

Report of Parking Manager

Report to Director of Environment & Housing

Date: 15th September 2015

Subject: Write off of Penalty Charge Notices

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Executive Summary

Parking Services issues on average 150,000 Penalty Charge Notices (PCNs) per annum, of which around 70% get paid. The non payment of the 30% is mainly due to non traceable vehicles, bailiffs unable to trace owners and tickets cancelled on appeal.

Standard accounting practice requires the Council to calculate the outstanding debt at the financial year end and then makes an assessment of the likelihood of these being paid. This is known as a provision for bad debt. The Council does not raise a bad debt for every ticket because some tickets may never be paid due to the factors identified above.

There are tickets which ultimately become bad debts as these are extremely unlikely to be paid off. Therefore it is necessary to remove these bad debts from the accounts.

Parking Services are seeking to write off a further 6,956 tickets from their database. These PCNs due to their age hold no cash value in the Council's debtor or bad debt provision figures.

Purpose of This Report

1.1 The report seeks to write off 6,956 irrecoverable tickets from the Parking Services system (3Sixty). These tickets were raised during the period 1/03/2005 to 31/03/2010 and have no cash value in the Council's calculated bad debt figure.

2.0 Background Information

2.1 Civil Parking Enforcement (CPE) has been in operation in Leeds since the 1st March 2005. During this time PCNs have been continually issued in support of the Council's Powers to control and deter illegal parking. Road Traffic legislation (Road Traffic Act 1991) provides a legal framework that allows the Council to pursue unpaid PCN's. Where this process has been exhausted and the PCN deemed irrecoverable or it is not cost effective for the Council to pursue further, then a write off needs to be authorised .

2.2 Having referred to the Council's current procedures to write off Sundry accounts the following interpretation has been made in respect of what constitutes a write off or a cancellation.:-

- A 'Write – off' is deemed to be a valid charge that can not be collected after pursuing all recovery routes. All recovery is to cease.
- A 'Cancellation' is deemed to apply to PCN's that have been raised in error or are invalid or have been successfully appealed.

2.3 Parking Services accounts are monitored on a cash accounting basis during the year.

2.4 At the end of each financial year, a judgment is made as to the level of likely income to be received from the unpaid tickets, this is known as the debtor.

2.5 Debts are written off for the following reasons:

- a) Case on hold – Gone Away
- b) Gone Away no trace
- c) Warrant returned from Bailiff
- d) No response to DVLA request (ie owner cannot be identified)

2.6 These debts are unrecoverable, either because the bailiff has been unable to gain payment or because the owner of the vehicle can not be traced (this includes foreign registered vehicles). A bailiff warrant lasts for 1 year only and costs £7. These warrants have expired in the cases listed here so any further recovery action would cost a further £7 per case with no realistic chance of recovering the money.

2.7 A full breakdown of these cases is below :

Year	Total Num Of PCN For Write Off	PCN With No Financial Implications	Sum of Provisions DD Debt	Sum of Total For Write Off Debtor
2005/06	1,110	103,470	896	0
2006/07	845	76,365	1,120	0
2007/08	68	5,190	0	
2008/09	2,529	156,250	0	
2009/10	2,404	147,465	0	
Grand Total	6,956	488,740	2,016	0

3.0 Main Issues

- 3.1 Parking Services has identified 6,956 PCN's for write off as above. Due to the age of the PCN's none of these have a cash value.
- 3.2 Since the implementation of Decriminalization of parking in 2005, this is the sixth write off request made by Parking Services.

4.0 Implications for Council Policy and Governance

- 4.1 There are no specific implications for Council Policy and governance.

5.0 Legal and Resource Implications

- 5.1 There are no specific legal implications
- 5.2 Any PCN raised as part of the debtor and subsequently written off during 2014/15 will require to be transferred to the Provision for Doubtful Debt and will have no effect on the Parking Services revenue account up to the level of the provision.

6.0 Conclusions

- 6.1 Following exhaustive debt recovery action, the outstanding amounts are deemed irrecoverable and consequently the debts proposed to be written off.

7.0 Recommendation

- 7.1 The Director of Environment & Housing is requested to approve the write off of 6,956 irrecoverable Penalty Charge Notices within the Parking Services system with a nil financial value.