



Northern Ireland  
Assembly

Committee for Regional Development

# OFFICIAL REPORT (Hansard)

Off-street Parking (Functions of District  
Councils) Bill: Department for Regional  
Development Briefing

8 October 2014

# NORTHERN IRELAND ASSEMBLY

## Committee for Regional Development

Off-street Parking (Functions of District Councils) Bill: Department for Regional Development Briefing

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**Members present for all or part of the proceedings:**

Mr Trevor Clarke (Chairperson)

Mr Seán Lynch (Deputy Chairperson)

Mr Joe Byrne

Mr John Dallat

Mr Ross Hussey

Mr Chris Lyttle

Mr Declan McAleer

Mr David McNarry

Mr Stephen Moutray

Mr Cathal Ó hOisín

**Witnesses:**

Mr Terry Deehan

Department for Regional Development

Mr Seán McConnell

Department for Regional Development

Mr Garry McKenna

Department for Regional Development

Mr David Millar

Department for Regional Development

**The Chairperson (Mr Clarke):** I welcome Terry Deehan, Sean McConnell, Garry McKenna and David Millar. You have about 10 minutes to present, after which members will have questions.

**Mr Terry Deehan (Department for Regional Development):** Thank you very much, Mr Chairman. We welcome the opportunity to brief the Committee on the responses to the consultation on the Off-street Parking (Functions of District Councils) Bill. You will recall that, on 4 June, prior to the consultation, we briefed the Committee on the Bill's aims. As agreed, a copy of each response, a spreadsheet summarising the comments and the Department's responses to them and a copy of the draft service-level agreement (SLA) with councils were forwarded to the Committee.

The Bill proposes that certain powers that the Department exercises at present in respect of off-street car parks, under the Road Traffic Regulation (Northern Ireland) Order 1997 and the Traffic Management (Northern Ireland) Order 2005, be exercised by the new councils with effect from 1 April 2015. The Bill does not propose to change the Department's responsibilities for parking contraventions occurring in park-and-ride or park-and-share car parks. There are no proposals to change the existing enforcement regime of parking contraventions occurring on public roads. Enforcement responsibility for those would remain with the Department. Under the Bill's proposals, each council would have the power to appoint traffic attendants for off-street car parks lying within its area. Although no common approach has yet emerged, it is expected that councils may ask the Department to continue to enforce off-street parking contraventions until the expiry of the Department's existing contracts with the private

sector in 2016. Existing local government legislation will enable that to take place. A transfer scheme is being prepared in liaison with Department of the Environment (DOE) officials, and, in accordance with the provisions of the Local Government Act (Northern Ireland) 2014, it will arrange for the transfer to councils of assets including land, pay-and-display machines, barriers and systems of street lighting erected in off-street car parks.

In summary, the aims of the Bill were to provide the legislative framework to put in place the Executive's vision of transferring off-street car parks to the new councils and to provide district councils with legislative powers enabling them to provide off-street car park spaces subject to demand, assume ownership of existing off-street car parks, operate and maintain them, and enforce parking contraventions within them. The Bill will give the councils the necessary powers to operate the car parks and to make tariff changes for car parks under their control. That will be done by an administrative order signed by an official of the council in question.

Taking into account the earlier consultation on the proposals in the Roads (Miscellaneous Provisions) Bill 2010, we issued this Bill for consultation over a six-week period commencing on 23 June, with a closing date of Friday 8 August. In total, 17 responses were received, mostly from existing or shadow councils. The other respondents were one member of the public, the ministerial advisory group on architecture and the built environment, Belfast City Centre Management Company and NILGA.

The Committee has been provided with a spreadsheet that summarises the comments received and the Department's responses to them. The Department's responses were communicated to the individual shadow councils during a series of recent meetings. It may be helpful if I quickly summarise the main issues raised during the consultation and the Department's responses to them.

In general, all who responded were content or welcomed the Bill. On enforcement, Larne Borough Council, Mid and East Antrim District Council and North Down and Ards District Council welcomed the possibility of the Department continuing with off-street enforcement on their behalf until the expiry of its existing contracts with the private sector. North Down and Ards District Council considered that the potential dual enforcement responsibilities of the Department and councils may cause confusion and that the Department should work with councils to publicise the delineation between the two.

Belfast City Centre Management Company considered that one organisation should be responsible for enforcement, including park-and-ride and park-and-share car parks. That, it felt, would ensure that a standardised and consistent approach to management enforcement and administration was applied across the board. The Department's response is that the Executive's vision was that the Department should retain responsibility for park-and-share and park-and-ride car parks. It acknowledges that, over time, district councils may decide to adopt a different approach to enforcement activity. That flexibility is generally in keeping with the aim to create stronger and more responsible local government through the reform of public administration (RPA). If councils elect to continue to utilise the Department's traffic attendants to carry out enforcement activities through service level agreements, there should be no confusion of roles.

On staffing, Banbridge District Council and Armagh, Banbridge and Craigavon District Council suggested that copies of contracts between the Department and private sector companies providing current enforcement activity be made available to the new councils. We advised that the Department cannot disclose information from contracts that may contain personal information or be commercial in confidence. Councils will not, in any event, be party to the Department's current contracts with its contractors. The Department will provide each council requesting it with a draft service level agreement for the provision of enforcement services. The agreement will provide all necessary information on costs for enforcement and processing services.

The enforcement contract may be extended beyond 2016, but the penalty charge notice IT processing contract must be renewed in 2016, and the Department will liaise with councils on that renewal.

On assets, a number of councils and shadow councils consider that copies of title documents, maps, rates assessment condition reports, maintenance reports, public liability claims history and details of insurance claims not settled etc, easements, rights of way and confirmation that the transferring assets are fit for purpose etc should be provided. Assurance was also sought that transferring assets will not be subject to any conditions or restrictions. Belfast City Council considers that the Department should not retain any fee-paying off-street car parks for the council to operate under licence or lease. That comment relates to car parks earmarked for future road schemes. The council felt that this could reduce the number of car-parking spaces available to the council by some 25% and that the council should be recompensed accordingly.

Antrim and Newtownabbey District Council requested clarification on what was meant by the statement that the transferring of car parks would be cost-neutral at the point of transfer for the Department and councils. In response, I advise the Committee that full detailed financial information by council was provided on 31 July, to the agreed RPA timetable. That financial information is subject to independent scrutiny by consultants engaged by local government. Final agreed figures are scheduled for the end of October.

The remaining title and asset information requested, including data on claims history and asset condition, is being collated and shared with councils. Asset information will be set out in the transfer scheme to be made by the Department under section 122 of the Local Government Act (Northern Ireland) 2014. All transferring assets will be inspected prior to transfer to ensure that they are fit for purpose.

The Bill contains no conditions or restrictions on the disposal of transferring assets as that would be at odds with one of the principal aims of the reform of public administration, which is to create stronger and more responsible local government. Including such a restrictive provision would remove a council's ability freely to progress any town centre regeneration proposal for the benefit of its citizens.

The reference to the Department retaining off-street car parks relates to the proposal of the Department to retain some off-street car parks that will be required for future road schemes. It would be an inappropriate use of public funds to transfer those car parks free of charge to the new councils only to have to repurchase them at public expense. The Department, however, proposes that the relevant council will benefit from the revenue from the car park until the scheme begins.

On regulation, the ministerial advisory group on architecture and the built environment considered that district councils should undertake the responsibility for writing regulations suitable for the particular place, rather than being required to use regulations written in central government. Belfast City Council and NILGA requested that district councils be consulted when any new regulations are being drafted or revoked by the Department. In response to those comments, we explained that, from a constitutional perspective, the councils will not be rule-making authorities under the Interpretation Act (Northern Ireland) 1954. Consequently —

**The Chairperson (Mr Clarke):** Terry, sorry to interrupt you. I know that we have a challenging 30-day turnaround, but this makes me slightly nervous. I do not think that the Department's rebuttals contain enough information or detail for us. I am sorry to cut you off when you are probably nearly at the end of your presentation, but I am concerned. On assets, the document states:

*"The information requested will be contained in schedules to be included in a transfer scheme to be made by the Department under Section 122 of the Local Government Act (NI) 2014".*

It would be useful to have the detail now. You will challenge us to turn this round in 30 days. A lot of us come from local government and support the transfer of functions, but some councils have concerns and are raising issues. It would be good to get more detail on the responses to the issues so that we can get our heads round them in case we run into problems further down the track. Rather than finishing reading those out, Terry, maybe you could get us a full response to each of the points raised and let the members digest them. We can take that as part of our normal workload as opposed to going through these now, if that is appropriate.

**Mr Deehan:** We could certainly do that as a follow-up. We provided the consultation responses to the Committee as they came in. A summary of our —

**The Chairperson (Mr Clarke):** Terry, one response is:

*"Work is in hand to produce this information".*

That does not give us an assurance that the council or indeed the Committee will be content with the response. Councils are raising issues, and the response in this document is:

*"Work is in hand to produce this information".*

Yet and all, we are given the challenging timeline of 30 days to turn this round. It is not maybe —

**Mr Deehan:** I take your point. Asset transfer comes under the Local Government Act 2014. This Bill does not deal with asset transfer, so —

**The Chairperson (Mr Clarke):** The point that I am making is that quite a few of the points raised by councils are not addressed. We need to be assured that they are being addressed. After you leave, we will discuss whether we can progress this in 30 days. Members, maybe we will go into closed session for that discussion. For us to have that and to assist you, you need to assist us by making sure that we have all the information up front. We need the assurance from you now, Terry, that anything we ask for will not have the arbitrary 10-day turnaround; we need the stuff turned round virtually immediately to enable us to continue.

I think that there was a commitment from members previously, but reading some of these responses makes me slightly nervous. I think that we should park that part of it now, unless there is anything else that you want to say. I think that we will leave the consultation, unless there are any other issues that you want to raise. I would like to get a report sent fairly quickly to members with full answers to all the points raised in the consultation process, if that is OK.

**Mr Deehan:** Chairman, we are happy to do that. We provided a spreadsheet summary thinking that it was probably easier for members to navigate. We are happy to provide detail beyond those comments.

I will move to a conclusion to wrap up the introductory comments. The Department believes that none of the issues raised during the consultation required the Bill to be amended. The Executive agreed, at their meeting on 25 September, and approved its introduction to the Assembly, which is scheduled for 13 October. Second Stage debate is on 21 October, with Committee Stage beginning on 22 October. The Bill is intended to come into operation on 1 April 2015. As you said, Chairman, there is a very tight timescale to complete its Assembly passage. There is no need for me to reiterate the point that you made about the tight timescale and the fact that we have asked the Committee to turn it round within the statutory 30 days.

I am happy to take any questions.

**The Chairperson (Mr Clarke):** Do any of the rest of you folk want to say anything before we start?

**Mr David Millar (Department for Regional Development):** We are just here to answer any questions.

**The Chairperson (Mr Clarke):** OK.

Section 122 of the Local Government (Northern Ireland) Act 2014 states that the transfer can be completed by 1 April 2015:

*"where it appears to any Northern Ireland department necessary or expedient".*

Tell me why the Department felt that it was necessary or expedient to transfer by 2015.

**Mr Deehan:** It is on or before 1 April 2015. As I understand it, there is also a commencement clause in the Bill and in the 2014 legislation that requires us to bring this into effect on 1 April 2015.

**The Chairperson (Mr Clarke):** Why is it expedient to have it done by 1 April 2015? Why is there a predetermined end date?

**Mr Millar:** We are carrying out the Executive's wish. The Executive wish, under RPA, to have car parks transferred by 1 April 2015.

**The Chairperson (Mr Clarke):** OK. The other issue is one that came up, I think, in conversation two weeks ago, on my first day here. A PricewaterhouseCoopers (PwC) report stated that off-street parking assets were valued at £233 million, but the transfer of functions working group paper, in March 2014, valued them at £64 million. Can someone explain the significant variance?

**Mr Deehan:** Car parks are independently valued as part of the annual accounts process. As you will be aware, over the last number of years, property prices have fallen, and that is reflected in the valuations in annual accounts. This property has dropped in value in line with property generally.

**The Chairperson (Mr Clarke):** Yes, I appreciate that it is an independent evaluation, but when was the £233 million valuation? The PwC report refers to assets of £233 million. A fortnight ago, one member raised concerns about giving away the family silver. On the other hand, we were all advocates of the transfer. Given the financial constraints that we are under, some of us may now be concerned that the value in the PwC report was £233 million, but a report earlier this year valued the asset at £64 million.

**Mr Deehan:** Is that the Deloitte due diligence report we are talking about rather than PwC's?

**The Chairperson (Mr Clarke):** Yes.

**Mr Deehan:** As I said, those were the figures in the audited annual accounts. The assets are independently valued. We have no control over their value. The £233 million valuation is from a previous year's accounts; the £64 million valuation is from the most recent accounts, for which due diligence was done. The reduction is purely as a result of falling property values. The asset has been independently valued, not by the Department but by Land and Property Services (LPS).

**The Chairperson (Mr Clarke):** It seems quite a large drop in one year, given that, by 2014, we are supposed to be coming out of recession and seeing a bounce in property values.

**Mr Deehan:** The £64 million figure that you quoted probably relates to the 2011-12 accounts, and it may well have dropped further from there. Certainly, the figure in our 2012-13 accounts would not be the same as the 2014 figure.

**The Chairperson (Mr Clarke):** OK, we will come back to that.

**Mr Lynch:** The PwC economic appraisal states:

*" In transferring these assets, there must be a clear understanding that the car parks must be retained for car parking purposes unless otherwise agreed with DRD".*

What objections does the Department have to including such a statement in the Bill?

**Mr Deehan:** There are currently no restrictions in the Bill. The Department took the view that one of the principal aims of the reform of public administration is to allow councils to regenerate towns and cities across Northern Ireland. Giving the Department the power to veto or delay development would run contrary to the spirit of the reform of public administration. It would retain that decision as a veto in the Department.

**Mr Lynch:** So, could councils use the facility for other activities or events?

**Mr Deehan:** Yes, it would be up to them to do that.

**Mr Lynch:** The total budget to be transferred is based on 2012-13 financial details, two years before the proposed transfer of the assets. Given the critical nature of the budget to the transfer being weighted cost-neutral, has a revision of these figures been carried out?

**Mr Deehan:** Yes. They were revised as of 31 July this year and issued to councils. We are liaising with councils to go over the figures. Deloitte is doing a second due diligence report on them, and the figures will be finalised by the end of October.

**Mr Millar:** As part of putting together the transfer scheme process, we are pulling together a spreadsheet for each council that details all the transferring car parks as well as all the title and financial information relating to them. We are also pulling together boundary maps so that each council knows the exact boundary of each car park for which it is taking responsibility.

It is a big exercise, and we are still processing that information. At this stage, we have spreadsheets that we can share with the Committee. The additional information is bulky, but we are having meetings with individual councils, and they are satisfied that the information that we are gathering is what they will need to allow them to take on that responsibility.

**The Chairperson (Mr Clarke):** What effect would an even lower valuation have on the 30-day turnaround?

**Mr Millar:** The valuation will be what the valuation will be. The most recent estimated valuations and incomes are, I think, for 2015-16, so we have all that information and are working our way through that.

**Mr Deehan:** It is an independent valuation. The Bill will transfer powers to councils. The assets transfer will happen under the 2014 Act. The assets will be at their most recent, independent, arm's-length valuation. They have come down considerably since 2012-13, as you rightly say. However, assets, as they say in the advertisements, may go up or down, subject to the financial climate.

**Mr Ó hOisín:** If not everybody, many of us around this table have a background in local government. We were very supportive of the functions going back to local government, but that does not come without its responsibilities. There are obviously assets that are not subject to any restrictions. The responsibilities for claims will remain with councils after 1 April. I am wondering how you see that being accepted in local government. It will be a worry, particularly when we are trying to put this forward as a rates-neutral move.

**Mr Millar:** One of the pieces of information that the shadow councils have asked us to provide is on the potential for claims. They are trying to do some estimates of potential liability. At present, there are six ongoing claims across our 330-odd car parks prior to transfer. We do not have quantum for those six claims. Two claims have been rejected. Potentially, they can be pursued by the applicants. When we spoke to Belfast City Council, it was surprised, because there is only one ongoing claim on all the car parks that will be transferred to it. It was quite surprised because it is inundated with claims on all their car parks and leisure centres. I think that that is reflective, I suppose, of the maintenance regime that we have in place that public liability claims on car parks are so low.

**Mr Ó hOisín:** It is a surprise that there are only six live claims. How many have there been throughout the period?

**Mr Millar:** We checked our public liability claims. Over the past three years, I think that there have been 30-odd claims. The vast majority of those were rejected. At this minute, there are six live cases across the whole of the Province.

**Mr Deehan:** We have also agreed with councils that liability will remain with the Department up until the point of transfer; that is, up until 31 March 2015. From then on, it will be councils' responsibility. Any claims up until, or concerning prior to, that date are the Department's responsibility.

**Mr Ó hOisín:** I get that. Thanks.

**The Chairperson (Mr Clarke):** The point that you have just made, Terry, is that that is up until 2015. David is talking about claims that are ongoing. Do you lift the tab for those claims?

**Mr Deehan:** We will continue those, yes.

**Mr Dallat:** The winter maintenance of those car parks will transfer to local councils, is that correct?

**Mr Millar:** It will be up to councils to decide what winter maintenance regime they want to put in place for the car parks.

**Mr Dallat:** I am looking at this from the point of view of the people who use the car parks. You do know about the continuous conflict between councils and the Department over footpaths. Will this be an extension of that bizarre situation in which people do not take responsibility? You have spent millions of pounds on salters and all the rest of it. Is that adding even more cost to the new councils, which will then have to equip themselves to salt car parks?

**Mr Millar:** I suppose that that is a decision for the council. First, it has to decide whether that is what it wants to do. I am not a winter maintenance expert. My understanding is that we do not grit our car parks at present. The council will have to decide.

**Mr Dallat:** I know enough older people who use them out of necessity, get a broken leg and then lie for weeks trying to get repaired.

**Mr Deehan:** On the agreements with councils, I know that the vast majority of the old 26 councils — something like 22 or 23 of them — had signed up to an agreement with DRD to salt footpaths. We would be very hopeful that all 11 new councils will now sign up to that agreement.

**Mr Dallat:** Before we even start, we do not want to start another long period of trying to get some kind of understanding between local councils and you as to who does what.

Some people in the public domain think that, at the minute, enforcement costs are a cash cow. They are not, because the cost of paying the redcoats is twice as much as is actually collected, is that not right? I can tell you that it does.

**Mr Deehan:** At the moment, car parking is a contributor to councils, so there is a surplus from off-street car parking based on revenue versus costs.

**Mr Dallat:** Let us say that a progressive local council decides that all its car parks will be free. Who then picks up the disproportionate cost of the redcoats, who are here until 2016 anyway?

**Mr Millar:** That is a matter for that council. The whole point is that the council will have responsibility for car park provision and enforcement. The council will have the power to decide what sort of tariffs it wants to put in place in the particular towns that it covers, but it will also have to be mindful of the running costs of those car parks.

**Mr Dallat:** If a council opts out of car parking charges, is it still liable for the redcoats?

**Mr Deehan:** No. We have quantified with councils exactly how much car parking in their area will contribute — how much of the surplus there is for each individual council. The way in which the transfer of moneys to councils is organised by DFP will mean that it should be cost-neutral at the starting point. There should be no cost to councils for car parks going forward.

**The Chairperson:** Are you finished, John?

**Mr Dallat:** Keep me right if I am straying a bit.

**The Chairperson (Mr Clarke):** One more, then.

**Mr Dallat:** Will the Bill provide for local councils in future to take a greater interest in many car parks that are not under your control — Asda, and Tesco car parks, and so on — where provision for people with disabilities is sadly abused and not enforced? Indeed, in some cases, tickets are produced by some English-based company that is planting outrageous fines. Is that all provided for in the Bill?

**Mr Millar:** No. The Bill is a simple, one-clause Bill to transfer responsibility for off-street car parks from the Department to councils.

**Mr Hussey:** I have a couple of questions. What are the legal fees going to be for the transfer of off-street parking and the properties themselves? Do you have any idea of what the cost is going to be?

**Mr Millar:** For transferring the actual title to the councils?

**Mr Hussey:** Yes.

**Mr Millar:** There is no cost. The transfer scheme itself transfers the title to the councils. We inherited most of the titles for the car parks from the old county councils. If we were disposing of a car park

now, and if we had the registered title, our solicitor would recite the registered title and the history of that. If it were an unregistered title, whether or not it is a title that historically comes from the council, that is recited. That is exactly the same as what a council would do. There is no legal transfer, as it were, but the transfer scheme transfers the title.

**Mr Hussey:** The legal ownership goes to the council.

**Mr Millar:** Yes. There is no cost to the council involved.

**Mr Hussey:** This relates solely to off-street parking. Therefore, DRD is retaining on-street parking.

**Mr Millar:** Yes.

**Mr Hussey:** In Belfast the Department will continue to operate the meters in the city centre. Will the same apply in any provincial towns? On-street parking will still be DRD's responsibility where there are no meters. Therefore, will you still be employing redcoats to enforce that?

**Mr Millar:** That is correct, yes.

**The Chairperson (Mr Clarke):** I apologise, Declan. I should have called you before that.

**Mr McAleer:** That is all right, Chairperson.

**Mr Hussey:** He called the better-looking one first.

**Mr McAleer:** People think that we are brothers sometimes.

**Mr Hussey:** My younger brother will speak to you now. *[Laughter.]*

**Mr McAleer:** I note that your correspondence states that the transfer will be cost-neutral. Where a council will inherit a car park that is in urgent need of an upgrade, maintenance, drainage or whatever, has that situation been factored into any budgetary considerations for councils?

**Mr Millar:** I can tell you that there are no car parks in urgent need. That is part of our maintenance regime. We have to maintain car parks properly, carry out surveys and attend to any defects. All the car park machines will be collecting revenue, and traffic attendants, lights and signs will be in place to support that right up until the date of transfer, so nothing changes there. However, there is funding that will go forward for future maintenance.

**Mr Deehan:** Yes, of pay-and-display machines and street lighting equipment but not of the car parks themselves. They are fit for purpose at the point of transfer. As David said, they are in good order, the lines and signs are done, and we will not be providing any fund to enhance their condition.

**Mr Millar:** The revenue from the car parks will fund future maintenance, however. The council gets that revenue.

**Mr McAleer:** I note that the regulations relating to car parks will stay with DRD. Presumably, that will have an impact on each council's management and running of the car parks. I note from the responses from NILGA and Belfast City Council that they are keen for councils to have an influence on those regulations. Would you be minded to —

**Mr Millar:** The Off-Street Parking Order, which details all the car parks and all the tariffs, is in place for the time of transfer. If a council wants to change a tariff in any particular car park, to make it free or whatever, it will do that by administrative order. The council will take its own action through an administrative order. It cannot amend a statutory rule. The outcome is the same, but that allows each individual council the power to do its own thing and whatever it thinks is best for its citizens.

**Mr Deehan:** We will retain the rule-making authority. If we were to make any regulations or changes, there is no question that we would consult with councils beforehand.

**Mr McAleer:** That is the point. There are about six or seven areas in the regulations that appear to be staying with DRD. You would consult with councils, therefore.

**Mr Deehan:** We would, indeed.

**Mr Millar:** As part of the normal process, we would do that.

**The Chairperson (Mr Clarke):** The genesis of this was councils wanting the power. I do not know whether this question has ever been asked, but I am curious now that we are interrogating this slightly. How much does Roads Service make from the car parks at present? Is this going to be an income generator for councils? That was not the purpose of councils getting the power — they were going to use it to try to get people into town centres — but, profit-wise, how much is DRD making at the moment?

**Mr Deehan:** In the figures that we have provided from 31 July, there is a surplus of some £7 million.

**The Chairperson (Mr Clarke):** Is that just for off-street car parks?

**Mr Deehan:** Yes. That is the amount of revenue-generating power that is being transferred to councils. However, the way in which the budget transfer works at the centre, operated by DFP, means that that will be taken into account and will be offset against the budget for the transfer of all other functions. Effectively, the function will come to councils at nil cost. Therefore, the revenue is not a windfall to councils. That revenue will already have been counted against the budget for other functions transferring, so it will be required.

**The Chairperson (Mr Clarke):** It is not really a windfall for them, then. Is there going to be a cost to councils? The issue of some councils wanting to reduce the cost of parking to try to encourage people to use the car parks was mentioned in a previous question to David and in his answer.

**Mr Deehan:** There will be a cost associated with that, as there would be if DRD wanted to reduce car parking charges at the moment. There will be a cost, and we have quantified exactly what the benefit for each council will be so that they are aware of exactly what the cost will be should they wish to reduce car parking charges, or even increase them.

**The Chairperson (Mr Clarke):** Does the £7 million that you are talking about factor in the scheme that it out there at the moment? Is it £1 for three hours?

**Mr Deehan:** It is £1 for five hours.

**The Chairperson (Mr Clarke):** That was introduced only late last year.

**Mr Deehan:** It was introduced at Christmas last year and has been running as a pilot for six months of this year.

**The Chairperson (Mr Clarke):** Prior to that, how much were the car parks making a year?

**Mr Deehan:** It was a lesser figure. At one stage, a number of years ago, car parks were not making money, and there was no surplus.

**The Chairperson (Mr Clarke):** You are saying, Terry, that, by reducing the costs, you have made more money.

**Mr Deehan:** As you do. We have reduced the cost of enforcement and the cost of operating car parks significantly over the past three or four years.

**The Chairperson (Mr Clarke):** I know that I am going off on one, but why was that not thought of before? The purpose of the reduction was to try to get people to use town centres, but if it was costing you money when there were higher charges, why was there never an idea to reduce the cost before?

**Mr Deehan:** Previously, we would have been looking to increase costs to break even.

**The Chairperson (Mr Clarke):** Yes, whereas now you are reducing the cost to make a profit.

**Mr Deehan:** There are a number of reasons that there is a surplus rather than a deficit. We renegotiated the contract for enforcement and were able to reduce costs by some £3 million a year. Furthermore, as part of the way in which central government has to state its revenues and incomes, it has to incorporate the capital costs. Therefore, when you bring in the capital costs of car parks, that negates an amount of the revenue, turning it into a loss situation. You do not have to do that for the transfer to councils. No capital costs will be associated with the car parks going to councils. It is a simple direct cost.

**The Chairperson (Mr Clarke):** A layperson could be forgiven for thinking that, in reducing the cost, you stumbled across the profit by accident. On that, I will call in David McNarry.

**Mr McNarry:** Thank you. I apologise for being late, but I am very pleased to be here.

We are talking about a done deal. From reading what you have had to say and listening to what you have said in the past, I know that we are talking about a done deal. However, the councils still seem to be seeking clarification on a large number of issues. At what point do you believe that you will be able to report to the Committee that the transfer is complete, with unanimous consent from each and every council?

**Mr Deehan:** You make a couple of points there. As to it being a done deal, the Executive have already made a decision. We are simply implementing the Executive's decision. One indicator of when the transfer will be complete is how many councils wish to piggyback on the current DRD arrangements. The majority of councils are now in that position and have indicated that they wish to continue with our enforcement arrangements.

**Mr McNarry:** Is that without any clarification?

**Mr Deehan:** We have provided considerable clarification on the financial impact by council, disaggregated into exactly what it would cost councils from April 2015 onwards. We have also provided extensive information to councils on the assets themselves and the details of the number of car parks. We have also gone around all the councils and met the shadow councils or their chief executives — in some cases both — to discuss it with them.

**Mr McNarry:** I understand that. I am trying to get you to tell me — if you can, but if you cannot say it or are not ready to say it, that is fine — that all the councils have bought into this; that there is agreement from every transitional council in Northern Ireland to buy into this.

**Mr Deehan:** All the respondents to the Bill welcomed it.

**Mr McNarry:** That is not what I asked you.

**Mr Deehan:** There certainly were some issues in the consultation. We have either clarified those with councils —

**Mr McNarry:** Are we in a position, right now, that you can tell the Committee that every transitional council in Northern Ireland has bought into this? All that I need to hear is yes or no.

**Mr Deehan:** When you say "bought into", you mean bought into what, exactly?

**Mr McNarry:** Bought into accepting the transfer.

**Mr Deehan:** The legislation, which is what we are here to discuss, is a one-clause Bill. We issued it for consultation, and all that we can gauge from are the couple of things that I indicated, which are the responses to the consultation and what councils have suggested to us about whether they want to participate in our current arrangements. The majority have said yes. We are talking to the remaining councils and expect them to do the same.

**Mr Millar:** The end point of this is that the transfer scheme itself is a legal document. We will draft that and share it with each individual council. Until the point that that council signs the transfer scheme —

**Mr McNarry:** I do not want to name particular councils, because I have a long list. However, take, for instance, the Craigavon council. It has a long, long way to go, I understand, before it signs off on this, and I know that there are more than that. You cannot say to the Committee that you have the agreement of councils. I am trying to find out when you think you might have that agreement. What are the obstacles? Are they unsurmountable or surmountable?

**Mr Millar:** As far as our consultations are concerned, all the councils have come back very positively. There are practical things, because we have to produce a legal document for them to sign. However, we are gathering all the information, and we have provided the councils with lots of information to allow them to make their plans. They are all making plans to take over the car parks, based on the preliminary information that we have given them. However, that has to be pulled together into —

**Mr McNarry:** It is a work in progress, Chairman, and maybe one day we will find out. I am not too sure whether this bright idea will seem just so bright once it starts to unravel.

Can you tell me whether there are any conditions, once ownership transfers, that would prohibit a council from disposing of the asset that it had been handed and not retaining it as a car park, because I cannot see them.

**Mr Deehan:** There are no conditions or barriers in the Bill —

**Mr McNarry:** Do you not think that that is an absolute scandal, from the point of view of a ratepayer? You are handing over assets without any conditions attached. There is nothing to protect the valuable car parking that retailers, shop owners and consumers use daily. The council will have that asset, and one day, when it is in a bit of trouble and wants to flog something, it will be sitting there. What did not cost it anything? Car parks did not cost the council anything. Therefore, the council may decide to flog them and use the money for something else. There is not one condition in the Bill to prohibit that, not even a term to say that councils cannot do it for five years.

**Mr Deehan:** As we see it, one of the main pillars of RPA is to encourage a council's ability to produce regeneration proposals in towns and cities. We take the view that restricting a council's ability to use car parks in the best interests —

**Mr McNarry:** You would not mind if councils flogged them. You do not want to restrict them. You would not mind if they got them tomorrow and flogged them on Friday.

**Mr Deehan:** I also do not have any views about being suspicious of a council's motives in any way —

**The Chairperson (Mr Clarke):** Terry, how would the Department feel if the Committee were to recommend an amendment on that issue and propose a clause so that councils could not dispose of them?

**Mr Deehan:** We would be happy to consider any amendment —

**The Chairperson (Mr Clarke):** I think that that might be a way to take the matter forward, David, rather than pursuing it now. The Committee can discuss tabling an amendment to suggest that.

Have you any other questions, David?

**Mr McNarry:** No, I am very grateful to you. Thank you, Chairman.

**Mr Byrne:** What has been the total quantum of the capital cost of car parks over the past 10 years?  
[*Interruption.*]

**Mr Millar:** In terms of what?

**Mr Byrne:** The capital expenditure.

**Mr Deehan:** The capital spend would have been something around £100,000 a year.

**The Chairperson (Mr Clarke):** I remind members to double-check whether their mobile phones are still on.

**Mr Byrne:** Is that £100,000 in total for all the car parks?

**Mr Deehan:** For capital resurfacing.

**Mr Lyttle:** This may have been covered, and, if it has, you can move me on quickly. Some of the concerns that have been raised relate to the enforcement regime that is coming in and the existence of contracts running until October 2016. Has that been covered, or can you speak about how the enforcement will operate, given that there are private contracts in place until October 2016?

**Mr Seán McConnell (Department for Regional Development):** The option that has been presented to councils is that for them to have a service-level agreement with the Department to facilitate enforcement through the current contract with NSL. In that draft service-level agreement, we have provided details of costs for deployed hours and all the activities that are involved therein. We have drawn that draft SLA up with Belfast City Council. It has a number of stages still to go through — obviously, through legal stages — and we hope to have that finalised in draft form by the end of October.

**The Chairperson (Mr Clarke):** Thank you for the presentation.