

# Council

15 October 2024



**Reading**  
Borough Council  
Working better with you

<b>Title</b>	Irregularities on Traffic Regulation Orders
<b>Purpose of the report</b>	To make a decision
<b>Report status</b>	Partly open to the public and part exempt - see reasons below
<b>Report author</b>	Michael Graham, Monitoring Officer
<b>Lead Councillor</b>	Cllr Liz Terry, Leader of the Council
<b>Corporate priority</b>	Not applicable, but still requires a decision
<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. That Council notes the report, including the Internal Audit Investigation Report at <b>Confidential Appendix 1</b> and the schedule of errors requiring restitution in <b>Appendix 2</b>.</li><li>2. That Council approves the Scheme of Restitution at <b>Appendix 3</b></li><li>3. That Council delegates authority to the Audit and Governance Committee to monitor the effectiveness of the Scheme of Restitution and to close it when it is satisfied that it has achieved its objectives.</li><li>4. That the Assistant Director for Planning, Transport and Public Protection is delegated to keep the Scheme of Restitution at <b>Appendix 3</b> under review and to make any amendments as may be necessary to it, in consultation with the Lead Councillor for Climate Strategy and Transport, the Director of Finance and the Assistant Director of Legal and Democratic Services.</li><li>5. That Council approves the Action Plan at <b>Appendix 4</b></li><li>6. That Council delegates authority to the Audit and Governance Committee to monitor delivery of the Action Plan at <b>Appendix 4</b>.</li></ol>

This report contains exempt information within the meaning of the following paragraph of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006:

2. Information which is likely to reveal the identity of an individual

And in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because:

The internal audit report provides details of findings which affect members of staff. It is not appropriate to provide the full details of the report since it would tend to identify those particular individuals.

## **1. Executive Summary**

- 1.1. This paper sets out a number of issues with the making of some historic Traffic Regulation Orders (TROs).
- 1.2. In summary, a number of TROs were not properly made and implemented, with the result that their enforcement and the collection of payments in relation to them was unlawful as the Council had no legal basis to issue Penalty Charge Notices (PCNs). The issues are confined to a small number of sites, however there is evidence that enforcement officers were aware of the issue but continued with enforcement as senior managers had not given instructions to cease enforcement or deal with the problem.
- 1.3. This paper sets out the issues, the known financial and legal implications as well as the proposed next steps to address the issues.
- 1.4. The Council needs to inform the public that these errors have occurred and the action it intends to take to address them, in particular, the Council needs to advise the public how they can reclaim money paid in respect of PCNs issued on the affected sites.
- 1.5. Another paper elsewhere on the agenda tonight seeks delegated authority to consult to rectify these errors and put the correct TROs in place.

## **2. Policy Context**

- 2.1. The Council has approximately 240 TROs that enforce various highway restrictions in the Borough.
- 2.2. The Road Traffic Regulation Act 1984 (RTRA) sets out the legal basis for making TROs. It gives local authorities the power to make TROs to regulate or restrict traffic as needed for:
  - (a) avoiding danger to persons or other traffic using the road or any other road or for preventing the likelihood of any such danger arising, or
  - (b) preventing damage to the road or to any building on or near the road, or
  - (c) facilitating the passage on the road or any other road of any class of traffic (including pedestrians), or
  - (d) preventing the use of the road by vehicular traffic of a kind which, or its use by vehicular traffic in a manner which, is unsuitable having regard to the existing character of the road or adjoining property, or
  - (e) preserving the character of the road in a case where it is especially suitable for use by persons on horseback or on foot, or
  - (f) preserving or improving the amenities of the area through which the road runs, or
  - (g) any of the purposes specified in paragraphs (a) to (c) of subsection (1) of section 87 of the Environment Act 1995
- 2.3. The Council's Corporate Plan (2022/2025) themes of Healthy Environment, Thriving Communities and Inclusive Economy align closely with the provisions of the Road Traffic Regulation Act 1984 (RTRA), as both seek to improve public wellbeing and sustainable development.
- 2.4. In addition, the Council has recently consulted on its Local Transport Plan 2024 – 2040, which sets out an ambitious vision to create healthier, greener and more equal communities through the future provision of travel options in Reading. The Strategy is focused on promoting sustainable transport options as a realistic alternative to the private car, setting out how transport facilities and services in Reading will be developed to 2040 to help achieve our wider objectives for the town, including the Reading 2050 Vision and the objectives of the Climate Emergency Strategy. TROs which address the

issues (a) – (g) above have an important part to play in the delivery of this Transport Plan.

### **3. Issues Identified**

- 3.1. The Council has discovered that one of the main (no-stopping) Red Routes through the town, and the first section to be made, the East Route, was not properly implemented. This covers Kings Road from its junction with Watlington Street to Cemetery Junction, Wokingham Road and partially into adjoining streets such as Queens Road and London Road. As a consequence, all PCNs issued in relation to the East route have been issued without authority and monies incorrectly collected. (Pay and display and permit parking restrictions later introduced for Wokingham Road are not affected). This error was known to a number of officers, and historically was reported to service managers who did not take action. Those managers left the organisation some time ago and the problem persisted until it was reported to the current service manager earlier this year.
- 3.2. An internal audit investigation was launched when this information came to light and since then officers have been reviewing the situation to understand how this happened and whether there are other similar situations in existence. A copy of the Internal Audit Investigation report is attached as **Confidential Appendix 1** to this report. It details in full the results of the enquires and interviews which have taken place.
- 3.3. Summary details of the Audit findings are outlined below, to allow the public to understand what has happened and why. Details of names and posts have been anonymised in this report and shall be referred to as “Officer 1, 2, 3 etc”.
- 3.4. Following the initial investigation of the Red Route issue, further TROs were highlighted as causing a concern, these were highlighted by officers in the relevant departments, and these have also been reviewed and are reported in detail in **Appendix 2**.
- 3.5. **Appendix 3** attached sets out the Council’s proposed Scheme of Restitution to allow members of the public affected by this situation to claim repayment of the PCNs they have paid with interest.
- 3.6. The proposed Action Plan attached at **Appendix 4** is designed to ensure that issues like this do not occur again.

#### **East Reading Red Route**

- 3.7. In summary, an Experimental Traffic Regulation Order was made in January 2018 which should have lasted for a period of 18 months. The first six months of the experimental order was to be a consultation period.
- 3.8. However, when the Order was made, it was only made for six months, despite it being advertised as an 18-month Order. When the Order expired in July 2018, enforcement continued. The situation was identified in September 2019 when the relevant department was advised by Legal Services that the Experimental Order had run out and could not be made permanent and the whole process had to start again. Nothing was done at the time, and enforcement continued. The issue was reported to the service manager who did not take action, and it was not escalated further.

#### **History and sequence of events**

- 3.9. The initial impetus for the TRO came from Policy Committee in 2015 which asked officers for a Red Route no-stopping solution for the no 17 bus service in Reading.
- 3.10. The purpose of the TRO was to create a Red Route with double red lines that would prevent vehicles stopping (with some exceptions) at any point. If vehicles stopped and their activity was captured on camera, then a PCN would be issued. Reading Borough Council was one of the first authorities outside of London to create their own red routes. Initially the TRO would be experimental, and this could be made permanent prior to the expiration of the experimental period.
- 3.11. On 13 September 2017 the Traffic Management Sub Committee (TMSC) resolved:

*That the following be agreed:*

*Officers continuing to develop the Red Route scheme and proceeding with the delivery of the Route 17 as detailed within the report and therefore in consultation with the Chair of the Traffic Management Sub-Committee, the Lead Councillor for Strategic Environment, Planning and Transport and Ward Councillors, the Head of Legal and Democratic Services be authorised to make the appropriate (experimental) traffic regulation orders in accordance with the Local Authorities Traffic Orders (Procedure) (England and Wales) Regulations 1996;*

*Subject to no objections being received, the Head of Legal and Democratic Services be authorised to make the appropriate permanent traffic regulation orders.*

*If objections are received these be reported back to the Sub-Committee at the appropriate time.*

*No public enquiry be held into the proposal.*

- 3.12. In the summary of the report to Committee an outline of what was to be done was described:

*In response to the concerns that had been fed back it had been proposed to promote an 18-month experimental Traffic Regulation Order (TRO), this would allow the scheme to be implemented and would allow for statutory consultation during the first six months. There would be flexibility in the experimental TRO to enable change to the restriction once it was in place and this was likely to help officers shape the restriction once it was in place to best accommodate localised issues. The experimental order would also enable experience to help shape the scheme before any permanent order was promoted. With approval of the scheme the western and eastern parts of the Red Route were expected to become operational before Christmas 2017.*

- 3.13. The Internal audit investigation established that a project was initiated by Officer 1 (who has since left the Council) who was in charge of the relevant section at the time. To compensate for staff shortages and lack of experience in Reading of Red Routes, Officer 1 engaged consultants to provide advice and support.
- 3.14. The consultants recommended splitting the project into three phases: East Reading, West Reading, and the Town Centre. Work commenced on East Reading with the consultants providing support, mainly by drawing up the schedules for the roads and the restrictions that would apply, with officers checking and correcting where necessary. Legal Services prepared the legal articles necessary quoting the relevant legislation. An officer from the relevant enforcement section Officer 2, was part of the project. Audit conclude that all parties would have discussed progress and allocated tasks to get the TRO complete. None of the people interviewed recalled any formal project documentation, minutes or instructions being recorded.
- 3.15. On 11 January 2018, Legal Services sealed the EAST READING RED ROUTE EXPERIMENTAL ORDER which ran from 15 January 2018 to 15 July 2018.
- 3.16. Note this is for six months and not the 18 months agreed by TMSC. However, evidence shows the order was advertised in the Reading Chronicle as applying for a period of eighteen months with an expiry date of 10 July 2019. No explanation has been found for this disparity.
- 3.17. The available records show that at the initial project meeting on 30 October 2017 there was discussion on requirements, and a handwritten legal note states a six-month experimental order is required. From that point on there is no written evidence to suggest that a specific eighteen-month order was considered.
- 3.18. Clearly, the order does not align with TMSC's expectations detailed above which called for an eighteen-month experimental order with the first six months to be allowed for statutory consultation and any significant adjustments to the scheme to be made in that period. The six-month experimental period could see the abandonment of the scheme, or it could continue for the full eighteen-month term (if it was extended) before being

made permanent. The six-month TRO was not brought back to committee within six months for approval or extension into an eighteen-month order.

### **March 2019**

- 3.19. On 07 March 2019 TMSC had an Agenda item 6 RED ROUTE – ROUTE 17. The Committee requested that:

*“the Head of Legal Services be authorised to make the appropriate experimental Traffic Regulation Order into a permanent Traffic Regulation Order under the Road Traffic Regulation Act 1984, advertised in accordance with the Local Authorities Traffic Orders (Procedure) (England and Wales) Regulations 1996.”*

- 3.20. After the committee minute is published there does not appear to be any evidence that there was an immediate concern on behalf of the relevant officers to get a sealed order in place for East Reading.
- 3.21. In September 2019, there is an email between Officers about forthcoming workload which indicated that the East Reading Route had to be made permanent. (This of course is some two months after the supposed date of expiry of the experimental TRO, and some 14 months after the actual date of expiry of the TRO).

### **September 2019**

- 3.22. On 12 September 2019, there was communication from officers in the relevant section asking Legal Services to seal the East Reading TRO. The usual legal officer was away and so their manager responded:

- 3.23. *“... following this afternoon’s meeting. I have checked the legal position and as I suspected the permanent order should have been made during the 18-month experimental period i.e., by 10 July 2019, so as a result the experimental order has not been in force since 11th July 2019. It is therefore necessary for the order to be re-advertised as a proposed permanent order and will have to go through the usual consultation procedure. I am afraid that until the order comes into force, the restrictions are unenforceable”.*

- 3.24. Note that the legal officer incorrectly assumed that the initial experimental order of 18 months was in effect (expiring 10 July 2019) which was incorrect.

- 3.25. On 1 October 2019, Legal Services provided further advice:

*“... the view is that a new report needs to be submitted setting out the consultation process, as otherwise if you rely on the existing March authority this procedure could be challenged. I understand that the next Committee is in November”.*

- 3.26. The Officer receiving the advice from Legal Services raised the issue with their manager, Officer 3, and with Officer 3’s manager, Officer 1. There is further email evidence that Officer 1’s line manager (Officer 4) was then made aware.

- 3.27. No further reference was then found to the East Reading TRO from this point until 26 February 2020 when Officer 3 sent a spreadsheet of programmed works to Officer 1 and Officer 4:

*10 Red Route - East RR The experimental TRO expired, so this will require re-advertisement (statutory consultation), with TMSC approval. Need to consider a strategy for this. TBC.*

- 3.28. Internal Audit could not find any email reply to the issue raised.

- 3.29. On 27 March 2020, Officer 3 sent a further spreadsheet ‘updated programmed works’ to Officers 1 and 4 with the following:

*10 Red Route - East RR The experimental TRO expired, so this will require re-advertisement (statutory consultation), with TMSC approval. Need to consider a*

*strategy for this. TBC - need advice how to proceed. Will need TMSC decision and legal support. Financial risk Yes (MTFS): currently unenforceable.*

- 3.30. At around this point the Covid pandemic hits and there is a lapse in enforcement work due to less traffic and lockdown restrictions. No further specific reference has been found after this point to the East Reading TRO as work that was outstanding within the relevant section.

### **Enforcement**

- 3.31. Internal Audit interviewed Officer 2 who stated that they had raised the concerns with Officer 1 and Officer 3 on several occasions. Officer 2 said it was not their decision to continue with enforcement, but that Officer 1 seemed to be waiting for a digitalisation project to correct the problem.
- 3.32. The digitalisation project was a plan to convert all the existing TROs into a new updated TRO with modern mapping, essentially swapping multiple paper-based text descriptions for accurate mapping which overlaid all restrictions from all previously made orders.
- 3.33. With no decision about the East Reading TRO issue and no digitalisation project on the horizon, the matter drifted. Officer 2 informed enforcement staff to refer any appeals about the East TRO to them as, “ ... *there may be an issue with the TRO*”.
- 3.34. There is email evidence that staff in the enforcement section were frustrated at reporting issues with TROs when nothing was done, and the result was that the PCNs issued were not contested or cancelled if they went to appeal.
- 3.35. Information supplied from interviews with staff employed in the enforcement section was that there was an instruction from Officer 2 in a team meeting to reject any informal challenges and allow payments for these PCNs. Should the case be submitted to the independent tribunal (Traffic Penalty Tribunal) staff were to offer no contest. TRO issues were to be passed to Officer 1 and Officer 3.

### **Internal Audit conclusions**

- 3.36. The investigation could find no explanation as to why the East Reading TRO was only created for 6 months but was advertised as an 18-month experimental order.
- 3.37. There was no previous experience in RBC or other local authorities outside London in the creation and implementation of Red Route ‘no stopping’ TROs.
- 3.38. The emails examined and the interviews conducted would appear to paint a picture of a reactive service that was under constant pressure, and which did not maintain adequate records, either legal or operational, that would underpin key decisions and evidence sign-off of key stages in the creation of complex TROs.
- 3.39. The records retained in Legal Services, do not contain any clear instructions or records in minute form of how the East Reading TRO was constructed or that the issue was escalated within Legal Services.
- 3.40. The investigation found no explanation as to why officers did not rectify the situation with the East Reading TRO once they had been informed that it was legally unenforceable. The only comment made was that a proposed digitalisation project would enable the error to be rectified.
- 3.41. The officer who was in possession of the facts and was responsible at that time for these functions was Officer 1 who is no longer with the organisation. They have been interviewed subsequently but claim to have no recollection of the TRO never being made permanent. Officer 1’s senior manager, Officer 4 who was also made aware of the situation is also no longer with the organisation. They too have been interviewed but claim to have never been informed that the TRO was unenforceable. There is also no recollection from the officer interviewed in Legal why a six-month TRO was made instead of an 18 month one. There is no evidence that Officers 1 & 4 reported this issue to the Executive Director or any councillor at the time.

- 3.42. From September 2021, after Officer 1 left, Officer 3 did not act further on the information.

### **Other TROs**

- 3.43. When the Red Route issue came to light earlier this year, enforcement ceased pending investigation. Relevant departments were also asked to identify any other similar TROs where they had concerns about errors, enforceability or breach of process. As a result, a number of other TROs were identified, these have been reviewed by officers with support from Legal Services and Internal Audit. It should be noted that these Orders have not been investigated by Audit in the same way that the East Red Route. It is therefore not possible at this point to identify how and why these errors occurred.
- 3.44. **Appendix 2** details those additional TROs where errors have been made. In some of those cases, PCNs were incorrectly issued and will need to be repaid in the same way that the East Reading Red Route PCNs.

### **Maladministration – Poor Administrative Practice**

- 3.45. There was clearly a demonstrable lack of process and procedure around the creation of the East Reading TRO. Significant errors and oversight occurred which resulted in the creation of an experimental TRO that was only legally enforceable for six months instead of eighteen months in line with councillors' expectations.
- 3.46. Officers responsible for the creation and management of TROs did not notify councillors via TMS to enable the original situation to be addressed. This resulted in the lapsing of the initial TRO and it subsequently becoming unenforceable.
- 3.47. There were a significant number of failures surrounding the creation and enforcement of this TRO.
- 3.48. The history of this TRO shows a lack of any specific guidance in written form to provide control and ensure that the process of creation and enforcement of Orders was carried out correctly. Staff were working under pressure to produce complex documents and were making assumptions that the process they and others were following were correct. As a result, errors and omissions crept in and were not identified and checks and follow up action was not promptly taken.

### **Maladministration – Failure to remedy**

- 3.49. Between September 2019 and May 2024 some officers in the Council knew that the East Reading TRO was unenforceable, and they had no legal basis to enforce it. Despite knowing this, they allowed motorists to be charged via PCNs and enforced that financial penalty on initial representations. Only when faced with an appeal to the Traffic Penalty Tribunal did they waive the enforcement action.
- 3.50. Internal Audit's finding is that there has been a culture of evasion and failure to address known errors by senior managers in the Council. Senior managers were made aware at the time that there were issues with enforceability of the East Reading TRO and failed to act. After one of those senior officers responsible for the overall management of the Service left the council in September 2021, the officer responsible for the creation and management of TROs, did not inform the incoming senior management of the issues surrounding the East Reading TRO. This has resulted in the persistence of policy of enforcing parking charges from 15 July 2018 until very recently in 2024 (when enforcement stopped pending investigation).
- 3.51. The investigation found evidence in emails reviewed, that from September 2019 there was a general awareness that the East Reading TRO was unenforceable. It was also clear from the legal advice that had been given via email that to restore the TRO would require a complete restart of the process from the beginning including a consultation period.
- 3.52. The failure to tackle the situation in a timely fashion meant that the likelihood of addressing the issue would become harder over time.

- 3.53. While this was going on, PCNs were being issued for infringements of the Red Route no stopping and no waiting restrictions without legal authority to do so.
- 3.54. Officers with responsibility for these matters have at various times in 2022 and 2024, discussed the absence of an enforceable TRO in respect of East Reading. The officer responsible for the creation and management of TROs did not remedy the situation or inform incoming senior management of this situation and its implications.
- 3.55. As a result of the awareness of the East Reading issues, it has been discovered that there are other TROs with irregularities that will need remediating. These are considered later in this report.

### **Scheme of Restitution**

- 3.56. Given that the Council had no lawful basis on which to charge PCNs for TROs which had not been properly made, there is no lawful basis to retain that money and motorists who were wrongly charged should be repaid.
- 3.57. **Appendix 2** sets out a proposed draft Scheme of Restitution for Council to agree. It is also recommended that delegation is given to the Assistant Director for Planning, Transport & Public Protection, to amend this scheme (in consultation with the Lead Councillor, the Director of Finance and the Assistant Director of Legal and Democratic Services) so that if circumstances reveal that it requires amendment, then those changes can be addressed quickly without waiting for the next appropriate Committee date.
- 3.58. It is also recommended that the Audit and Governance Committee is asked to monitor the implementation and effectiveness of the Scheme, and when they are happy that it has reasonably achieved its objectives, to decide when it can be closed.

### **Improvement Plan**

- 3.59. It is reasonable for councillors to seek further assurance that all errors have been notified and no further errors will be identified. A number of additional measures are being put in place.
- 3.60. First, all TROs and plans will be reviewed as part of the Digitalisation Project. The business case for this project is being reviewed as part of the Action Plan measures. The Digitisation Project will link digital spatial data and maps to revised TROs. This is a resource intensive piece of work (there are 241 TROs in place) and may take two years to complete and the Council will need to allocate further budget to it once the project is scoped.
- 3.61. Secondly, Parking Enforcement will keep an open shared list of any issues which arise at Traffic Penalty Tribunal about past TROs and this list will be shared with Network Services, Strategic Transport and Legal Services to investigate and resolve.
- 3.62. Thirdly, all new orders brought in by Network Services or Strategic Transport will be double checked on-street by Parking Enforcement to confirm that all signs and lines are correct and match the new TRO, and until this survey has been completed, no enforcement work will begin on site.
- 3.63. These measures should provide some additional checks. In addition, there will be a continued focus on the Action Plan through the Audit and Governance Committee and a further report back to Council in due course. Further actions may arise from the reviews which have been identified in the Action Plan.

### **Action Plan**

- 3.64. The primary assurance for Council is that something like this does not happen again. An Action Plan is proposed with a number of measures to address some of the issues raised by the Internal Audit investigation. **Appendix 4** contains the full details. In summary:



- We will resource a team to provide restitution for residents and repay PCNs which should not have been charged
- We will monitor the effectiveness of the Restitution Scheme at Audit and Governance Committee and revise it if we need to
- We will investigate any further issues which emerge as result of the publicity around this report
- We will fix the TROs which have errors and start public consultation as soon as possible
- We will monitor the implementation of the TROs at Traffic Management Sub-Committee
- We will instigate a new project to digitalise all TROs and in this way, we will review and check all the existing TROs
- We will undertake a review of the Services involved in making TROs to improve systems and processes and make sure they have the capacity needed for the work of the Council
- We will review procedures to follow-up on decisions which have been made to ensure they have been implemented correctly
- We will conduct a follow up audit of the Service concerned
- We will review the Council's Whistleblowing procedures

#### **4. Contribution to Strategic Aims**

4.1. Clearly, this report does not advance the Council's strategic aims. Whilst proper regulation of traffic is a legitimate objective for the Council as outlined in section 2 above, the maladministration described in this report damages the Council's reputation in trying to achieve those legitimate aims. However, in resolving this situation the Council should be mindful of its underpinning objectives, "Our Foundations", improving the way we work at the Council:

- People first
- Digital transformation
- Building self-reliance
- Getting the best value
- Collaborating with others

4.2. In the proposed Action Plan, the Council will consider and address why staff didn't work effectively together in the first place, and when a serious error was discovered, why it wasn't rectified as soon as possible.

#### **5. Environmental and Climate Implications**

5.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).

5.2. There are no climate impact assessments relevant to this issue. It may be noted that whilst some enforcement is now suspended in certain areas pending implementation of new Orders, then congestion may increase in parts of the town.

#### **6. Community Engagement**

6.1. There has been no consultation with the community about the development of this report. There is a Communications Plan in place to ensure that members of the public who are entitled to refunds can understand how to claim.

#### **7. Equality Implications**

- 7.1. Under the Equality Act 2010, section 149, a public authority must, in the exercise of its functions, have due regard to the need to -
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2. An Equality Impact Assessment (EqIA) is not relevant to the decision to advise councillors about a maladministration. The Council will have due regard to the Equality Act when dealing with restitution queries.

## **8. Other Relevant Considerations**

- 8.1. There are none.

## **9. Legal Implications**

- 9.1. The Council's Monitoring Officer has a duty to report a maladministration to the Council under section 5 of the Local Government and Housing Act 1989. Not every mistake made by the Council amounts to a maladministration. Numerous checks and balances are in place to ensure that errors and mistakes are identified and corrected. These measures might include such things as our consultation and complaints processes, and in many areas of the Council's decision making, there are appeal processes.
- 9.2. In this instance the normal checks and balances were circumvented, and this makes the issue one which falls into an entirely different category. Staff were informed of possible errors on the East Red Route, but enforced PCNs nonetheless, and when cases were coming to Traffic Penalty Tribunal, (which might have alerted the wider public to the fundamental error) staff offered no contest and withdrew the cases.
- 9.3. In order to rectify this situation, it is appropriate for the Council to refund money which has been paid on PCNs for those TROs which it has been found were incorrectly made as the Council had no authority to collect the money.
- 9.4. In some of the other instances of mistakes, these are of a more technical nature or an administrative "slip". These have been reviewed with the assistance of King's Counsel and the Council believes that it has achieved the correct balance between repayment of some PCNs but not others. Summary reasons are given in Appendix 2.
- 9.5. In making this report, I am obliged to consult with the Chief Financial Officer and the Head of Paid Service, and I can confirm to councillors that I have done this.
- 9.6. It is important lessons are learnt to reduce the risk of this happening again. The Action Plan attached at Appendix 4 seeks to ensure that officers effect change in the Council including bringing about a more open and transparent culture where mistakes can be raised and addressed as quickly as possible.

## **10. Financial Implications**

- 10.1. Reading Borough Council holds earmarked reserves that are set aside to fund unforeseen costs. The restitutions required in this report will be funded from those reserves and will not impact on service provision.

## **11. Timetable for Implementation**

- 11.1. The Council's website will be open for repayment claims from 16 October 2024.

## **12. Background Papers**

- 12.1. There are none.

## **Appendices**

- 1. Confidential Audit Report**
- 2. List of TROs incorrectly made**
- 3. Proposed scheme of Restitution**
- 4. Action Plan**