fail to adhere to the standards.

- **Objective 2 – Balancing the needs of motorists and parking operators who are legitimately seeking to manage the land for parking.**

Government wants the private parking industry to provide quality services and facilities. This objective is about supporting the growth of parking operators which choose to be compliant by enabling those operators to do business on a level playing field and balancing their needs with those of motorists. Any interventions must strike the balance between enabling private parking operators to effectively manage their land for parking whilst ensuring that poor practices are removed. To achieve this, interventions must gather and scrutinise evidence in a way which can be regarded by motorists and the industry as being independent and transparent, and which allows changes to focus on parking operators who are not adhering to the rules.

- **Objective 3 - To support and protect motorists so there is clarity throughout their journey, enabling motorists to take informed decisions and confidently engage in processes.**

It is important that motorists have all necessary information available to them at the point of parking to make an informed choice before they decide to park. Parking operators must provide parking facilities which are easy to use and comply with the rules. However,

motorists must also take responsibility for their actions by taking time to read signage and adhering to the terms and conditions. Where those terms and conditions are deemed to be unreasonable to motorists they should be able to complain to the relevant trade associations safe in the knowledge that appropriate action will be taken. When parking charges are issued, motorists should be able to understand what their options are so that they can take informed decisions. This objective is about ensuring that all motorists have access to the same outcome for the same situation regardless of their protected characteristics, literacy levels (including digital literacy) or income.

Below are the critical success factors:

- Standards are clear to all
- Operators engaging in poor practices are identified
- There is a reduction in the number of private parking operators who are engaging in poor practices over time
- Operators engaging in poor practices are held to account in a way that is deemed to be transparent
- Operators engaging in poor practices are sufficiently incentivised to stop engaging in poor practices
- Operators not engaging in poor practices are sufficiently incentivised not to engage in poor practices
- Motorists who receive a parking charge do so because of their decision not to abide by the terms and conditions of the carpark which are clear at the point the motorist decides to park.
- Motorists have a choice of quality places to park without fear of an unjustified parking charge
- The number of parking charges issued due to accidental non-compliance reduces
- All parking operators can compete for business on a level playing field i.e. without parking operators engaging in poor practices having more profitable businesses
- Future decisions to change standards within the Code are based on data and do not place disproportionate costs on businesses
- The provision of private car parking continues to grow, i.e. an increase in car parking provision and operators entering the market.
- Increased engagement scores from motorists (e.g. following on from the RAC survey).
- Decreased complaints from the public and calls for parking reforms (both to trade associations and Government).
- Increased motorist confidence in using private car parks (tested via survey).
- High awareness amongst motorists about where to find accurate information.
- High feedback scores from motorists for how trustworthy the information is.

4. Description of proposed intervention options and explanation of the logical change process whereby this achieves SMART objectives

Proposal: Option 4 - Government Code with new compliance framework

The proposal (Option 4) is to consult, before preparing a Government Code and new compliance framework. It achieves each of the three strategic objectives listed above.

Option 4 has the following benefits:

- Delivers a Code and robust and transparent compliance framework
- It compels industry to share data with the MHCLG
- Parking operators will have to comply with a UKAS-approved Certification Scheme, providing independent verification and checks with consequences, such as the loss of accreditation, where issues are identified and unresolved.
- Balances the needs of motorists and legitimate interests of parking operators as future changes to the Code will be subject to data driven recommendations from the SOB
- Supports motorists by providing guidance
- Moving from an Industry Code to a Government Code is considered proportionate to the scale of the issue and the likely benefits of such changes, recognising that the vast majority of parking events do not result in a parking charge being issued, but more data is required to understand if some operators are consistently engaging in poor practices.
- Enables the Secretary of State to comply with her is under a legal duty (passed by Parliament over six years ago) to prepare a code of practice

Seeking clarity on debt recovery fees through consultation

The withdrawn Code banned debt recovery fees and received challenge from the industry. The MHCLG's view is that, based on the evidence, the current industry cap of £70 is likely to be higher than can be reasonably justified – however the MHCLG is seeking further evidence on this through consultation. One area where stakeholder views are sought is to provide further evidence on whether it is appropriate to include the current industry cap in the final published Code, or whether another amount may be more appropriate.

To help respondents answer the questions on other fee amounts, MHCLG has produced an annex which will be published alongside the consultation to help respondents to the consultation about the potential scale of impacts associated with a change in the debt recovery fee, as set out in the consultation question.

The debt recovery fee is a transfer from motorists to business (private parking operators or debt recovery agencies). A reduction in the debt recovery fee would be a benefit to motorists and a cost to business (and vice versa), but the total impact on society would be zero as these would cancel out. The monetised impacts below therefore set out the magnitude of the economic transfer associated with the different scenarios in the consultation question.

The behavioural interactions between factors such as the level of the debt recovery fee, motorists' propensity to pay, and the actions of business during the debt recovery process are complex and uncertain. The analysis presented is therefore unable to capture the full effect of all these factors and instead provides indicative analysis of the scale of the economic transfer between business and motorists at different potential levels of debt recovery fee.

Monetised impacts

We have monetised the economic transfer associated with different debt recovery fee caps corresponding to the options in the consultation document question, against the current baseline of a £70 debt recovery fee cap. The table below sets out the economic transfer to motorists away from business relative to the current counterfactual. The total economic transfer gives the present value of the economic transfer over a ten year appraisal period. A negative number indicates a transfer away from motorists to business.

Potential DRF range	Average annual economic transfer (£m)		Total economic transfer over 10 year appraisal period (£m)	
	Lower Bound	Upper Bound	Lower Bound	Upper Bound
£0	-	£62.0	-	£620.0
£1 - 19	£61.1	£45.2	£611.2	£451.7
£20 - 39	£44.3	£27.5	£442.9	£274.6
£40 - 59	£26.6	£9.7	£265.7	£97.4
£60 - 79	£8.9	£-8.0	£88.6	£-79.7
£80 - 99	£-8.9	£-25.7	£-88.6	£-256.9
£100+	£-26.6	-	£-265.7	-

2025 base year, 2026 present value

To help respondents answer the consultation questions on other fee amounts, this analysis on the impact of different cap levels will be published as an Annex to the consultation.

Assumptions and caveats to debt recovery fee analysis

- The analysis uses 2022 British Parking Association census data for the proportion of debt recovery cases that were paid. This proportion is held constant and applied to the MHCLG's parking charge estimates modelled using KADOE enquiry data. Therefore, the modelling does not account for how changes in the DRF level may impact the proportion of cases that are paid.
- The analysis is based on revenue from the DRF alone and does not consider the accompanying parking charge revenue that would be recovered to parking operators as a result.
- As mentioned above, changing the DRF level may impact motorist behaviour and change the proportion of cases which are paid. Motorists may be more likely to pay DRFs that are lower than the present £70 value if they consider a reduced fee to be more reasonable and proportionate.
- The proposed regulatory changes discussed in the Options Assessment will provide much needed data and in time will help Government to better understand what is driving the high number of parking charges and allow Government to take action to support

motorists where there are high levels of accidental non-compliance which could be remedied with better awareness. In time, Government would expect this proposal to reduce the number of parking charges issued for incidents of accidental non-compliance. This would mean that even if the proportion that require debt recovery processes remains constant, the number of cases may decrease.

- Data from the MHCLG's 2023 Call for Evidence indicates that debt recovery agencies have an average profit margin of approximately 63% and that around 13-14% of charges sent to the debt recovery stage are paid, suggesting that those who are paying are effectively subsidising those who do not pay. This level of profit is indicative of high market power. As a point of comparison, the call for evidence finds a net profit margin for BPA operators of 18.9% and 14.5% for IPC members. Whilst there may be justification for such high profit levels, for example for highly innovative companies, the lack of market mechanisms around setting the DRF suggest this level of profit should at the very least be a concern.
- If the proportion of those paying does not change, MHCLG analysis suggests that debt recovery agencies would 'break even' (with costs that are equal to revenue) with a DRF of approximately £26. If DRFs were set below this level, this may impact the ability of debt recovery agencies to continue operating in this space and limit the availability of the debt recovery process as an option for parking operators to recover unpaid parking charges. This could increase the proportion of parking cases ending up in the court system and incurring associated costs.

Outcomes

With the policy objectives in mind, the intended outcomes of intervention are both clear and SMART.

The MHCLG will wish to measure the extent to which the introduction of a Government Code and compliance framework reduces the number of parking charges issued resulting from accidental non-compliance across a 2-year review period. A decrease in both correspondence from aggrieved motorists and parking charge-related court cases would also indicate that the Code has raised standards as intended.

The table below provides some initial metrics that could be used to measure the impact of a new Government Code based on data scoping work that has taken place over the last 15 months (see section 8 for more detail). These metrics will be explored further to enable the MHCLG to design a robust evaluation; allowing the MHCLG to assess how/whether the objectives have been met and to what extent.

Outcome related to each objective	What is the policy doing to achieve it?	How will we (and they) know it is being achieved?
<p>Outcome 1 – Standards are raised</p> <p><i>Private parking operators understand what is acceptable practice under the Government Code, with motorists clear on how they</i></p>	<p>Code</p> <p>The additional standards in the Government Code are focused on improving outcomes for motorists in a balanced, proportionate and reasonable way.</p>	<p>Collecting positive data insights from the compliance framework. A substantial reduction in the number of parking charges being issued because of accidental non-compliance by motorists due to carpark</p>

Outcome related to each objective	What is the policy doing to achieve it?	How will we (and they) know it is being achieved?
<p><i>can comply with parking operators' requirements, how they can flag poor practice and what action will be taken should they do so.</i></p>	<p>The Government Code will provide assurance to both parking operators and motorists of what the standards are.</p> <p>Compliance framework</p> <p>Parking operators who are compliant with the standards will be provided with the assurance they can effectively run their operations without incurring undue costs.</p> <p>The establishment of the SOB will introduce independent oversight which is missing under the Industry Code – and through ongoing monitoring and evaluation would drive up standards over time in a way that balances the needs of motorists and industry.</p> <p>Independent audit of the standards will provide trust and assurance to both motorists and parking operators.</p> <p>Continuous review would ensure that standards are raised over time in a way that is data driven– any changes to the Code would be subject to consultation.</p> <p>A UKAS-accredited Certification Scheme creating dedicated Conformity Assessment Bodies will:</p>	<p>rules that are unclear or difficult to adhere to.</p> <p>Poor practice is identified and addressed, specifically through:</p> <ul style="list-style-type: none"> - Collecting data i.e. parking charge numbers/reason codes - CAB audits - SOB recommendations to government based on data review.

Outcome related to each objective	What is the policy doing to achieve it?	How will we (and they) know it is being achieved?
	<p>a) address poor practices of operators and ensure that standards are raised. b) provide government with data insights on operator compliance with standards</p> <p>The Government framework will ensure that this is done in a way which is transparent and can therefore be trusted by both parking operators and motorists and ensure that standards are continually improved.</p>	
<p>Outcome 2 – Key stakeholder needs and aims are balanced</p> <p><i>Motorists' parking experience is improved whilst not imposing disproportionate or unreasonable burdens on operators. Limited impact on those operators who are meeting the required standard.</i></p>	<p>The SOB through its oversight role will maintain that balance through the collection and scrutiny of data – enabling it to make future recommendations</p> <p>The SOB will also have a role in making recommendations which take account of developments in the private parking sector – for example evolving technology changes in the private parking sector operating model</p> <p>There will be no disproportionate hikes in parking charge caps by allowing the SOB to make recommendations on parking charge caps.</p> <p>Compliance framework offers reassurance to responsible parking operators and motorists that</p>	<p>The provision of private carparking continues to grow, i.e. an increase in car park provision and operators entering the market.</p> <p>Increased engagement scores from motorists (e.g. following on from the RAC survey).</p>

Outcome related to each objective	What is the policy doing to achieve it?	How will we (and they) know it is being achieved?
	operators who engage in poor practices will be held to account.	
<p>Outcome 3 – Motorists are supported and protected</p> <p><i>Motorists have easy access to clear and accurate information such that they can confidently engage in the relevant processes regarding private parking and appeals.</i></p> <p><i>All motorists can achieve the same outcome in the same situation regardless of their background, literacy or income.</i></p>	<p>The Code will set standards to protect motorists from accidental non-compliance – eg by ensuring that signage is clear</p> <p>The compliance framework will reduce poor operator behaviours that can currently lead to accidental non-compliance, and in turn this would increase motorists' trust in private car parks.</p> <p>Clear communication from parking operators (required by the Code) together with easily accessible guidance on GOV.UK will help motorists understand, when they receive a charge, why they have received it and what to do if they want to appeal it.</p> <p>Guidance on GOV.UK and the single second stage appeals service will support motorists through the appeals process.</p>	<p>Reduced correspondence from aggrieved motorists (for CABs, ATAs, Ministers and MPs).</p> <p>Increased motorist confidence in using private car parks (tested via survey).</p> <p>High survey scores from motorists for how trustworthy the information provided in guidance is.</p> <p>Reduced parliamentary interest in regulating the sector further, recognising recent calls for a regulator.</p> <p>Positive qualitative insights from the motorist group.</p>

Only the preferred option (Option 4) will ensure that the agreed standards will achieve all three objectives. Objective 1 is met as the Code and the Government framework provide the clear standards and the independent oversight and enforcement which will enable both the private parking industry and motorists to have confidence that the standards are adequate and are being properly enforced and will address the current evidence gap where it is not clear what proportion of the increase in parking charges is being driven by poor motorist behaviour. The SOB and the Conformity Scheme will provide the independent audit of the standards and oversight of the sector which is required.

Option 4 also achieves objective 2 which seeks to balance the needs of motorists as well as industry. A Government Code agreed by motorists and industry through the consultation process, rather than imposed by industry, will establish the balance, whilst the SOB will maintain it through the analysis and scrutiny of industry data to make future recommendations – which will also be subject to consultation. The SOB will also maintain that balance as the world changes (e.g. through changes to technology). The inclusion of the compliance framework further strengthens the proposal compared to others in this regard because it futureproofs decision making future decisions are balanced and data driven. The preferred policy will be designed such that there is a realistic prospect that all industry actors can deliver it, whilst keeping abreast of changes in motorist experience, expectations and needs.

Objective 3 could be achieved through Government guidance and this idea has been widely supported by industry and motorist groups. The combination of clear communications from parking operators, supported by guidance on GOV.UK will help motorists understand, when they receive a charge, why they have received it and what to do if they want to appeal it.

All objectives are measurable and will be kept under review. The proposal provides the most robust framework for keeping the progress against the objectives under review as this will be the role of the SOB. Regular data returns to understand emerging issues or track improvements will be vital to the SOB's review function. The SOB's review of the Code's efficacy will balance the needs of stakeholders and support motorists, making recommendations to government. The Certification Scheme will ensure operators are regularly monitored and adhering to good practice.

Whilst considering policy proposals, the MHCLG has given consideration to ensuring existing companies are able to grow and that new barriers to entry are not created.

Post implementation review/evaluation will aim to provide insight into how well the policy has been implemented and the success of the policy against its objectives. It will draw on existing data sources where available and will also involve new data collection.

The evaluation will be informed by a theory of change which will be iteratively developed throughout the scoping study and evaluation (section 8). The theory of change is based on an understanding of how the policy is expected to achieve change. The diagram below outlines this logic.

Alongside the strategic objectives is another factor which is that the Secretary of State has a legal duty to lay a Code promoting good practice. There is an option to repeal the Act but that decision should not be taken lightly, and such an option would need to meet the strategic objectives in full. Instead, options which enable the Secretary of State to fulfil her legal duty should be considered to have more weight when compared against options which may satisfy the strategic objectives in the same way but do not allow the Secretary of State to fulfil her legal duty. Option 4 enables Secretary of State to fulfil that objective.

Current Issue	People to be influenced	How to best engage	Plan intervention	Outputs	Outcomes	Goals
<i>Problem to be solved or resolved</i>	<i>Stakeholders/People Affected/Organisations making change/Wider society</i>	<i>Methods for communicating</i> Monthly meetings with the Trade associations.	<i>Activities</i> <i>Resources</i> <i>Measures of Progress</i>	<i>Measures of project output</i>	<i>Measures of outcomes for the wider organisation</i>	<i>Description of the desired future state</i>
Some parking operators are engaging in poor practices which obstruct motorists from adhering to the terms and conditions.	Trade associations representing private parking operators.	Quarterly engagement with Motorist advocates.	Monitoring and auditing by CABs.	Reliable compliance data being collected by CABs which enables targeted enforcement activity.	Standards across the private parking industry are raised.	A thriving private parking industry exists which adheres to set standards and motorists are able to park in good faith.
There is a lack of a transparency around the Accredited Operator Scheme and how the industry takes action against non-compliant operators.	Motorist advocates.	Monthly meetings with OGDs/ALBs.	Collection of private parking data from CABs and trade associations	Identification of operators who willingly engage in poor practice.	Enforcement activity identifies breaches of the Code and consistent action is taken.	
Motorists feel that the private parking industry is set up for the	Ministers.	Public consultation to be launched on proposed changes.	Review of industry data by SOB.	Reduction in the number of incidents where motorists encounter a problem when parking.	Compliance framework provides an effective deterrent against poor practice.	
	Other government departments/Arms-length bodies.		Stand up a SOB which reports regularly to government.	Reduction in the number of parking charges being issued for accidental non-compliance.	Changes to standards are data driven, proportionate and balance the needs of motorists and the parking industry.	
			Ongoing engagement with stakeholders.			

<p>benefit of the operators at the detriment of motorists, fuelling a lack of trust in processes e.g. complaints, appeals, the issuance of parking charges.</p> <p>There is a lack of robust data to identify which parking operators regularly engage in poor practices.</p> <p>There appears to be no deterrent for parking operators who may be considering engaging in poor practices. An increasing number of cases are</p>				<p>Reduction in the amount of charges issued in error (where there has been no breach of the terms and conditions).</p> <p>Number of cases going to appeal stabilise and reduce over time.</p>	<p>Motorists have trust and confidence in the processes.</p> <p>Motorists understand why a parking charge has been issued and understand how to avoid similar charge in future.</p> <p>Motorists who seek to be compliant are able to park without fear of a parking charge.</p> <p>Motorists are able to make informed decisions from the point of parking through to challenging a parking charge.</p> <p>The SOB provides independent non-binding recommendations</p>	
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reaching the County Court.					to Government in a timely manner.	
Assumptions						
<p>These problems will persist without Government intervention</p> <p>Whilst the Industry Code does address issues which will address accidental non-compliance e.g. poor signage, there is insufficient enforcement which means standards are not being raised. Under the current Industry Code, motorists will continue to accidentally not comply with private car park rules due them</p>	<p>The motorist group continues to engage with government even if they disagree with policy decisions.</p>	<p>All stakeholders will engage in good faith with us.</p>	<p>The compliance framework is stood up in time as envisaged.</p> <p>Industry complies with the transition timetable.</p> <p>All parking operators are able to comply with the revised arrangements.</p>	<p>Parking operators, trade associations and CABs provide robust and regular data returns.</p> <p>The SOB has the data and resources it needs to make meaningful recommendations.</p> <p>The CABs can deliver meaningful auditing of operators with the right resources.</p> <p>Complaints and appeals may increase in the short term whilst parking operators get used to the Code and Framework.</p> <p>Complaint numbers reduce over time as</p>	<p>The data we receive will provide a basis on which future policy decisions to be made.</p> <p>The data we receive is accurate.</p>	<p>The policy interventions in the Code have been successful in delivering against its objectives.</p> <p>Parking operators will not be reliant on issuing parking charges as a fundamental part of their business model.</p> <p>All operators, regardless of size are able to comply with the standards.</p>

<p>being unclear or obstructive.</p> <p>Despite the Industry Code, some operators continue to engage in poor practices leaving some motorists unclear on next steps and how to challenge their parking charge.</p>				<p>parking operators deal effectively with complaints.</p>		
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5. Summary of long-list and alternatives

Options longlisted for consideration

Option	Description	Intervention
1) No Government Code	Repeal the 2019 Act, Industry Code remains, and enforcement is undertaken by Trade Associations	Low
2) Monitor implementation of the Industry Code	Monitor the implementation of the Industry Code for a year before taking any action	Low
3) Government adopts the Industry Code but oversees enforcement	Government adopts the Industry Code as its own – without making any changes	Medium
4) Reissue the Withdrawn Code	Government republishes the withdrawn Code from 2022 including clarifications and tweaks	High
5) A strengthened Code without caps	Remove caps on charges and fees whilst strengthening standards in the Code	Medium
6) A strengthened code that adopts industry caps	Adopt existing industry caps on charges and fees whilst strengthening standards in the Code	Medium
7) Maximum changes in the Code	Government further strengthens the Government Code which would lead to change in business model	High
8) Government Regulator	New primary legislation would establish a statutory body to oversee all off-street parking	High

Before starting the process of creating a longlist, MHCLG assessed all available feedback on gaps in the MHCLG's evidence gaps. This exercise was undertaken to ensure the MHCLG can make full use of the upcoming consultation to address those evidence gaps if possible.

Following this a three-staged process of long-listing options was undertaken. First, the MHCLG drafted over 60 options which considered a wide range of options and combinations of options – ranging from 'do nothing' to setting up a regulator with new primary legislation.

Second, these options were grouped into a shorter list of potential packages reducing the longlist to 14. Third, these options were RAG-rated against the MHCLG's strategic

objectives with legal and analytical input, reducing the longlist to 8. In addition to the short-listed options set out in section 6, the other options from the final longlist were:

1. Monitoring implementation of the Industry Code
2. Re-issuing the withdrawn Government Code
3. A strengthened Code without caps on parking charges or debt recovery fees
4. A statutory regulator

Following this final longlist, a Governance Board was set up, including senior MHCLG representatives from Legal, Analytical, Better Regulation Team and a senior representative from Department for Transport to provide strategic oversight to the project and help to mitigate risks.

As part of this engagement, longlist options 5, 6, 7 and 8 were examined but were not considered to offer effective and lasting outcomes. **Monitoring implementation of the Industry Code** does not sufficiently deliver the MHCLG's strategic objectives. The introduction of the Industry Code means that all parking operators must follow one Code rather than a different one depending on which trade association they belong to, which is likely to be less confusing. However, here is little evidence to show that those operators not complying with the Industry Code are being appropriately sanctioned. Also, as set out elsewhere in the options assessment, the Industry Code has omitted key protections to the motorist which were afforded in the withdrawn Government Code particularly around how appeals are handled which do not require the passage of time to justify monitoring the Industry Code before taking action. This indicates that this option would not fully deliver the MHCLG's strategic objective 1 of driving up standards. It also does not deliver the MHCLG's strategic objective 2 of striking a balance between motorists and parking operator needs because it does not operate transparently. Finally, it does not deliver the MHCLG's strategic objective 3 because there is a lack of trust in the current system which prevents motorists from fully engaging and a lack of trusted information to help inform the decisions motorists are taking. In addition, this option does not enable Government to comply with its statutory duty to lay a Code.

Re-issuing the withdrawn Code – the previous Government Code was issued in 2022, and the landscape has changed since then. In that time the MHCLG has learnt more about gaps in the data and where the Code falls short in protecting motorists. The MHCLG did not consider that reissuing the withdrawn Code would meet strategic objectives 1 and 2. Included in the withdrawn Code were caps on parking charges which were lower than those in place at the time (those preexisting caps have subsequently been included in the Industry Code), the withdrawn Code also banned debt recovery fees. This option does not meet strategic objective 2 because current evidence suggests that lowering the parking charge cap does not balance the needs of both motorists and parking operators who are legitimately seeking to manage land for parking. However, this will be tested during the upcoming consultation. Furthermore, the evidence base for debt recovery fees needs to be strengthened before a decision can be taken as set out elsewhere in the document.

A strengthened Code without caps on parking charges and debt recovery fees, which would continue to be set by industry. It does not meet strategic objective one because a Government Code would remain silent on two key issues: parking charges and debt recovery fees. It would cause confusion about the purpose of a Code which did not provide guidance on the levels of these caps. It also does not deliver strategic objective 2 of striking a balance between the needs of parking operators and motorists because it would allow industry to raise caps without consideration of the evidence or motorists' views. It would also not meet strategic objective 3 because it would create confusion for motorists, as the

rules on caps would be separate to the Code despite being a key area in which motorists would be seeking clarity.

A **statutory regulator** would be a disproportionate intervention both in policy and procedural terms given the issues we have identified with more robust data being required to fully understand the scale of the problem. Regarding procedure, setting up a regulator would require parliamentary time, MHCLG resource, and capital expenditure to set up. This would be excessive given the scale of the problem.

The preferred option has been designed such that it is realistic for all operators to deliver, and to avoid any unintended monopolies arising from increased costs to smaller businesses. The scale and scope of these impacts are discussed in greater detail in section 7.

6. Description of shortlisted policy options carried forward

Once the longlisting process was completed, the MHCLG undertook a full analysis of the shortlisted options. For each option, the pros and cons and impacts were considered. As part of these discussions, further refinement was made to the shortlist as thinking developed. This led to the re-introduction of Option 1 from the long listing part of the process as one of the shortlisted options for consideration.

This was originally discounted because it did not sufficiently deliver strategic objectives 2 and 3, and because of the risk that improvements would not be made during the monitoring period and so further delay to Government complying with its statutory obligation to lay a Code would not deliver any benefit to motorists. However, it is a distinctly different scenario to the counterfactual – which requires the Act to be repealed, and so this option was added as Option 2 (**Monitor Industry Code**) to the shortlist for analysis.

At the shortlisting phase, an additional option for a non-regulatory option (with no government intervention) was also suggested – and was included in the analysis: **Complaints portal with government guidance**. As this was a new option, the MHCLG considered it alongside the other shortlisted options. As it was considered during the shortlist process, it is included in the following table and the process, where it was clear the MHCLG would have discounted this option had it been considered at the long list stage.

As noted in the longlist section above, the vast majority of private parking operators are either small or micro-sized businesses (SMB) or medium-sized businesses. So the effect on businesses set out in this section would primarily impact on small, medium and micro-sized businesses. However, given the existence of the Industry Code already, the MHCLG considers that the impacts of all the shortlisted options on these businesses will be minimal in practice. A more detailed SaMBA analysis is set out in Section 7 of this Options Assessment.

RAG rating on shortlisted options

Option	SO1 – Raising standards	SO2 - Balancing the needs of motorists and parking operators who are legitimately seeking to manage land	SO3 – Support & protection of motorists
Counterfactual (repeal the 2019 Act)	Not met	Not met	Not met
Monitor Industry Code	Partially met	Partially met	Partially met
Government adopts Industry Code with new compliance framework	Partially met	Partially met	Partially met

Government Code with new compliance framework	Met	Met	Partially met
Complaints portal with Government guidance	Not met	Not met	Not met

Option 1 – Counterfactual (repeal the 2019 Act)

Under this option, Government does not take any action to implement a Government Code of Practice and would repeal the 2019 Act to remove the duty from the Secretary of State to publish a Code. The current Industry Code would remain along with the two existing second stage appeals services, and industry would continue to set and enforce their own standards.

The table below sets out the key components of this approach.

Overview of Option 1

Category	Detail
Code	Industry Code
Parking charge caps	Capped at £100 as per current Industry Code
Debt recovery fees	Capped at £70 as per current Industry Code
Second stage appeals	Trade associations continue to operate their appeals services as is
Scrutiny and Oversight Board	No but Industry will continue with its Private Parking Scrutiny and Advice Panel (PPSAP)
Certification Scheme	No but Industry will continue with the Approved Operator Scheme (AOS)
Governance guidance	No but Industry will continue to work up their guidance options

The Industry Code came into effect on 31 October 2024. New members are required to comply with the requirements of the Code from that date. Existing members are six months into a transition period to meet the full Code requirements – with full implementation due to be completed by the end of December 2026. The Industry Code is overseen by a recently set up panel: the Private Parking Scrutiny and Advice Panel (made up of a representative from each of the trade associations, with an ambition to recruit an independent Chair this year).

Impact on industry of Option 1

This status quo option would maintain the current level of caps on parking charges and debt recovery fees and deterrent effect on drivers. The trade associations continue to control the caps on parking charges and debt recovery fees. The single Industry Code has achieved consistency, but some gaps remain for greater motorist protections.

Under this option, the recently set up Private Parking Scrutiny and Advice Panel (PPSAP) would remain in operation, facilitating oversight of the Industry Code. The PPSAP comprises of trade association members and meets to discuss general industry activity. The PPSAP does not review any specific metrics, and its remit appears to still be in development.

Impact on motorists of Option 1

With government guidance not pursued, parking charges are likely to continue being issued at the record high rate currently seen, as accidental non-compliance remains inadequately addressed. Also, the current enforcement framework used by the trade associations is unlikely to discourage those operators who are engaging in poor practices. Continuing with unchanged appeals services would fail to address the lack of trust in the process. Motorists have little trust in industry, so even if industry improves guidance produced, it is unlikely to meet user needs.

Pros of Option 1

This self-regulatory option would maintain the current level of caps on parking charges and debt recovery fees and deterrent effect on drivers without placing any additional costs on industry. The absence of the Certification Scheme is a key example of avoided costs on industry and would enable existing structures of auditing of operators to continue without government involvement. From a regulatory standpoint, this option would therefore be very light-touch.

Maintaining self-regulation would allow the industry to be agile to make changes to the Industry Code in response to identified issues (as they do not have a need or responsibility to consult on their Code). The response time to issues within the industry would therefore in theory be quicker than government-led changes resulting from SOB recommendation.

Cons of Option 1

Under this option, the Government would take action to repeal the 2019 Act. Removing the threat of government intervention by repealing the 2019 Act will remove an incentive for industry to make substantial changes. It would signal to parking operators who fall short that Government is not committed to its strategic objective of raising standards. Having a single Code of Practice is a step forward, but the content of the Industry Code sets lower standards than the withdrawn Government Code.

This option also does not deliver strategic objective 2 of balancing the needs of motorists and parking operators because motorists are not involved in the decision-making and decision-making is not transparent. This does not create confidence that standards are addressing poor behaviour and being complied with and so does not deliver strategic objective 1 of driving up standards. It is unclear how much value the PPSAP will add as the MHCLG have seen no evidence of its programme of work or objectives. Trade associations may make the case that the PPSAP can make changes without operators being in the room, providing an appropriate degree of separation. However, it is unclear how the PPSAP will provide an impartial view to drive through changes that are needed in a way that balances the needs of motorists and industry, particularly without the threat of legislation.

The existing process of the trade associations both representing and auditing their members will continue to be perceived by aggrieved motorists as a contradiction. Similarly, while noted above that the Code may be more “agile” given the industry has no requirement to consult, this goes both ways: there is no requirement to take motorists’ views into account when making changes.

It is unlikely that industry-led guidance will provide reassurance to motorists, with no guarantees of high utilisation, meaning that this option does not deliver strategic objective 3 supporting and enabling motorists to take informed decisions.

Repealing the Act requires primary legislation, parliamentary time and resource, at what is already a very busy time in terms of the legislative timetable. Even if the bill to repeal were approved in principle, it would have to go through the full primary legislation stages – including debates and voting in both Houses, which would be a lengthy process.

Option 2 – Monitor Industry Code

Under this option Government does not take any action to implement a Government Code of Practice **but does not repeal the 2019 Act**, so the duty from the Secretary of State to publish a Code is kept in reserve. The current Industry Code remains along with the two existing second stage appeals services, and industry continues to set and enforce their own standards through their Code.

Overview of Option 2

Category	Detail
Code	Industry Code
Parking charge caps	Capped at £100 as per current Industry Code
Debt recovery fees	Capped at £70 as per current Industry Code
Second stage appeals	Trade associations continue to operate their appeals services as is
Scrutiny and Oversight Board	No but Industry will continue with its Private Parking Scrutiny and Advice Panel (PPSAP)
Certification Scheme	No but Industry will continue with the Approved Operator Scheme (AOS)
Governance guidance	No but Industry will continue to work up their guidance options

Impact on industry of Option 2

As per Option 1, the trade associations would retain control of caps on parking charges and debt recovery fees. A status quo is broadly maintained for the industry, with an added voluntary agreement for data metrics (e.g. number of parking charges issued etc.) collected by the trade associations to be shared with government.

The MHCLG would gather data from industry to monitor ongoing market trends. Immediately available open-source data includes DVLA vehicle keeper requests, which are an imperfect proxy for estimating the number of parking charges being issued, and number of approved operators in the market. Early conversations with the trade associations, suggest that data which could be collected in the near future includes organisations receiving sanction points and sites suspended. A wider suite of an additional c.20 data metrics provided by industry on a voluntary basis would include the number of parking charges issued and reason for issuance. The wider suite of metrics would take approximately a year in a best-case scenario to collect.

Impact on motorist of Option 2

A lack of trust by motorists of the industry regarding an unchanged appeals service and guidance would prevail. Motorists who have complained of poor practice or unjust appeals processes would be disappointed that the powers of the 2019 Act were being kept in reserve instead of used. There is likely to be frustration amongst motorist groups over the debt recovery fee cap.

Pros of Option 2

Under this option, the industry would bear all costs associated with ensuring improvements in the short to medium term, and no immediate Government intervention would be needed. We know from recent conversations with the trade associations that they are willing to make some changes on their part to the Industry Code. Maintaining self-regulation would allow the industry to be agile to make changes to the Industry Code in response to identified issues (as they do not have a need or responsibility to consult on their Code). Option 2 would give time for the industry to demonstrate that they can adequately self-regulate, but Government would retain the ability to step in and intervene should this be required.

A benefit of this option is that it does not remove the prospect of Government action later on. This is an important incentive for Industry to continue to make improvements.

Cons of Option 2

There is merit in gathering more data before pursuing stronger interventions, but the case for monitoring the Industry Code before taking any action is weak. Government would have no formal mechanisms to ensure data review by an impartial SOB or auditing/monitoring with a UKAS-accredited certification scheme. The extent to which government would be able to effectively monitor the Industry Code is therefore limited by voluntary data sharing agreements with industry.

Similarly to Option 1, relying on industry to set, monitor and enforce standards, and to voluntarily provide data to Government, would not deliver strategic objective 2 of balancing the needs of motorists and industry. It would therefore perpetuate motorists' lack of trust in the private parking industry and provide very little assurance that poor operator behaviour was being addressed and so would not deliver strategic objective 1. This option would also further delay Government complying with its duty to lay a Code.

Option 3 – Government adopts Industry Code with new compliance framework

Under this option Government adopts the Industry Code, including the current industry caps of £100 for parking charges and £70 for debt recovery fees. A Scrutiny and Oversight Board is established, alongside a Certification Scheme. The MHCLG engages with stakeholders to develop Government guidance for motorists. Government encourages the trade associations to make improvements to their existing appeals services.

Overview of Option 3

Category	Detail
Code	Industry Code
Parking charge caps	Capped at £100 as per Industry Code
Debt recovery fees	Capped at £70 as per Industry Code
Second stage appeals	Trade associations continue to operate their appeals services as is
Scrutiny and Oversight Board	Yes
Certification Scheme	Yes
Government guidance	Yes

Impact on industry of Option 3

Trade associations would be required to set up Conformity Assessment Bodies (CABs) to certify parking operator compliance with the Code under the UKAS-approved Certification Scheme. Setting up a CAB, obtaining UKAS accreditation and certifying the operators will incur costs. Trade associations would voluntarily collect and provide data for the Scrutiny and Oversight Board to review. Trade associations may also be asked to attend Scrutiny and Oversight Board meetings to engage on industry trends identified from review of industry data.

Impact on motorist of Option 3

Awareness of private parking rules is increased through government guidance, improving motorists' perception of how the industry works. Poor practice of operators is monitored through CABs, reducing mistrust of the Industry Code and reducing parking charges resulting from accidental non-compliance.

Pros of Option 3

The adoption of a new compliance framework would send a clear signal to parking operators who engage in poor practices that they will be held to account. The changes proposed under this option would help to create trust in those processes and level up the playing field between those who comply with the standards and those who do not. The compliance framework

would therefore partially support the delivery of strategic objective 1, as it would incentivise operators to comply with the standards.

Any changes to the caps will be a matter for the SOB to advise the Secretary of State and industry will be unable to increase caps without reasonable evidence, although the value of the charge would remain the same as it will be linked to the Consumer Price Inflation (CPI) index.

Strategic objective 3 is also partially supported, as motorists can be more confident that there is independent enforcement of the Code. This should help to improve trust in processes which in turn should increase engagement and hopefully deliver better outcomes for motorists when compared to the status quo.

Motorist groups and trade associations welcome the Certification Scheme. The scheme would ensure standards are maintained and any action to conform to the Code is taken. This partially supports strategic objective 2, as any such action would benefit the interests of both motorists and industry.

Motorists would also be reassured that any changes to caps would be based on evidence which is considered and analysed by an independent body, i.e. the SOB. Government could adopt and issue the Industry Code in under six months; however, implementation of the Code's compliance framework would need to be gradual.

Government guidance would partially support strategic objective 3 by providing a reliable, clear source of information for motorists, ensuring clarity with the process and supporting informed decision making at each step of the parking charge/appeals process.

Cons of option 3

Option 3 would partially meet all the strategic objectives, however it falls short of meeting any of them fully. Even with the enforcement framework in place, having an Industry Code would make the full realisation of strategic objectives 1 and 2 difficult, as the industry would still have control over setting standards. Similarly, strategic objective 3 is unlikely to be met in full as government would not be able to mandate clearer rules at the point of parking than the current Industry Code standards.

As noted in the preferred option section, there are two areas where the MHCLG are actively seeking clarification on the Industry Code, these are on debt recovery, and on a new industry requirement that motorists pay £20 for some appeals.

The issue of debt recovery fees is complex. The MHCLG has received evidence that the cap of £70 currently in the Industry Code enables charging of debt recovery fees which are disproportionately high, and out of step with similar industries. The MHCLG also does not currently have convincing evidence that the debt recovery fee is serving its intended objective of acting as an incentive to encourage payment in appropriate cases, rather than increasing costs unnecessarily by prolonging legal processes in cases without merit. Current data suggests that only 14% of cases are paid during the debt recovery stage. The MHCLG is planning to consult on an appropriate level for debt recovery fees to gather further evidence.

When compared to the Government's withdrawn Code there are some key differences which will be seen as a weaker position than the previous withdrawn Code. As set out above, this compromises the realisation of strategic objective 1. The main differences between the Industry Code and the withdrawn Code are:

- a. The Industry Code provides for a reduced charge where an appeal has been made and there is sufficient evidence that the Appeals Charter applies. This charge was not part of the withdrawn Code. However, in the Industry Code it is applicable to the first parking charge only where payment is made within 14 days and where no second stage appeal is lodged. The MHCLG is not clear what the first charge provision means and how it is being applied in practice through the Industry Code. Therefore the consultation will seek views on the principle of this provision, including industry's justification for it, and whether it should only apply to the first charge and how the first charge rule should apply in practice.
- b. The Industry Code, at multiple points, states that once a payment for a parking charge has been made, the motorist cannot appeal. This removes important caveats in the withdrawn Code, which provides circumstances where an appeal would be possible despite a payment being made.
- c. The Industry Code removes the provision from the withdrawn Government Code stating that any enforcement action should be paused and restart where the addressee can demonstrate that the parking charge has been issued in their name after the 28-day deadline for appeal.
- d. The Industry Code's arrangements differ from the withdrawn Code in terms of some of the type of land definitions and length of consideration and grace periods.

Option 5 - Complaints Portal with Government Guidance

This non-regulatory option would provide light-touch support for motorists. The Industry Code would remain the regulatory basis of the sector, with Government able to review the extent and range of complaints over time. The MHCLG would engage with stakeholders to develop Government guidance for motorists as the industry continues to regulate itself.

Overview of Option 5

Category	Detail
Code	Industry Code
Parking charge caps	Capped at £100 as per Industry Code
Debt recovery fees	Capped at £70 as per Industry Code
Second stage appeals	Trade associations continue to operate their appeals services as is

Strategic Oversight Board	No but Industry will continue with its Private Parking Scrutiny and Advice Panel (PPSAP)
Certification Scheme	No but Industry will continue with the Approved Operator Scheme (AOS)
Governance guidance	Yes

Impact on industry

Status quo is broadly maintained, with the addition of industry sharing complaints with government.

Impact on motorists

Government guidance provides a reliable a clear source of information for motorists, ensuring clarity with the process and supporting informed decision making at each step of the parking charge/appeals process.

Pros of Option 5

A central collection of complaints would allow government to understand where standards need to be improved and discussed with the trade associations. Strategic objective 2 would be partially supported through this option, in that it could support the realisation of standards whilst still allowing the industry to be self-regulated. It would support objective 3 in that it would provide motorists with a clear and transparent information through the government guidance and provide a place where complaints are received. It would also allow collation of major pain points to ensure evidence-led interventions in future.

Cons of Option 5

As with option 1, this option does not meet strategic objective 1 as it would rely on industry to comply voluntarily with the arrangements and industry would more widely set, monitor and enforce standards. Under this option, there is no power for Government to compel industry to provide this information, and so it also fails to meet strategic objective 2 of balancing the needs of motorists and industry.

This option would be likely to maintain motorists' lack of trust in the private parking industry. Even if complaints data were provided, Government would lack levers in terms of balancing the needs of motorists once it has reviewed an individual complaint. A complaints portal does not provide any protection or support to motorists, as any levers to control industry behaviour would not be in government control.

A further way in which this option does not meet strategic objective 1 is that a complaints portal would also be an added step in an already complicated user journey. The MHCLG would not have the means to effect any changes. This would potentially lead to a breakdown in trust from motorists seeing little if any action resulting from complaints. It would also require resource to monitor complaints. It may prevent motorists from engaging in the appeals process due to confusion.

7. Regulatory scorecard for preferred option

Please provide quantitative estimates and qualitative descriptions of impacts under each heading in the following sections. The right hand column for directional ratings should be based on the description of impact and the sign of the suggested indicator (NPV, NPSV, all impacts): **Green** – positive impact, **red** – negative impact, **amber** – neutral or negligible impact, **blue** – uncertain impact. Please use the colours in the examples shown below, as these are suitable accessible colours. Please see BRF guidance technical annex for definitions.

For further detail on the theoretical model and assumptions underpinning the analysis summarised in this section, please refer to the Annex.

Part A: Overall and stakeholder impacts

(1) Overall impacts on total welfare		Directional rating
		Note: Below are examples only
Description of overall expected impact	<p>We expect option 4 to have a significant positive impact on social welfare. The monetised direct costs are minimal relative to the potential size of the benefits to society. To note, we have not included the benefits in the monetised impacts given the uncertainty regarding the ultimate impact of the preferred option, however illustrative scenarios are presented below to demonstrate their potential magnitude.</p> <p>The measures in the preferred option are designed to address market failures, thereby changing the behaviour of operators engaging in poor practices and motorists. The mandated data sharing is targeted at increasing our understanding of the market to better evaluate any further need for regulation.</p> <p>The primary impacts are expected to be felt by accidentally non-compliant motorists (benefit of paying fewer parking charges) and parking operators (cost of receiving less revenue from parking charges), with a reduction in the number of parking charges issued. However, this would be classified as a transfer, so would have no impact on NPSV.</p> <p>The main benefit to society is expected to be a utility/wellbeing increase for these accidentally non-compliant motorists, due to the perceived unfairness of the parking charges issued. The reallocation of the value of the parking charge to the motorists' disposable income is also expected to increase allocative efficiency, as these parking charges do not provide the positive externality that parking charges to wilfully non-compliant motorists do.</p> <p>A secondary benefit is the reduction in either absolute value, or proportion, of parking charges appealed. Over the 10-year appraisal period, we estimate the cost to society of the appeals process for parking charges is £3.2bn due to the time involved. This includes £489m [lower bound: £348m, upper bound: £630m] in costs to businesses and £696m [£315m, £1,142m] in costs to individuals. To illustrate the magnitude of</p>	Positive Based on all impacts (incl. non-monetised)

	<p>this potential benefit, a 1% decrease in the number of appeals would have a slightly higher value than the total direct costs and would thus ensure a positive NPSV.</p> <p>We would also expect greater clarity for consumers on the rules and regulations of the industry to yield wider benefits such as more orderly and efficient parking, leading to improved productivity and consumer welfare, and a decrease in congestion. It is not possible to give a magnitude for this benefit.</p> <p>There are minor direct costs to the industry (£5.45m) and to government (£0.49m), totalling £5.94m, for the implementation of the proposed measures.</p>	
Monetised impacts	<p>Total NPSV: -£5.94m</p> <p>As we have only included monetised direct costs, the monetised NPSV is negative. However, these costs are low relative to the potential size of the benefits. The monetised costs are broken down below.</p> <p><u>Scrutiny and Oversight Board (SOB):</u> Government would incur a net present cost (NPC) of around £0.45m over 10 years, with a one-off cost of around £3.4k to implement the SOB, and around £60k per year to run the SOB. This is primarily staff costs and includes board set up costs, board running costs (including both board members and support staff), and further staff support for the two-year reviews.</p> <p><u>Certification Scheme:</u> Businesses would incur an NPC of £5.28m for the Certification Scheme over 10 years. This includes the cost to the trade associations of applying for accreditation, establishing the CAB, and providing certification for its members. This cost would be recouped by the trade associations by increasing fees for its members. The two trade associations have provided us with an estimate for the total annual increase in membership fees they would anticipate (acknowledging their uncertainty as to the exact details of the Certification Scheme). As these two estimates vary greatly, we have estimated a range for these costs of £0.7m per year [£0.3m, £1.0m]. The central scenario would result in an NPC of £5.28m over 10 years. Government would incur limited one-off staff costs of around £0.06m to support the accreditation process.</p> <p><u>Government Guidance:</u> Government would incur around £0.04m in one-off costs to write and publish the guidance. This includes staff costs, as well as user testing costs.</p> <p><u>Government Code:</u> The Government Code has several strengthened measures relative to the Industry Code in the counterfactual. Relative to this baseline, many of these measures would incur negligible costs to business beyond the ultimate potential impact on parking charges issued. The only direct cost considered proportionate to estimate is the mandated data sharing, with a one-off cost of £0.12m to operators and an annual cost of £0.007m to government. The cost to operators would entail setting up a system to collect this data, with the cost of ongoing data sharing being negligible once this is in place. The cost to government would be using this data to create a report for the SOB, and further analysis. There may be instances where the government requests specific data from the trade associations. We anticipate this cost to be negligible.</p>	<p>Negative</p> <p>Based on likely £NPSV</p>
Non-monetised impacts	<p>The non-monetised impacts are primarily benefits, resulting from the overall package of measures which make up the preferred option. In some cases, we have provided a range of scenarios to illustrate their potential magnitude, however these have not been included in the NPSV</p>	Positive

given the uncertainty regarding the ultimate impact of the preferred option.

Overall non-monetised impacts

The primary non-monetised benefit relates to the decrease in the number of spurious parking charges issued to motorists who made a reasonable attempt to comply with the regulations. We expect the whole package of measures in the chosen option to have a global impact on this number. Should this result in a 5% [2.5%, 7.5%] decrease in parking charges issued, we estimate around £409m [£205m, £614m] less in parking charges paid over a 10-year period. The value of the parking charges not paid would be a transfer between businesses and consumers, so has no impact on the NPSV.

The main benefit to society is expected to be a utility/wellbeing increase for these accidentally non-compliant motorists, due to the perceived unfairness of the parking charges issued and the stress and frustration this causes. The reallocation of the value of the parking charges to the motorists' disposable income is also expected to increase allocative efficiency, as these parking charges do not provide the positive externality that parking charges to wilfully non-compliant motorists do.

We would also expect greater clarity on the rules and regulations of the industry by consumers to yield wider benefits such as more orderly and efficient parking, leading to improved productivity and consumer welfare, and a decrease in congestion. It is not possible to give a magnitude for this benefit.

Some measures provide an indirect benefit by providing more data and understanding of the functioning of the industry for the government. This would enable better understanding of potential market failures not addressed by the other proposed measures.

We anticipate the preferred option will also make it easier for motorists to identify and appeal spurious parking charges. In the short term, this could increase the proportion of appeals, leading to increased time spent by motorists and increase time and appeal fee costs by operators. However, we would anticipate in the long run that the proportion of parking charges appealed would ultimately fall, as operators issue fewer spurious parking charges. Should this result in a 5% [2.5%, 7.5%] decrease in appeals, we estimate an average benefit of £5.92m [£2.96m, £8.89m] per annum or net present benefit (NPB) of £47.5m over 10 years. £3.48m of this relates to the time saving for motorists, while £2.44m relates to the time and fees saving for operators.

Non-monetised impacts by measure

As mentioned above, the preferred option should be treated as a package of measures which are anticipated to lead to the non-monetised impacts set out above. However, the below sets out the intended impact of the key measures which make up the preferred option.

Scrutiny and Oversight Board (SOB):

We would expect this independent oversight to decrease the number of parking charges issued, by reducing the incentives for operators to issue spurious parking charges given the consequences. This would ultimately also lead to a reduction in the number of appeals.

Certification Scheme:

Similarly, we would expect this scheme to decrease the number of parking charges issued, by reducing the incentives for operators to

	<p>issues spurious parking charges given the consequences. This would ultimately also lead to a reduction in the number of appeals.</p> <p><u>Government Guidance:</u> We would expect the guidance to lead to a decrease in the number of parking charges issued as motorists would have a better understanding of the rules. Secondly, we would expect an increase in the proportion of appeals, and an increase in the proportion of these which are successful, due to the motorists being in a better position to identify and challenge spurious parking charges. By also giving them easier access to information on the law and rules of parking, this is expected to decrease the time taken for motorists to appeal.</p> <p><u>Government Code:</u> The Government Code has several strengthened measures relative to the Industry Code in the counterfactual. The key elements include:</p> <ul style="list-style-type: none"> • Mandated data sharing: This might have a minor impact on parking charges and appeals, but the main benefit would be better understanding of the industry by government, including better understanding of potential market failures. This would allow for more targeted and appropriate policy intervention in the future. • Strengthening mitigating circumstances for appeals and allowing appeals once a payment has been made: These would likely result in a short-term increase in the proportion of appeals and proportion of successful appeals, with a long-term decrease in the number of parking charges issued. • Pausing enforcement action if addressee can demonstrate parking charge issued after 28-day appeal deadline: This would likely result in an increase in the number of appeals with a long-term decrease in parking charges issued. 	
Any significant or adverse distributional impacts?	<p>As set out, a reduction in parking charges issued (as well as any increase in the number of successful appeals) would result in a transfer from businesses to motorists. This should only be relevant to spurious parking charges where the motorist did indeed make their best effort to comply with the rules.</p> <p>By making it easier for motorists to avoid spurious parking charges and to appeal them, the preferred option is expected to have a positive distributional impact by assisting those who may not have had the time or resources to challenge a parking charge.</p>	Positive

(2) Expected impacts on businesses

Description of overall business impact	<p>The impacts of the preferred option on parking operators will be negative, due to the direct costs on them. However, these are relatively small, with an NPV of -£5.45m over 10 years.</p> <p>As set out, a reduction in parking charges issued (as well as any increase in the number of successful appeals) would result in a transfer from businesses to motorists. As this is a transfer, it is not included in the NPSV.</p> <p>Parking operators would benefit from a reduction in appeals, given the cost associated with them. However ultimately this would not mitigate the transfer between them and motorists.</p>	Negative
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	<p>The reallocation of the value of the parking charges to the motorists' disposable income is also expected to increase allocative efficiency, as these parking charges do not provide the positive externality that parking charges to wilfully non-compliant motorists do. It is likely that a high proportion of this transfer will ultimately be spent with other businesses.</p>	
Monetised impacts	<p>Business NPV: -£5.45m</p> <p><u>Certification Scheme</u>: Businesses would incur an NPC of £5.28m for the Certification Scheme over 10 years. This includes the cost to the trade associations of applying for accreditation, establishing the CAB, and providing certification for its members. This cost would be recouped by the trade associations by increasing fees for its members. The two trade associations have provided us with an estimate for the total annual increase in membership fees they would anticipate (acknowledging their uncertainty as to the exact details of the Certification Scheme). As these two estimates vary greatly, we have estimated a range for these costs of £0.7m per year [£0.3m, £1.0m]. The central scenario would result in an NPC of £5.28m over 10 years.</p> <p><u>Government Code</u>: The Government Code has several strengthened measures relative to the Industry Code in the counterfactual. Relative to this baseline, many of these measures would incur negligible costs to business beyond the ultimate potential impact on parking charges issued. The only direct cost considered proportionate to estimate is the mandated data sharing, with a one-off cost of £0.12m to operators.</p>	<p>Negative</p> <p>Based on likely business £NPV</p>
Non-monetised impacts	<p>As set out above, we expect a decrease in the number of spurious parking charges issued to motorists who made a reasonable attempt to comply with the regulations. We expect the whole package of measures in the preferred option to have a global impact on this number. Should this result in a 5% [2.5%, 7.5%] decrease in parking charges issued, we estimate around £409m [£205m, £614m] less in parking charges paid over a 10-year period. This, however, is a transfer between businesses and motorists and is therefore not included in the NPSV.</p> <p>Parking operators would benefit from a reduction in appeals, given the cost associated with them. However ultimately this would not mitigate the transfer between them and motorists.</p> <p>The reallocation of the value of the parking charges to the motorists' disposable income is also expected to increase allocative efficiency, as these parking charges do not provide the positive externality that parking charges to wilfully non-compliant motorists do. It is likely that a high proportion of this transfer will ultimately be spent with other businesses.</p>	Negative
Any significant or adverse distributional impacts?	<p>Private parking operators are primarily small and micro businesses. Data from the 2023 Call for Evidence estimates that 70-91% of operators are small or micro business (with fewer than 50 employees), with a further 6-11% being medium businesses (50 to 249 employees). The ranges are based on responses from BPA and IPC.</p> <p>Micro, small and medium-sized businesses are in scope for this policy, reflecting the existing Industry Code which includes all private operators accredited by one of the two trade associations regardless of their size. Due to the private parking industry being predominantly comprised of small and micro businesses, exempting them would reduce the effectiveness of the preferred option in achieving the policy objectives. Therefore, we expect the impact of the preferred option to fall predominantly on these businesses. This section sets out our evidence that the preferred option would not have a significant negative impact on small and micro businesses.</p>	Neutral

The main mechanism through which costs would be passed on to parking operators is trade association membership fees. Our most recent estimates from BPA and IPC suggest a potential average increase in membership fees of approximately £1,500 and £4,600 per year respectively per operator.

It is also important to note that small and micro businesses (as defined by the RPC) do not necessarily fall into the lowest revenue band. Data via the latest published accounts of Companies House shows that the 13th largest parking operator by turnover, with an annual turnover of approximately £10m, has only 47 employees, making it a small business. It is also understood that operators are reducing their headcount as a result of increasing automation from ANPR use – for example, one operator halved its headcount and reduced its wage bill by over a third between 2017 and 2014. Evidence suggest that other parking operators are also increasing the use of technology to make their operations leaner and more cost effective, which may result in lower numbers of employees in coming years.

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(3) Expected impacts on households

Description of overall household impact	The welfare impact for households is expected to be positive. It will include increased welfare from a reduced amount of parking charges and less time spent on appeals. The impact on households is described in full in the non-monetised impacts section below.	Positive
Monetised impacts	No impacts on households have been monetised as there are no direct costs to them of the preferred option.	Neutral Based on likely household £NPV
Non-monetised impacts	<p>There are potential significant non-monetised benefits for households.</p> <p>As set out above, we expect a decrease in the number of spurious parking charges issued to motorists who made a reasonable attempt to comply with the regulations. We expect the whole package of measures in the preferred option to have a global impact on this number. Should this result in a 5% [2.5%, 7.5%] decrease in parking charges issued, we estimate around £409m [£205m, £614m] less in parking charges paid over a 10-year period. This, however, is a transfer between businesses and motorists and is therefore not included in the NPSV.</p> <p>The main benefit to households is expected to be a utility/wellbeing increase for these accidentally non-compliant motorists, due to the perceived unfairness of the parking charges issued and the stress and frustration this causes. The reallocation of the value of the parking charges to the motorists' disposable income is also expected to increase allocative efficiency, as these parking charges do not provide the positive externality that parking charges to wilfully non-compliant motorists do.</p> <p>We would also expect greater clarity on the rules and regulations of the industry by consumers to yield wider benefits such as more orderly and efficient parking, leading to improved productivity and consumer welfare, and a decrease in congestion. It is not possible to give a magnitude for this benefit.</p> <p>We anticipate the preferred option would also make it easier for motorists to identify and appeal spurious parking charges. In the short term, this could increase the proportion of appeals, leading to increased time spent by motorists and increase time and appeal fee costs by operators. However, we would anticipate in the long run that the proportion of parking charges appealed would ultimately fall, as operators issue fewer spurious parking charges. Should this result in a 5% [2.5%, 7.5%] decrease in appeals, we estimate an average benefit of £5.92m [£2.96m, £8.89m] per annum or net present benefit (NPB) of £47.5m over 10 years. £3.48m of this relates to the time saving for motorists, while £2.44m relates to the time and fees saving for operators.</p>	Positive

Any significant or adverse distributional impacts?	<p>As set out, a reduction in parking charges issued (as well as any increase in the number of successful appeals) would result in a transfer from businesses to motorists. This should only be relevant to spurious parking charges where the motorist did indeed make their best effort to comply with the rules.</p> <p>By making it easier for motorists to avoid spurious parking charges and to appeal them, the preferred option is expected to have a positive distributional impact by assisting those who may not have had the time or resources to challenge a parking charge.</p>	Positive
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Part B: Impacts on wider government priorities

Category	Description of impact	Directional rating
Business environment: Does the measure impact on the ease of doing business in the UK?	The impacts on businesses are described above. The impact on the wider business environment is likely to be minimal, however, this would be an important component of Government work to support local growth and in particular support local high streets.	Uncertain
International Considerations: Does the measure support international trade and investment?	The measure has no impact on imports or exports. Any impact on other international considerations is expected to be minimal to non-existent.	Neutral
Natural capital and Decarbonisation: Does the measure support commitments to improve the environment and decarbonise?	The impacts on this are uncertain. The preferred option may reduce greenhouse gas emissions by decreasing road congestion. However, by providing greater clarity around parking, the option may also encourage greater use of cars.	Uncertain

8. Monitoring and evaluation of preferred option

There will be a Scrutiny and Oversight Board (SOB) stood up to advise the Secretary of State on changes needed to the Code or associated compliance framework. The SOB will consist of independent members and will review important data metrics from the industry.

The metrics will be comprised of regular twice-annual reports from the industry, alongside additional data from the DVLA on vehicle keeper requests, and from the MoJ on County Court online money claims.

The SOB will consider these reports every other meeting (twice-annually) with a major review every two years looking at all data and resulting in proposals to the Secretary of State for changes to the Code and compliance framework.

The first of these major reviews will take place two years after the end of the transition period (scheduled for two years), meaning the first review will have data from before and after the Code and implementation with which to inform recommendations.

Having this benchmark data before the preferred government intervention takes effect and the transition period concludes will allow for comparisons of how government intervention has achieved the Code's objectives. These insights will support informed decisions on how to make further improvements to achieving the Code's objectives.

The identified metrics will include:

- Parking charge data, e.g. parking charge volumes, number of repeat offenders, locations where parking charges are issued
- Industry-related metrics e.g. number of managed sites, spaces under management
- Conformity-related metrics e.g. metrics relating to breaches of standards or compliance monitoring
- DVLA keeper requests, sorted by operators
- MoJ data on County Court claims by parking operators and debt recovery agencies, including volumes and £s involved

Each of these metrics have been selected for collection to assess whether the Code's objectives have been delivered. For example, after the Code is launched, the number of parking charges issued decreasing relative to the number of sites managed or spaces managed could indicate a reduction in accidental non-compliance. This would be seen to be delivering against objective one of promoting good practice.

Collection of these metrics will enable review of possible unintended consequences resulting from the preferred option. For example, collection of the contravention code (i.e. reason for a parking charge) is a helpful metric for understanding what causes a parking charge to be issued. On that basis, should there be a substantial variation in the proportion of contravention codes for parking charges changing after the preferred option is implemented, it could indicate an unclear provision in the Code.

There are no substantive provisions existing for monitoring already, as industry face no requirements to share data with government. There is some open-source information showing how many keeper requests are made by each operator or how many operators are in the sector, but no detail on the parking charges themselves.

The industry can collect some information already, using sections 17 and 18 of the Industry Code, but there is no requirement to share this data with government.

The proposed metrics for collection are mostly already collected by the trade associations. Mandating the sharing of this data with government should therefore have a minimal impact on industry but provide Government and the SOB with useful information on which to make future decisions regarding standards within the industry.

The only rationale for changing the preferred option would be if initial data returns showed a substantial decline in the market as a result of government interventions. The only way to understand these changes is through the proposed monitoring process.

9. Minimising administrative and compliance costs for preferred option

Industry should already be working to the Industry Code requirements or working to do so in line with the transition period due to end in December 2026. We envisage that there will also be a similar length transition period in place for Option 4. The Certification Scheme cannot be stood up without the Code in place, and we envisage that the earliest the Code can be laid is late 2025 (based on a summer 2025 consultation and post consultation analysis and implementation). The Certification Scheme will then take 12 months to set up and then trade associations and/or other interested parties will need to apply to the scheme, taking a further 6 months for this process to be completed. We therefore envisage that the industry will not need to fully meet the new requirements until mid-2027 at the earliest. The industry will be in line with the Industry Code in full by the end of 2026 and so should be well prepared for the Government Code.

Both trade associations are responsible for enforcing the Industry Code. The BPA enforce the Code through its Approved Operator Scheme and the IPC through its Accredited Operator Scheme. Both schemes provide different frameworks for assessing operator compliance with the Industry Code. The Government's Certification Scheme will consolidate and replace the existing compliance schemes. Because the Certification Scheme has not yet been finalised, we are unable to determine the extent of the burden the new compliance framework will have. However, data from the trade associations suggests that the main costs for implementing the new scheme are estimated to be £0.7m per year. This includes costs to the trade associations for establishing and accrediting the CABs and certification costs to the operators.

It is estimated that to set up and run the SOB will incur £0.45m (net present cost over 10 years) which will be met through the MHCLG budget. It is not anticipated that the SOB itself will add any additional cost or administrative burden to the industry as much of the data collection is in train, the change is that this data will be shared with Government and reviewed by the SOB. The data strategy developed over the last 15 months has already been adopted by the industry in their Code, and there is little difference between that, and the Government's proposed data requirements – with the only additional data point the Government would like to collect being the number of parking spaces under management.

For first stage appeals, there may be a need for some parking operators to train decision makers on the proposed new addition to the Appeals Charter. Most operators will already have robust appeals processes in place. However, operators who do not already uphold appeals for incidents where the motorist can evidence that they had no choice but to breach the terms and conditions will need to make changes to their existing processes to do so.

Government guidance will actively reduce the burdens on motorists, as a single source of guidance will assist them at every stage of their parking charge experience.

The costs of the proposed framework should be seen through the prism of the Industry Code – where the majority of the costs previously associated with the Government Code for changes which were needed have already been voluntarily adopted by the industry itself.

Declaration

Department: Ministry of Housing, Communities and Local Government 

Contact details for enquiries:

Director responsible: Kay Withers, Director, Local Government, Growth and Communities

I have read the Options 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:

Date:

16 May 2025

Summary: Analysis and evidence

For Options Assessment, it is not a requirement to complete all the below, but please complete as much as you can where possible.

Price base year: 2025/26

PV base year: 2025/26

This table may be reformatted provided the side-by-side comparison of options is retained	1. Business as usual (baseline)	2. Do-minimum Option	3. Slightly less preferred way forward	4. Preferred way forward	5. Less ambitious preferred way forward
Net present social value (with brief description, including ranges, of individual costs and benefits)	Baseline which other options are compared against.	-£5.77m	As option 4. Click or tap here to enter text.	-£5.94m Only the direct costs are monetised.	-£0.04m
Public sector financial costs (with brief description, including ranges)	N/A	As option 4. Click or tap here to enter text.	As option 4.	£0.49m Costs are for the Scrutiny and Oversight Board, Government guidance, and Mandated data sharing (all described in section 7).	£0.04m. These are the government guidance costs.
Significant unquantified benefits and costs (description, with scale where possible)	N/A	These unquantified costs and benefits are similar to option 4, but of a lower scale.	As option 4.	All described in section 7.	These unquantified costs and benefits are similar to option 2 & 4, but of a lower scale to both.

Key risks (and risk costs, and optimism bias, where relevant)	The risks with this option are that market failures identified continue and are potentially amplified.	The risks with this option are that market failures identified aren't sufficiently addressed, and are potentially amplified.	As option 4.	Given the size of the potential benefits and the light-touch intervention, risks are considered minimal. The intervention primarily acts to disincentivise behaviour which is against the spirit of the law, both for motorists and parking operators. However, there may be a risk that parking operators try to recoup reduced revenue via other costs on motorists.	The risks with this option are that market failures identified aren't sufficiently addressed, and are potentially amplified.
Results of sensitivity analysis	N/A	N/A	As option 4.	See section 7.	N/A

Annex

Highlights

- The key market failures are:
 - The positive externalities of efficient and orderly parking.
 - Market power highlighted by the fee-setting mechanism and the incentives to issuing parking charges.
 - Information asymmetry between consumers and operators around the rules of the industry and the appeals process.
- There are costs to society for the issuance of parking charges to motorists who have made a reasonable effort to comply with regulations, and high costs to society for the appeals process.
- The preferred option has low costs relative to the potential benefits it could generate.

Analysis of the impacts of the preferred option

Assumptions

In order to model the potential impacts on consumers and businesses of change in the parking code of practice, we have made the following assumptions:

- We assume the value of leisure time is £7.50/hr, in 2025 prices. We have taken this from the TAG guidance (DfT)². We expect the true value of leisure time to vary with income, but for modelling purposes we have assumed it to be constant. The expected time taken to make an appeal, which includes any data collection time to learn how to make an appeal, is assumed to be between 1 and 3 hours, depending on the method used to make the appeal and the prior knowledge of the motorist.
- We have taken the cost of appeals to businesses from BPA and IPC data³ where available. For BPA second appeals, the cost is £28.50 per appeal, and for IAC the cost of a second appeal is £25 if the appeal is upheld and £16 if rejected. We do not have data for the cost of first stage appeals, so we have taken an estimate of the labour cost for the business (wage estimate * expected time taken for appeal). The estimated wage is taken from the most recent ASHE data⁴.
- The baseline we use for the proportion of parking charges appealed is from 2022 data.
- The baseline we use for the future number of parking charges issued is based on historical data from the KADOE system⁵. We have regressed the growth rate over time, excluding 2020 and 2021 due to the impact of COVID, and forecast the growth rate of KADOE enquiries on this basis, excluding negative growth.
- For any changes to the number of parking charges issued or appeals made, we assume a central scenario of a 5% change, with a low scenario of 2.5% and high scenario of 7.5%. The baseline that these changes are modelled off is parking charge data from 2022.
- Any estimated staff costs to government have been costed using MHCLG salary data as a proxy, with conservative assumptions regarding the grade split and time taken to do different tasks.

² TAG data book - GOV.UK

³ SIAS Overview 3 April 2024.pptx

⁴ Earnings and hours worked, region by occupation by two-digit SOC: ASHE Table 3 - Office for National Statistics

⁵ Who DVLA shares data with - GOV.UK

Theoretical model

We assume consumers are rational and utility-maximising. In this simplified model, we assume consumers have only two choices, 1) paying the parking charge at the discounted rate of £60 or 2) appealing it (this theoretical model simplifies to a single-stage appeals process). For a consumer who believes the parking charge to be unjustified, they would choose whether to appeal based on whether it provides higher expected utility than paying the parking charge.

The expected value of the two alternative outcomes is:

$$E(DC) = -60$$

$$E(AP) = (1 - \text{Pr}(pAS)) * (-60) + VoT * T$$

Where $E()$ represents the expected value of the outcome (DC being paying the discounted charge of £60, and AP being appeal the charge), $\text{Pr}(pAS)$ the probability perceived by the consumer of the appeal being successful, VoT the Value of the Time spent on the appeal, and T the time spent on the appeal.

The consumer would choose the option with the highest expected value. Therefore, if the consumer were 100% certain their appeal would be successful, they still would not appeal if the value of their time multiplied by the amount of time spent on the appeal exceeded £60.

The key parameter in the consumer decision which the preferred option seeks to influence is $\text{Pr}(pAS)$, which can be broken down as:

$$\text{Pr}(pAS) = Cf * EQ * \text{Pr}(pRF)$$

Where Cf is confidence in the appeals process (expressed as a probability with a theoretical maximum of 100% if the consumer believes the decision is always correct and consistent given the available evidence), EQ is Evidence Quality (again as a probability with a maximum of 100% in the theoretical case where incontrovertible evidence is provided for what occurred in the parking event), and $\text{Pr}(pRF)$ is the probability perceived by the consumer that they followed the rules.

From the operator's perspective, we assume they know the true probabilities (as they have access to historical data) and they are profit-maximising. For a given type of potential rule-breaking, their expected values are:

$$E(noPC) = 0$$

$$E(PC) = (60 - CPC) * \text{Pr}(CP) + (60 - CPC - CA) * (1 - \text{Pr}(CP)) * (1 - \text{Pr}(tAS)) - (CA + CPC) * (1 - \text{Pr}(CP)) * \text{Pr}(tAS)$$

Where CPC is the cost of issuing the parking charge, $\text{Pr}(CP)$ is the probability the consumer pays the parking charge without appealing, $\text{Pr}(AS)$ is the true probability the appeal is successful (as opposed to the perceived probability $\text{Pr}(pAS)$), and CA is the cost to the provider of the appeal. $\text{Pr}(CP)$ is entirely dependent on the consumers' distribution of $E(AP)$, identified previously, which will itself be partially dependent on $\text{Pr}(AS)$.

The above model highlights it is possible for a parking operator to have the required profitability incentive to issue parking charges when knowing the consumer attempted to

follow the rules as best they could. Whilst we are not commenting on whether this occurs, it is a risk which at least requires monitoring of the industry. It also further illustrates an element of market power.

It also highlights a further market failure. There is asymmetric information between operators and motorists as operators are aware of the true probability of events related to the appeals process, whilst motorists are not. Equation (3) highlights this, where $\Pr(pAS)$ will on average be below $\Pr(AS)$ and will tend to $\Pr(AS)$ as the consumer's information level tends to that of the operators.

Given the theoretical framework, the aim of the preferred option is to help maximise $E(AP)$ relative to $E(DC)$ (i.e. maximising the value to the consumer of appealing vs. paying the discounted charge) and $E(noPC)$ relative to $E(PC)$ for the instances where motorists have made a reasonable attempt to comply with the regulations (i.e. maximising the value to the parking operator of *not* issuing a parking charge). For the instances where motorists have wilfully not complied, the aim is the opposite, to maximise $E(DC)$ relative to $E(AP)$ and $E(PC)$ relative to $E(noPC)$.

This model therefore provides a framework to consider the impact of the measures which make up the preferred option.

- Scrutiny and Oversight Board: This would reduce $E(PC)$ for operators (equation 5) by adding a risk term to the expected value of issuing a parking charge. It would therefore reduce the incentives for operators to issue spurious parking charges. This measure may also increase C_f (equation 3), with higher confidence of motorists in the appeals system, leading to a greater number of appeals in the short term.
- Certification Scheme: This would have similar impacts to the SOB, acting through similar channels to change the behaviour of both operators and motorists.
- Government Guidance: As motorists will have a better understanding of the rules, this measure would increase $\Pr(pRF)$ (equation 3), as motorists will have a better perception of whether they followed the rules. Greater clarity on the appeals process, as well as the rules, would also increase C_f (equation 3), with higher confidence of motorists in the appeals system. There would also be an increase in EQ (equation 3), with motorists better able to identify appropriate evidence for their appeal. Put together, these would lead to motorists having a higher perception of the probability of their appeal being successful. By providing easier access to the relevant information, the guidance should also reduce T (equation 2), with motorists spending less time per appeal. This should overall lead to an increase in the proportion of appeals, and an increase in the proportion of these which are successful.

Parking charge cap and DR Fees

None of the options appraised include a change to the cap on the parking charge or the DRF as the evidence currently available to us does not allow us to accurately evaluate what an appropriate value would be. As more evidence becomes available, such as through mandated data sharing or the scrutiny and oversight board, we may be able to reevaluate.

Whilst we do not have evidence that the parking charge cap is too high or too low, the mechanism to set it clearly demonstrates a market failure. There is no market mechanism to set this cap - it is set by one ATA and followed by the other. Given the structure of the industry, we believe it is beneficial to have an agreed cap on these fees and are not suggesting this is, or should be, illegal in these circumstances. However, this highlights the

market power intrinsic to this industry, which suggests a requirement for oversight and, where relevant, regulation.

There is also some strong evidence that the current DRF cap of £70 is disproportionate and should at least be monitored moving forward.

The key evidence we have is:

1. Potential supernormal profits. As highlighted in the 2023 call for evidence, debt recovery agencies found average profit over 2019/20 to 2021/22 to be 63.1%. This level of profit is indicative of high market power. As a point of comparison, the call for evidence finds a net profit margin for BPA operators of 18.9% and 14.5% for IPC members. Whilst there may be justification for such high profit levels, for example for highly innovative companies, the lack of market mechanisms around setting the DRF suggest this level of profit should at the very least be a concern.
2. The DRF is not set through a competitive mechanism. Similarly to the £100 cap on parking charges, the DRF of £70 is set by one of the ATAs and followed by the other. There are two priorities to balance here. The first is that given the benefits to society of the parking operators' industry, having an industry-wide agreed standard is beneficial, balancing the deterrent effect of the charge with the requirement for the charge to provide a profit to private operators. The second is that, as private operators are by definition profit-maximising, they will set these fees at the profit-maximising level. This is confirmed by point 1.
3. From the 2023 call for evidence, around 13-14% of cases sent to the debt recovery stage get recovered at that point. From BPA only data, for 2022, 37% of cases at the DR stage were either resolved or cancelled, and the remaining 50% were unresolved⁶. We are unclear on exactly what is entailed by the 50% that are unresolved, the costs and income of these to the operators, so are unable to provide a reasonable estimate of what a fair DRF would be for the operators.
4. Compared to other industries, the fee is considerably higher and there is no evidence the higher fee results in higher rates of recovery. For energy providers (EON, EDF, British Gas, and Scottish Power) late payment charges or fees vary between £10-£33, with a proportion of the debt (20%-31%) taken in certain circumstances.

⁶ Of these, a proportion will get recovered, resolved, or cancelled in 2023. This proportion is dependent on the length of time these cases remain at the debt recovery stage.

