**SUSTAINABLE DEVELOPMENT, TRANSPORT AND PLANNING COMMITTEE**

**15 NOVEMBER 2016**

**8. PROCUREMENT OF NEW PARKING ENFORCEMENT CONTRACT – INITIAL INVESTIGATION**

(DCES)

1. **Summary**

* 1. This report asks the Committee to consider a variety of possible arrangements for the provision of the parking enforcement service, as the existing contract expires in Spring 2018. This results from a requirement by Watford BC that the District Council determines and commits whether to progress a joint procurement process in early 2017.
  2. While the main recommendation is to determine a response on whether to commit to a joint parking contract with Watford BC, an alternative recommendation is made, to further investigate several other models that appear initially to be more effective than others to provide on- and off-street parking enforcement services in the District.

2. **Details**

2.1 Members of the Sustainable Development, Planning and Transport Committee received a report on the costs of the existing parking contract in September 2015. In February 2016 a report was presented to the same Committee detailing Parking Service charging and Income. At both Committees Members resolved to:

* *undertake with Watford BC sufficient market testing for the future management of the parking enforcement service beyond 2018 before entering into any new arrangement.*

Members also resolved to undertake market testing for the management of the parking service and the enforcement service both independently and in partnership with neighbouring authorities during 2017 before entering into any new arrangement.

2.2 Officers were asked to research the alternative opportunities for procuring a new contract for our parking enforcement services. This report considers opportunities and implications for six potential models, four of which are currently employed by districts in Hertfordshire. Throughout this report, abbreviations and acronyms are used including the following:

* ‘CEO’ (Civil Enforcement Officer, referring to the on-street enforcement workforce)
* ‘PCN’ (Penalty Charge Notice, referring to parking tickets).
* ‘P&D’ (Pay-and-display, referring to method of charging for parking)
* IT and ICT (Information technology, referring to computerised systems)

2.3 The District Council’s current parking enforcement contract

The Council shares its Parking enforcement service with Watford and Dacorum Borough Councils. On-street enforcement is carried out by Civil Enforcement Officers who are managed through a contract between Watford Council and a private firm, Indigo (formerly Vinci Park Ltd). Both this contract and the enforcement service are managed by Watford Borough Council.

2.4 The current 10-year parking enforcement contract, covering Watford, Three Rivers and Dacorum, is due to end in Spring 2018.

2.5 The total value of the contract annually for all three authorities is £2 million. The contract cost is split between each authority based on the enforcement costs it uses. The District Council currently pays approximately 12% of the contract costs, which equals around £183k each year. In addition, the District Council pays performance-related pay based on the achievement of KPI targets. This is a cost of approximately £25k each year.

2.6 The contract with Indigo provides to the District Council:

* + The equivalent of just under four Civil Enforcement Officers
  + Counter staff at The Parking Shop
  + Contract management by Indigo
  + Uniforms and equipment
  + ICT and handheld devices
  + Vehicles and associated maintenance costs
  + Cash collection, P&D machines and maintenance.

2.7 The current cost breakdown for Three Rivers DC is included at **Appendix A**. A comparison of the numbers of staff employed for this contract with those employed by other local authorities is included at Appendix C.

2.8 The District Council has an agreement with Watford BC for them to deliver the management of the Parking Service. This agreement currently costs this authority approximately £80k per annum. The agreement includes the following:

1. Rent and associated building costs for the building containing the Parking Shop in Watford
2. Management costs for the parking enforcement service and associated functions of the Parking Shop
3. Representation Officer costs
4. Web, IT and telephony charges.

2.9 The management and Representation Officer element includes:

* Indigo contract management,
* processing and administration of Penalty Charge Notices,
* managing appeals and cost recovery,
* managing resident and business parking permits,
* management of car parks,
* management of signage/lines,
* dealing with public enquiries,
* Service marketing.
* management of bailiff contract and three appointed companies.

2.10 In addition, the District Council directly employs a Representations Officer who is based at the Parking Shop. This is a total cost of £32k per annum. This role undertakes many of the elements in paragraph 2.9 in addition to a number of other specific traffic management duties for the District Council.

2.11 Procurement of a new parking service contract – Models and Options

In considering alternative options of providing our parking enforcement service Officers have met with Officers from other authorities and undertaken some desk top investigations. For a full understanding of progressing an alternative parking enforcement service, whether in-house or through a contract, or a partnership approach with another Local Authority, specialist input, at a cost, would be required with a full procurement exercise to fully understand the cost and the opportunities available. The final specification of the contract would also affect cost. However, Officers have attempted to gather the information to present Members with sufficient information to understand alternatives available.

Following discussions with a range of other local authorities in and around Hertfordshire, officers have identified several options that are available to the District Council. Each option works under a particular model. These models range from a fully in-house service to a largely outsourced service, with variants in this range that involve part-sharing different parts of the services with other Authorities.

The service functions that we have identified include:

1. On-street enforcement (including a range of enforcement officers from ‘basic’ to supervisors).
2. Back-office processing of parking tickets (penalty charge notices or PCNs). This includes officers dealing with two stages of challenge to PCNs; the first stage being a written representation (for which the District Council is required to employ an officer) and the second stage dealing with appeals to the tribunal.
3. Permit application processing and issue of permits.

Each of these functions is dealt with by other Local Authorities in slightly different ways particularly in the way that outsourcing to other Authorities or to private firms is managed. These models include:

* + - Fully **in-house** services, where the enforcement officers are directly employed and managed, permits are issued and challenges are processed all in-house (for example Hertsmere BC).
    - A **balanced** service, where all back office services are operated in-house and on-street enforcement is directly outsourced to a private firm.
    - A **balanced shared** service, where all back office services are shared with another local authority and on-street enforcement is directly outsourced to a private firm (for example, the East Herts consortium).
    - A **shared contract** service, where both back office and on-street enforcement services are contracted out to another local Authority, with the on-street enforcement then further outsourced to a private firm (this is the model currently operated by TRDC)
    - A **fully shared or partnership** service, where a lead authority acts on behalf of other authorities in a consortium, where the enforcement officers are directly employed and managed, permits are issued and challenges are processed all in-house (for example the suggested potential model).

Each model has benefits and disbenefits, generally in terms of cost and quality. Quality impacts tend to be related to the control of the authority over the effectiveness of service provision.

For example, the current Watford/Indigo contract is theoretically less costly because back office services are shared; but at the same time, the additional layers in management and the complexities caused by the need for multiple interrelated contracts have the direct effect of reducing the influence of the Council over the enforcement.

The options currently available to the District Council are set out below.

2.12 Options for providing the parking enforcement service

* + 1. Continuation of arrangements with Watford Borough Council (Model with an external service provider) (**shared contract model**).
    2. Joint working with another local authority (such as Dacorum Borough Council) to secure parking enforcement services (**shared contract model**).
    3. Provision of an in-house parking enforcement service (**in-house model**)
    4. Provision of a Local Authority service managed by a Lead Authority with a joint Parking Services Manager (**fully shared or partnership model**).
    5. Joining a consortium of Local Authorities with a service managed by a Lead Authority but with an external service provider, for example the East Herts consortium including East Herts DC, Welwyn and Hatfield DC and Stevenage BC (**balanced shared** **model**).
    6. Provision of a Local Authority service managed by a Lead Authority for on- street parking only, specifically Chiltern and South Bucks.

G. ‘Do nothing’ option – withdraw from decriminalised parking enforcement

G1. Reduced decriminalisation activities with potential use of new statutory powers.

2.13 **Option (A) Continuation of arrangements with Watford Borough Council with an external service provider**

Officers from Watford BC have confirmed they are committed to continuing with the existing arrangements and commencing a joint procurement exercise with Three Rivers for a managed contract. The contract will be jointly renegotiated to ensure the future requirements of the District Council are met.

2.14 However, Three Rivers Officers have recently been made aware that Dacorum BC has not been invited to participate in the arrangements for a new contract. It is intended that all present arrangements will continue until the current contract expires in spring 2018. As such, from spring 2018 any partnership arrangement would only include Watford and Three Rivers DC.

2.15 In support of continuing this service arrangement the existing Parking Services Manager has provided some information on the existing partnership.

“Due to the length of the partnership with Three Rivers, Watford have knowledge of the Three Rivers set up, infrastructure and general requirements, including the management of resident parking schemes (which not all authorities manage), as well as being within a reasonable proximity for Three Rivers customers of the Parking Shop and deployment of enforcement staff, minimising enforcement time lost through travel.

For the most part, a lot of the parking rules and policies of Watford and Three Rivers have been fairly consistent, which means that there is also a consistency for residents and motorists moving between the two areas.”

2.16 The existing Parking Services Manager has acknowledged that there was an expectation technological advances such as increased online application systems would have advanced at this stage under the current contract. Much of this delay is alleged to have been caused by the current software supplier and this remains an issue of ongoing dispute.

2.17 Going forward, the Parking Services Manager has confirmed there will be a number of areas that Watford BC consider could be improved, in addition to any further concerns raised by the District Council. His views are summarised below:

*The Parking Shop building*

* *Currently open 8am to 6.30pm, Monday to Saturday. We are looking at reducing the hours over a phased period with only a minimal number of days open by the point that we enter the new contract.*
* *Most parking shop visitors purchase visitor vouchers. We hope that the introduction of new online and virtual services under the new contract will allow for a total closure of the Parking Shop, which will reduce the number of contracted staff that need to be employed.*
* *Many Parking Services no longer operate Parking Shops or only do so for very minimal periods. St Albans did this a few years ago, via their contractor, NSL, and report it caused no major issues or public complaint.*

*Virtual Vouchers/ Permits*

* *Permits and vouchers are currently in hard copy form which means various user issues and is significantly expensive*
* *Virtual systems are effectively the same as cashless parking and many of the solutions are actually offered by the same providers.*
* *However, a number of notice processing system providers also incorporate these services now and we have already seen a few of these as part of the market testing. This will be tied in to replacing hand-held equipment.*
* *However, we ideally need to ensure that there is a smooth transition for the customer between our existing systems and any new one implemented, which will hopefully avoid a requirement for new pin numbers but this cannot be clarified until we have further information from the potential suppliers themselves on their migration capabilities and limitations.*

*Hand-helds/PDAs/PTT*

* *Indigo confirm that it will arrange for a trial of some Push To Talk [PTT] technology on this contract.*
* *These are likely what we will move to under the new contract, whether with Indigo or not, and they will replace the current walkie-talkie type radios. The current radios rely on masts throughout the areas to maintain connectivity whereas, the PTT system relies on satellites and is far more stable.*
* *We hope to move to full deployment of PDAs or mobiles, which will have an ANPR facility that is linked to the new back-office system. This will reduce the contract costs of hand-helds considerably as phones are much cheaper to purchase and replace, improve the camera quality (removing separate cameras entirely).*
* *This will enable CEOs to simply scan a vehicle’s registration and know whether it has a permit or has paid for parking etc.*
* *These systems can also easily facilitate the lists of concessions and special instructions given to CEOs each day, as well as any live updates or messages to be sent directly to a particular CEO at any given time.*

*Back-office system*

* *This is a significant area of the contract as this system effectively allows all operations to take place both by the Council and the contractor.*
* *The market is not flooded with either enforcement contractors or notice processing systems and all authorities are generally using one of a selected few. However, we have visited both authorities and suppliers, which we will continue to do, and it is evident that we can improve upon our current set up going forward.*
* *New systems will be able to accommodate both the virtual systems outlined above and interface with a variety of applications to facilitate ANPR and add-ons, depending upon the system.*
* *This will include greater reporting and monitoring abilities, including heat mapping showing where most issuing or illegal activity occurs, allowing for more proactive deployment, and real time tracking information to determine precisely where a CEO is located at any given time.*
* *This will allow the closest staff member to be deployed to particular requests and a direct route can also be forwarded to them on their PDA. All systems include all the usual requirements in relation to notice processing and progressions of case work etc.”*
* *Like all Authorities WBC will be ensuring their new contract services meet their needs whilst providing value for money. The continuation of this managed contract arrangement may result in some technological advances and possible efficiency savings, although it is likely these will be also be explored in any other model progressed.*

2.18 Officer comments:

* Three Rivers Officers are familiar with Watford BC ways of working and are aware of the challenges that the current team has faced in effectively implementing this current contract, particularly in terms of the inflexible terms of the contract.
* Watford being geographically close to the District, there are time-saving opportunities for enforcement and meetings compared with services shared with other Authorities
* Officers have extracted data from Watford BC records, not all of which indicates that an effective and low-risk operation has been carried out to date under the current contract. However, there have not, to our knowledge, been any actual contractual challenges to the contractor (Watford BC) by the District Council.
* Three Rivers Officers have discussed the current model with other experienced Local Authority officers from other Hertfordshire Districts. Comments received informally during these discussions indicate that these officers, each of whom has long experience of running parking enforcement operations under different circumstances, consider that based on the figures they have seen, the current WBC and Indigo contract does not provide Three Rivers District Council with a valuable service
* Officers have been informally advised that the costs to the District Council, relative to the size of its smaller operation, should be reduced in any future contract. This is supplemented by a direct offer received from one of these Authorities, which offers a similar service at a cost lower than that of the current contract.

2.19 **Option (B) Joint working with other Authorities (such as Dacorum Borough Council) to secure parking enforcement services**

Essentially this service would be procured as above but with a different Local Authority. Overall this contract would be smaller than that detailed above due to the reduced parking enforcement requirements of Dacorum compared to Watford BC, however, it would still be procured on proportionate costs for each Local Authority.

2.20 Officers have met with an Officer from the procurement team at Dacorum BC who has been tasked with looking at the options for procuring Dacorum’s parking enforcement service. They have no firm ideas to date although have stated they are keen to progress technological advances. However, they have verbally advised they would not be averse to working with Three Rivers DC but have made it clear that they are still exploring their options.

2.21 **Option C) In-house service**

Officers are aware both Hertsmere and Broxbourne run their own in-house Parking Enforcement Services for on and off-street parking and have done so for many years. This is an option the District Council may consider but in addition to employing staff directly there are a number of initial start-up costs including for new IT hardware and software. Providing our service independently also means the Council would not benefit from economies of scale achieved by partnership with others and/or a private provider.

2.22 Without fully investigating the future demands and needs of the parking enforcement service it is difficult to cost any future service but an in-house service would likely require at least the following staff:

* + Parking Services Manager
  + Processing Supervisor
  + Informal Challenges Officer/Permit Processing Officer
  + Representations Officer
  + Civil Enforcement Officer Supervisor
  + 4 Civil Enforcement Officers (based on current number)
  + An officer would be required for P&D machine maintenance/emptying of P&D machines.

2.23 Unless otherwise stated, at least one of each post/role would be required but this would depend on workload. Only having one member of staff in each role would result in minimal resilience to the service if one person is absent.

2.24 Three Rivers would have responsibility for recruiting all the staff and for their on costs, which is not a requirement of the current contract. With these extra costs come the additional responsibilities of managing more staff with impacts on resources of other departments such as HR. Anecdotal evidence from Hertsmere BC suggests Civil Enforcement Officers have recently been difficult to recruit.

2.25 The Customer Service Centre staff would need to be fully trained and utilised as front line staff if we did not have a dedicated Parking Shop (as currently) as the public would be contacting the authority directly for enquiries/to pay fines/collect permits etc. Alternatively additional (approx. 2) members of front line notice processing staff would need to be recruited. This is likely to incur additional resources.

2.26 However, the use of Customer Service Centre staff for front line contact could be a requirement of the other options and may reduce the level of back office staff required if trained. Using the Customer Service Centre staff as an alternative to other frontline staff could be an option in any model chosen.

2.27 Bailiff services would need to be established. This can be in-house but will require appropriate trained Enforcement Agents, or the service can be contracted out at a cost and managed by the Parking Services Manager. Again, this may be required as part of other options detailed.

2.28 Bespoke IT systems would be required including back office systems and remote devices for Civil Enforcement Officers (CEOs). Vehicles would be required to transport around the District with associated maintenance costs and a cash collection vehicle. There would be costs for stationery such as P&D machine ticket rolls, permits, Notices and uniform costs.

2.29 Officer comments:

* This assessment is not exhaustive but provides some detail of the resources involved in providing an independent in-house service.
* This model has been successfully operated by Hertsmere BC since decriminalisation in the 1990s and rolled out to Broxbourne BC by them. While those Districts have different enforcement needs to those in Three Rivers, it is clearly a viable option.
* This assessment is based on the provision of a stand-alone parking enforcement service and various elements described here could be potentially combined with other enforcement services that are already carried out in-house (such as for bailiffs, customer services or IT systems).
* This option obviously carries a requirement for significant commitment in terms of time, resources and expertise. Conversely, many of these costs could potentially be estimated more accurately than can be achieved for outsourced services.

2.30 **Option D) Provision of a Local Authority service managed by a Lead Authority with a joint Parking Services Manager.**

Another local authority X runs its full parking service in-house, directly employing staff including 12 Civil Enforcement Officers. The service is managed by a Parking Services Manager.

2.31 As a comparison, X issues approximately 8000 PCNs annually, as compared to the District Council’s 4000. X issues 5000-6000 permits a year and 400 business permits, whereas the District Council issue approximately 800 permits a year and 65 business permits. They have a bigger and busier parking service than the District Council but X Officers consider there are comparisons between each Authority and are keen to consider a partnership arrangement with the District Council where they provide their in-house service to the District Council.

2.32 There have been some discussions and meetings with Officers regarding joint services and based on the current volumes of permits and penalty charge notices (PCN) issued, X have advised in writing they could provide a call centre based in Borehamwood, with a permit processing, representations, and administration team also operating from there. Importantly there would be a dedicated front line enforcement team consisting of 4 operating in the Three Rivers District. X Officers have advised they could provide our existing service levels at a reduced cost, see letter attached at **Appendix B**. However, it should be noted that at this stage it is not clear whether this includes all services currently provided by Indigo/Watford BC such as debt recovery/instruction to bailiff services etc. There are ongoing discussions with X Officers.

2.33 In support of their proposal, X have stated, *“With this arrangement X would also provide expert (bespoke) advice on levels of charges, and the application of controlled parking zones (CPZs). X has experience of operating both on and off street enforcement since decriminalisation in 1995, having regard for similar local economies, residents and the requirements of the general public in comparable centres.*

*Other benefits would also include a quarterly reporting process, the availability of managers to be present at relevant council committees, and the provision of the technical expertise in the formulation, revision and monitoring of a parking management strategy for the District Council.*

*X would work closely with and provide update information for the District Council web and social media communications team.”*

2.34 Officer comments:

* This option seems attractive in terms of effectiveness and ease of implementation, given the expertise and experience that X could provide.
* The effectiveness of this option is likely to be relatively high given the more direct control that the Council would have over on-street enforcement operations (with reduced levels of interim contracts).

2.35 **Option E) Joining a consortium of Local Authorities with an external service provider for parking enforcement managed by a Lead Authority with the back office services, for example East Herts DC, Welwyn and Hatfield DC and Stevenage BC.**

East Herts DC, Welwyn Hatfield DC and Stevenage BC outsource part of their parking enforcement services to an external provider, which is currently NSL. East Herts DC hold the contract and then manage this contract on behalf of the other two authorities. The contract provides some limited notice processing services to the Council. In addition, East Herts District Council are responsible for providing the back office services for the other 2 authorities in terms of notice processing, secured by Agency Agreements with these authorities.

2.36 East Herts DC handles 45,000 PCNs per annum on behalf of its own service and the two other authorities. East Herts does not have a Parking Shop. Individual customer service centres for each authority use their front office/customer service centre staff to handle low complexity/high volume calls and enquiries. They have confirmed they currently have the following staff handling PCN processing for all three authorities and managing East Herts DC’s permit schemes:

* Parking Manager
* Enforcement and Admin Manager
* 4 x Notice Processing Officers
* 2 x Admin Support Officers
* Contract Manager
* Car park inspector/officer

2.37 These existing Districts all have a combination of CPZs, resident parking schemes, car parks and on street parking bays between them, similar to the District Council. However, Welwyn Hatfield and Stevenage predominantly handle their own off-street parking enforcement. As such Welwyn Hatfield DC and Stevenage both have their own Parking Managers and run their own permit schemes and car parks.

2.38 Each Authority is provided with its own local enforcement staff (CEOs). However, the CEOs can work across District boundaries if necessary and there is a requirement allowing a level of flexibility for special events/to cover sick leave etc.

2.39 Currently, the East Herts District Council’s external contractor/Service Provider operates from premises supplied by all three, rather than central premises. This is because of the time taken to travel between and around the Districts. This would have to be considered by the District Council in addition to providing some form of frontline customer service if main operations were from East Herts DC offices.

2.40 The existing East Herts contract, which is a 5-year contract, expires in January 2018, a year after Three Rivers District Council’s existing contract. However, the Parking Services Manager at East Herts DC has confirmed the District Council could enter the contract next year and then be partner to the procurement process for negotiating a new contract from 2018.

2.41 The main difference with this contract arrangement is that each authority pays retrospectively for the contract services actually used each month (in addition to a fixed amount to East Herts to manage the contract and other services). This is formula based and is worked out based on the number of PCN tickets issued. In addition, it appears that this contract currently allows a level of flexibility which means certain authorities pay for different services from the external contractor. For example East Herts DC includes the provision of cash collection services from pay and display machines, and pay and display machine maintenance from the external contractor.

2.42 The formula applies to all elements of the target costs that are billed monthly, including IT provision, vehicles, stationery, uniforms and equipment etc. In the event that the enforcement contractor was providing these resources directly to any one authority then the costs to them would be the same, meaning that the sole authority would be liable for 100% of the charges alone.

2.43 **Option F) Provision of a Local Authority service managed by a Lead Authority for off-street parking only (such as Chiltern and South Bucks DC).**

Chiltern DC and South Bucks DC have a shared service for parking. However, they only enforce off street parking in their car parks as the County Council has retained responsibility in Buckinghamshire for all on street parking controls. The parking service operates from Chiltern DC offices and comprises a team of 11 staff (9 FTE) including 5.5 FTE CEOs who issue approximately 6000 tickets in the car parks of South Bucks and Chiltern Council areas each year.

2.44 Officers have met with the Parking Services Manager who is keen to explore providing our parking enforcement service as a Lead Authority or similar. Whilst they currently only provide off street parking enforcement their Head of Service considers they could extend their service in Three Rivers District to cover off-street parking (but not on-street parking, which they do not enforce).

2.45 Officer Comments:

* This option would only allow for the enforcement of off-street parking. The District Council would therefore have to continue to run an on-street enforcement operation.
* The figures suggested by CDC and SBDC suggest that an off-street operation like this could be very lucrative (and similar views were returned for Stevenage BC).
* One variation on this option could be for the District Council to reconsider its position in relation to Decriminalised parking enforcement and consider reducing or ceasing its operation. This would affect the County Council which would have to be comprehensively involved in such a decision. More detail is provided in Option G below.

2.46 **Option G – Cessation of Decriminalisation activities (or modified version)**

2.47 The ‘do nothing’ option should always be considered where available. At present, the District Council runs a Decriminalised enforcement operation costing just under £500,000 with a loss of around £180,000 in 2014/15. This operation includes the costs and enforcement of all new parking controls. This loss is subsidised from other sources, a practice which is explicitly opposed by the Government. At the same time, enforcement income should not be used for future budgeting because the objective of enforcement is perfect compliance, with no PCNs being issued at all, rather than as a revenue-raising vehicle.

2.48 It is clear from these figures that from a purely economic perspective, the District Council would benefit from withdrawing from all parking enforcement where this is incurring losses.

2.49 This option would be likely to be politically unacceptable as, while it is possible that other powers could potentially be used to address many complaints of parking problems (see section 2.50 onward), the District Council would not be able to continue the introduction and management of controlled parking zones to promote parking for residents. If this option were carried out, it would have significant wider-reaching implications for other authorities, particularly the County Council. As a result, while this option is considered, it is not recommended.

**Option G1 – Reduced decriminalisation activities**

2.50 Modified versions of option G could be investigated. In particular there are potential options to reduce the extent of decriminalised parking enforcement (and the associated introduction of new parking controls) but retain some control over many aspects of on-street parking through other legal mechanisms such as through antisocial behaviour powers.

2.51 The District Council’s Community Partnerships team is currently investigating the potential use of antisocial behaviour powers to control parking on the footway. A key finding of their research is that enforcement using these powers can be self-financing. The Council may have the option to use such powers created by *The* *Anti-social Behaviour, Crime and Policing Act 2014*, including “Community Protection Notices” (which can be issued to individuals) and “Public Spaces Protection Orders” (which can be created by councils after the appropriate publicity and consultation) to control specific behaviours in specific locations. Officers have discussed the operation of a wider range of these powers to address the many parking-related concerns identified by the public on the adopted public highway.

2.52 It seems that these powers can be used in many ways to supplement the statutory powers under the Road Traffic Acts that are used in decriminalised parking enforcement. These powers are particularly flexible, potentially relatively inexpensive and easy to introduce, with a similar impact to existing parking controls; although they would not allow for the introduction and operation of controlled parking zones (residents permit zones, for example).

2.53 Any specific proposals would of course attract a carefully designed procedure to ensure that comprehensive consultation is carried out with relevant groups including, where appropriate, the general public (for example, in any location that the public has a right to use or may use ‘as of right’ such as the adopted public highway). This level of consultation is currently used prior to the making of any Traffic Order. A full assessment would be required of the effectiveness of the use of such powers relative to those used under the Road Traffic Acts, before further consideration of this option and before any such controls were introduced.

2.54 Officers, with the Council’s legal team, have identified the potential risks to the possible use of these powers. This includes the limitations set out in the legislation; for example, a *Public Space Protection Order* can only be used where activities have had (or are likely to have) “a detrimental effect on the quality of life of those in the locality”. Another risk is the possibility of legal challenge through judicial review, which is common to most statutory order-making powers (such as Traffic Orders). It is considered that at this stage, while these risks are significant, they do not in themselves represent reasons why this option should not be considered and further investigated.

2.55 These powers could, to some extent still to be identified, supplement existing parking control powers across the District, potentially at a significantly lower cost than the existing parking enforcement contract, or potentially of any alternative option under decriminalised enforcement.

2.56 **Officer Comments on options G and G1:**

* Option G to ‘do nothing’ by withdrawing fully from decriminalised parking enforcement must be considered as it is a viable option. The main benefit of this would be the immediate saving of costs of the parking enforcement contract. It is considered that this option is likely to be unacceptable politically as it would mean the Council withdrawing from this responsibility which it has undertaken for many years and because there is no current option for it to be replaced. Full withdrawal is not therefore recommended.
* The reduced parking enforcement mechanism suggested by option G1 is a possibility that would, if further investigations show it likely to be successful, potentially enable the District Council to continue to enforce existing parking controls and operate controlled parking zones, while reducing the installation and enforcement on-cost of new parking restrictions through the use of the alternative new powers described in section 2.51 above.
* This option is new and untested to a large extent but initial investigation suggests that it is worth considering as a possible supplement to decriminalised parking powers.
* On initial investigation, it would appear that this is a route that the District Council must investigate if it intends to carry out a full and thorough assessment of the options.

**3.** **Options/Reasons for Recommendation**

3.1 The District Council must take a decision now on whether to continue with the current model, prior to any procurement or pre-procurement detailed investigations, because this is required by Watford Borough Council, by January 2017.

There are various considerations in looking to future model and many current features and practices of the contract will have to change. For example:

* The final contract costs will mostly be determined by the level of enforcement and back-office staff employed. Whilst the District Council has opportunities for these services to be delivered in alternative ways, it should be noted that the level of enforcement in the District has not kept pace over the last 10 years with the increasing amount of new parking controls restrictions and costs spent on enforcement may need to increase. It is essential that any new parking controls include recognition of the costs of additional enforcement that they incur to avoid a steadily-reducing quality in the level of service.
* Similarly, enforcement contractors do not and will not provide new technology and upgrades at their own expense so any services taken on will be included in the new overall contract costs, or the District Council will have to pay for them and management of the project if we acquire them at a later stage. This will affect initial contract costs. As part of any procurement exercise, Officers will ensure they are identifying technology that is financially viable and that will deliver an actual benefit or saving.
* The scale of the District Council service should also be noted. The percentage breakdown given in Appendix A demonstrates how small the service used by the District Council is in comparison to the neighbouring authorities (Watford BC and Dacorum BC) also using the existing contract. If the District Council were to commission a parking service alone after 2018 it is not considered Three Rivers would benefit from the same efficiencies and flexibility that would arise from a shared service or similar due to the size of the service we would be looking to outsource.

4. **Policy/Budget Reference and Implications**

4.1 The recommendations in this report do not have implications for the Council’s agreed policy and budgets. No budget has yet been allocated for this work, but this report looks only at the overall models available and does not make recommendations that will cause any specific implications.

4.2

This report is not intended to comment on the detailed options to provide parking enforcement services for the District Council, so the options put forward for future investigation have not been costed at this stage. A future report will provide detail of the options selected and will detail how, through the procurement or other selection process the service provided will meet quality and value standards.

4.3 Whilst Authority X has provided a cost of its services at Appendix B this should be taken as an indicative estimate, as it is not clear that this covers all aspects of the current service and this would need to be explored further. However, it does appear to represent a saving on the current contract and management costs.

5. **Financial and Legal Implications**

5.1 Any decision to procure a new contract or services will follow relevant procurement guidelines. No procurement costs are yet known but the previous consultant and procurement costs were in the region of £30,000. This is currently not budgeted for.

5.2 If the Council joins an existing arrangement with one or more authorities, procurement costs ought to be minimal, the process having already been through full procurement.

1. **Staffing and Customer Services Centre**

The type and model of service required will determine the staffing implications. Many of the options rely on increasing involvement of Customer Service Centre staff to handle frontline enquiries, whether by phone or in person. This will have to be costed and staff trained as relevant. Depending on the option pursued consideration would need to be had to the role of the existing Written Representations Officer and potentially transfer of existing staff. The legal implications for staffing would need to be explored further with the Council’s Solicitors.

**7. Environmental, Community Safety, Public Health, Communications & Website.**

None specific.

8. **Equal Opportunities Implications**

8.1 **Relevance Test**

|  |  |
| --- | --- |
| Has a relevance test been completed for Equality Impact? | No |
| Did the relevance test conclude a full impact assessment was required? | No |

9. **Risk Management and Health & Safety Implications**

9.1 The Council has agreed its risk management strategy which can be found on the website at http://www.threerivers.gov.uk. In addition, the risks of the proposals in the report have also been assessed against the Council’s duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

9.2 The subject of this report is covered by the Regulatory Service Plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan. The impact of losing the opportunity to jointly procure a new contract with Watford BC cannot be easily estimated at this point compared with the other options, in the absence of a full pre-procurement process that could not be carried out in the timescale demanded by Watford BC.

9.3 The following table gives the risks if the recommendations are agreed, together with a scored assessment of their impact and likelihood.

|  |  |  |  |
| --- | --- | --- | --- |
| Description of Risk | | Impact | Likelihood |
| 1 | Further investigations of the options could prevent the Council from meeting the deadline set by Watford BC for committing to a joint procurement process by January 2017. This would mean that Option 1 would not be viable. | I | A |
| 2 | Committing to a joint procurement process with Watford BC by January 2017 would inhibit full investigation of the alternative options. | I | A |

9.4 The following table gives the risks that would exist if the recommendation is rejected, together with a scored assessment of their impact and likelihood:

|  |  |  |  |
| --- | --- | --- | --- |
| Description of Risk | | Impact | Likelihood |
| 3 | If no recommendation is made, this has the same effect risk 1 above | I | A |

9.5 Of the risks detailed above none is already managed within a service plan.

9.6 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Likelihood** | A | 1, 2, 3 |  |  |  |  | Impact | Likelihood |
| B |  |  |  |  |  | V = Catastrophic | A = >98% |
| C |  |  |  |  |  | IV = Critical | B = 75% - 97% |
| D |  |  |  |  |  | III = Significant | C = 50% - 74% |
| E |  |  |  |  |  | II = Marginal | D = 25% - 49% |
| F |  |  |  |  |  | I = Negligible | E = 3% - 24% |
|  | I | II | III | IV | V |  | F = <2% |
| **Impact** | | | | | |  |  |

9.7 In the officers’ opinion the new risks above, were they to come about, would not seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of treatment plans are reviewed by the Audit Committee annually.

10. **Recommendations**

10.1 It is recommended that Members consider any further information received and, in order to select preferred models for officers to further investigate the provision of parking enforcement services, determine to select either option (a) or option (b) below:

1. to concur to the request by Watford BC to commit to a future joint service by January 2017
2. to further investigate other options, D, E and / or option G1.

Report prepared by: Kimberley Rowley, Head of Regulatory Services and Peter Simons, Traffic Engineer (part time, interim).

**Data Quality**

|  |  |  |
| --- | --- | --- |
| 1 | Poor |  |
| 2 | Sufficient | x |
| 3 | High |  |

**Appendices**

**Appendix A – Cost Breakdown for Three Rivers District Council**

**Appendix B – Letter from Authority X**

**Appendix C - Comparison of Local Authority Parking Services resources**