

Subject:	Car parking – resident’s permits		
Date of Meeting:	21 June 2016		
Report of:	Executive Director, Finance & Resources		
Contact Officer:	Name:	Graham Liddell	Tel: 01273 291323
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 An Internal Audit review of residents parking permits in 2014/15 identified a risk that the council’s arrangements for preventing and detecting fraudulent applications for resident parking permits were not effective. As part of the 2015/16 audit work, Internal Audit used data from the council’s council tax system to identify potential fraudulent applications. This report summarises the results of this work and the action taken by the council to address the issues raised.

2. RECOMMENDATIONS:

- 2.1 That the Audit & Standards Committee notes that:
- based on extrapolation up to 700 residents parking permits may be held by individuals who are not entitled to them
 - control improvements have been agreed with the service that should both prevent and identify fraudulent applications and significantly reduce the associated fraud risk to the council.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The council issues over 30,000 residents parking permits. These are highly valued in the city and this presents a risk that non-residents may falsify applications for residents parking permits.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The audit checked more than 500 permits against Council Tax records. This identified high risk permits which were then investigated in more detail by the corporate fraud team working with support from officers in the parking service. This work concluded that 13 permits were likely to have been renewed when the applicant was not entitled to the permit, representing 2.3% of the sample tested. Extrapolating this proportion suggests that up to 700 out of the 30,000 resident parking permits issued by the council are held by individuals who are not entitled to them.

4.2 The impact is that:

- residents who are entitled to parking permits may need to wait longer than necessary to receive them because they have been placed on waiting lists. It is also likely that more cars are being driven into the city increasing congestion.
- the council is likely to have lost revenue for car parking income. The estimated 700 parking permits represent lost revenue to the council of approximately £190,000 per annum. However, any potential increased income would be offset by a resident previously on the permit waiting list not needing to pay to park in the area. The £190,000 figure is derived from a probable set of circumstances although it depends on driver behaviour and doesn't consider a possible change in the mode of travel into the City.

4.1 Control improvements have been agreed with the service that should both prevent and identify fraudulent applications and significantly reduce the associated fraud risk to the council. These include the purchase, set up and implementation of a new IT system capable of automatically verifying address information for both resident permit and resident visitor permit applicants. The application form has been redesigned to highlight the potential consequences of fraudulently applying for a permit when not entitled to one. This is to be combined with a press release about the issue which will also launch an amnesty on the return of any resident permits fraudulently obtained which will run throughout August.

5. **COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 None.

6. **CONCLUSION**

6.1 Up to 700 residents parking permits are likely to be held by individuals who are not entitled to them. Control improvements have been agreed with the service that should both prevent and identify fraudulent applications and significantly reduce the associated fraud risk to the council.

7. **FINANCIAL & OTHER IMPLICATIONS:**

Financial Implications:

7.1 The potential loss of revenue to the council, based on an extrapolation of the sample tested, is estimated at £190,000 however this estimate does depend on driver behaviour. The new ICT system for automatic verification will be funded from increased revenue as a result of detecting fraud, subject to the approval of business case. Any net improvement in income as a result of the change in controls will be reflected in the Targeted Budget Management (TBM) reports to Policy, Resources and Growth Committee.

Finance Officer Consulted: James Hengeveld

Date: 06/06/16

Legal Implications:

- 7.2 The report is consistent with the Council's responsibilities in relation to protecting the public purse and in investigating fraud.

Lawyer Consulted: Elizabeth Culbert

Date: 23rd May 2016

Equalities Implications:

- 7.3 None

Sustainability Implications:

- 7.4 None

Any Other Significant Implications:

- 7.5 None.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms:

None

Background Documents:

None

