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**AGENDA ITEM: 10** Page nos. 55 – 102
 

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Meeting	Budget and Performance Overview Scrutiny Committee
Date	21 June 2011
<b>Subject</b>	<b>Future of the Parking Service Business Case</b>
Report of Summary	Commercial Directorate  The Parking Service in Environment and Operations is responsible for the provision and management of on and off-street parking facilities and the enforcement of on street parking controls across the borough. This report seeks comments and recommendations from the Committee on the business case before proceeding to the procurement process to source a new parking service provider that will provide a significantly more efficient service and financial savings.
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Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix One – Future of Parking Business Case Appendix Two – Equalities Impact Assessment on staff
For decision by	Budget and Performance Overview Scrutiny Committee

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## **1. RECOMMENDATIONS**

- 1.1 That the Budget and Performance Overview Scrutiny Committee make comments and recommendations on the Future of the Parking Service Business Case as set out in Appendix 1 to this report.**

## **2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 2.1 The Overview Scrutiny Committees, Sub-Committees, Panels and Task and Finish Groups must ensure that the work of Scrutiny is reflective of the Council's priorities.**

- 2.2 The three priority outcomes set out in the Corporate Plan are: –**

- **Better services with less money**
- **Sharing opportunities, sharing responsibilities**
- **A successful London suburb**

- 2.3 The One Barnet programme has three overarching aims: –**

- **A new relationship with citizens**
- **A one public sector approach**
- **A relentless drive for efficiency**

- 2.4 The overarching aim of the One Barnet Programme is to create a new citizen centred council through delivering a new relationship with citizens and, by improving their experience of the parking service this will contribute to the council in achieving this aim.**

- 2.5 The aim of the parking project is to provide a streamlined service which will result in a more efficient service that provides a better experience for customers. This would help improve the reputation of the council. As such the proposal to select a strategic partner for the delivery of a parking service fits within the One Barnet objectives of “A relentless drive for efficiency” and “A new relationship with citizens”.**

## **3. RELEVANT PREVIOUS DECISIONS**

- 3.1 Cabinet, 6 May 2008 (Decision item 5) – approved the establishment of the Future Shape of the Organisation<sup>1</sup>.**

- 3.2 Cabinet, 3 December 2008 (Decision item 5) – approved the programme structure for the next phase of the Future Shape programme and that a detailed assessment of the overall model for public service commissioning, design and delivery should be undertaken.**

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<sup>1</sup> The Future Shape programme has been renamed One Barnet Programme. The relevant previous decisions shown refer to meetings held before this change.

- 3.3 Cabinet, 6 July 2009 (Decision item 5) – approved that three principles would be adopted as the strategic basis for making future decisions (a new relationship with citizens, a one public sector approach and a relentless drive for efficiency) and that a phased approach to delivering the Future Shape Programme and immediate consolidation of activity in the areas of property, support and transact.
- 3.4 Overview and Scrutiny Panel, 21 September 2010 (Decision item 9) – approved a template for Equalities Impact Assessment for use in One Barnet projects to assess the impact of service transformation on current staff.
- 3.5 Cabinet, 21 October 2009 (Decision item 8) – approved plans to implement the Future Shape programme.
- 3.6 Cabinet, 29 November 2010 (Decision item 10) – authorised the Director of Commercial Services to commence a procurement process to identify a strategic partner for the delivery of parking; and that the procurement process for a Parking Service be commenced as soon as practicable and covering the end to end process of the service.
- 3.7 Business Management Overview and Scrutiny Sub Committee, 16 December 2010 (Item 6) – the Sub-Committee referred the decision on the Future of the Parking Service back to Cabinet for the following reason:
- “That the procurement should be delayed due to a lack of robust evidence of financial information and for a full options appraisal to be carried out, including the in-house option.”
- 3.8 Cabinet, 10 January 2011 (Decision item 10) – resolved that decision item 10 (Future of the Parking Service) taken by Cabinet on 29 November 2010 be reaffirmed.

#### **4. RISK MANAGEMENT ISSUES**

- 4.1 In order to begin the process of achieving potential cost savings during quarter 1 of the financial year 2012/13, the appointment of a partner or supplier should take place by the end of December 2011 with contract commencement scheduled for April, 2012. In order to undertake such a procurement thoroughly and safely, it is usual to allow a 10-12 month timeframe for the procurement process. To this end the council issued the OJEU notice for pre-qualification for the purpose of short listing suppliers in April 2011 and plan to issue the tender notice in July 2011 to allow the procurement process sufficient time to complete effectively.
- 4.2 By issuing an OJEU notice for prequalification the council is not bound to proceed with any procurement. However, if the process is abandoned, there is a risk of challenge from applicants/bidders, and the further the procurement process has progressed the greater the risk of a successful challenge. This risk is mitigated by the planned undertaking of thorough and ongoing reviews

of the council's requirements for and of the services, their income and expenditure, and the changing financial and political landscape in which they are required to operate, to ensure that the process is not abandoned.

- 4.3 The Council's Contract Procedure Rules provide that a Cabinet Member can authorise entering into contracts with a value of £500,000 and above where the tender is (a) the lowest; or (b) where the tender represents value for money and is the best available option for the Council and the tender value is no more than 25% above the lowest priced tender. It is anticipated that, should the requirements of the Contract Procedure Rules as set out above be met, acceptance of such a contract will be carried out by a Cabinet Member. However, the project will return to be scrutinised by the Budget and Performance Overview Scrutiny Committee if requested during the procurement process.
- 4.4 It is expected that the council will begin to realise the benefits of this project from Q1 2012/13. The additional financial pressures on the council during 2011/12 are being addressed via internal improvement initiatives. In order to mitigate the risk that a potential partner is given inaccurate establishment lists of staff the project manager is reviewing the status of the lists with the HR One Barnet business partner and the service directors at key project stages.
- 4.5 The Special Parking Account (SPA) is a ring fenced account that makes a surplus each year which is then transferred into the General Fund which can then be used for transportation and highway network management related work. Over the previous three years it has provided £4.8m, £4.4m and £2.7m (7/8 to 9/10 respectively). However, in 2009/10 a reduction in income to the SPA meant that a reduced amount was transferred and this is likely to be repeated again this year if we fail to maximise income in parking.
- 4.6 Failure to improve the Parking Service would also see an increase in the number of challenges and appeals, leading to the inability to reduce administrative overheads.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 It is recognised that such a transformation of the service is likely to have an impact upon staff.
- 5.2 Although it is anticipated that the change will have a positive impact on service provision, it will also be necessary to assess the equalities impact of the project on the different groups of people within the borough, as outlined in the Corporate Plan, and work will be undertaken towards this end.
- 5.3 The council's equalities policy will be followed in the management of the tender process, including evaluation of tenders' equalities and diversity policies concerning employment practice and service delivery. Any eventual contract will include explicit requirements fully covering the council's duties under equalities legislation.

5.4 An Equalities Impact Assessment template was presented to the Future Shape Overview and Scrutiny Panel on 21 September 2010 for consideration. The Panel welcomed the template and it is being used to assess the impact of service transformation on current staff. The initial Equalities Impact Assessment is attached as Appendix 2.

**6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

6.1 The Spending Review has announced reductions in Government support to local authorities of 26% over the next four year. The Council has now received its grant settlement and budget reductions of £53.4 million were approved in Cabinet on 14 February, 2011 in the Budget, the Council Tax and the Medium-term Financial Strategy 2011/12 – 2013/14 report.

6.2 For the One Barnet projects, estimates of savings have been made which are reflected in the financial plans and included within the budget reductions. Clearly, it has been necessary to make some assumptions regarding savings, but these have been assessed as reasonable and prudent.

**Parking Project - MTFS Analysis**

<b>Planned Savings &amp; Progress</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Total Alternative SPA-Related Planned Savings in MTFS / Budget	£231,000	£239,000	£381,000	£0	£0
In-House savings relating to 2011/12	-£231,000	£0	£0	£0	£0
Savings included in Future of Parking Business Case		-£296,360	-£168,226	-£168,134	-£168,291
<b>NET SAVINGS (Saving)/Shortfall</b>	<b>£0</b>	<b>-£57,360</b>	<b>£212,774</b>	<b>-£168,134</b>	<b>-£168,291</b>

The figures in the business case for 2013/14 do not currently indicate that the MTFS savings will be made, although this shortfall is made up in 2014/15. These figures will be revisited through the tendering process, and if this gap cannot be met, alternative savings will be brought forward by the service

6.3 The contract for parking services is planned to commence in April 2012 for a term of five years with an option to extend it for a further two years if the council is satisfied with its performance. The savings resulting from this project have been estimated as follows:

Current cost of all services in Parking Service								
<b>2011/12</b>				<b>2011/12</b>				
Gross expenditure	£	6,603,152		Revised gross expenditure prior to transfer	£	4,240,427		
Adjusted secondary recharges	£	30,499		This excludes an estimated cost of the retained client funcio	£	2,195,984		
Income	£	13,622,100						
Income as % exp. (inc. secondary recharges)		205%						
Net expenditure	-£	6,988,449		Revised net expenditure prior to transfer	-£	9,381,673		
Seven-year overview of financial benefits								
		Contract starts						
		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Cost reduction	£	237,382	£ 343,682	£ 446,792	£ 546,809	£ 643,825	£ 737,931	£ 829,214
Income increase	£	58,978	£ 120,905	£ 185,928	£ 254,203	£ 325,891	£ 401,163	£ 480,199
<b>Total financial benefit</b>	<b>£</b>	<b>296,360</b>	<b>£ 464,587</b>	<b>£ 632,720</b>	<b>£ 801,012</b>	<b>£ 969,716</b>	<b>£ 1,139,095</b>	<b>£ 1,309,414</b>

- 6.4 These estimates are based on taking savings from the current published budget showing £296,360 of savings in year 2012/13. Additional savings have been identified in the published budget of £168,226 in 2013/14 making total cumulative savings of £464,587 that year and so on. As the project is progressed these estimates will be amended as necessary and included within our financial planning.
- 6.5 The only service to be significantly affected by this work will be the Parking Service. However there will also be an impact on the new Customer Service Organisation as some parking related activities will move into this area.
- 6.6 The cost to the council of resources for the project is estimated at this stage to be as follows:

<b>Budget</b>	<b>2010 / 2011</b>	<b>2011 / 2012</b>
Internal resources		
Project Management	£18,125	£28,828
Finance support	£0	£15,470
Communications	£0	£4,013
External cost		
Legal support	£0	£25,000
Implementation Consultancy	£6,750	£4,050
Implementation Support	£4,250	£0
Specialist Service Support	£0	£30,000
Trade unions dispute contingency	£0	£15,000
Pensions reports	£0	£1,500
Total cost by year	£29,125	£123,861
<b>TOTAL FOR PROJECT</b>		<b>£152,986</b>

- 6.7 The project will be funded from the council's One Barnet Programme and the business areas involved where support can be provided without requiring any

backfill. Other resources will be provided by the support services as part of the One Barnet programme.

- 6.8 Working with a suitable partner will allow the council to leverage their expertise around the development and innovation within the industry.
- 6.9 There could be IT implications as currently the council use a Civica software system for recording parking contraventions that was contracted until 2014. However it is anticipated that a new supplier will ensure compatibility with this software as part of the procurement process.
- 6.10 The council will continue to meet all of its statutory and contractual obligations in regard to change and its impact upon the Council's staff. In the context of One Barnet Programmes this means that all internal re-structures will be managed in compliance with the Council's Managing Organisational Change Procedure. Where the change results in a TUPE transfer the council will meet all of its statutory obligations pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006, and Best Value Authorities Staff Transfers (Pensions) Direction and any other relevant statutory provision.

## **7. LEGAL ISSUES**

- 7.1 Procurement processes must comply with the European procurement rules and the Treaty obligations of transparency, equality of treatment and non discrimination, as well as the council's Contract Procedure Rules.
- 7.2 In the event that services are to be externalised, the council must comply with its legal obligations under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") with respect to the transfer of staff. Where they apply, the Regulations impose information and consultation obligations upon the council and the incoming contractor and operate to transfer the contracts of employment, of staff employed immediately before a transfer, to the new contractor at the point of transfer of the services.
- 7.3 Data Protection Act 1998 considerations in relation to information sharing. This will be relevant during the procurement phase, as well as during the negotiation of the contract with the successful bidder/partner.

## **8. CONSTITUTIONAL POWERS**

- 8.1 The scope of the Overview & Scrutiny Committees is contained within Part 2, Article 6 of the Council's Constitution.
- 8.2 The Overview and Scrutiny Procedure Rules are set out in Part 4 of the Constitution.
- 8.3 The Terms of Reference of the Budget and Performance Overview Scrutiny Committee are contained within Part 4 of the Constitution (Overview and Scrutiny Procedure Rules). The Committee has the following responsibilities:



“To perform the overview and scrutiny role in relation to the One Barnet transformation programme, particularly performance and financial issues;

To receive and consider options appraisals, business cases and closure report for the One Barnet projects; and

To monitor the implementation of the One Barnet programme throughout the programme lifecycle.”

- 8.4 Council Constitution, Part 3 (Responsibility for Functions) sets out the Responsibilities of the Executive.
- 8.5 The Council’s Contract Procedure Rules state that authorisation is to be sought from a Cabinet Committee on contracts with a value of £500,000 and above. This authorisation was obtained from the Cabinet at the meeting which took place on 29 November 2010 and reaffirmed at the meeting which took place on 10 January 2011.
- 8.6 The Council Contract Procedure Rules provide that a Cabinet Member is authorised to accept contacts with a value of £500,000 and above where the tender is (a) the lowest; or (b) where the tender represents value for money and is the best available option for the Council and the tender value is no more than 25% above the lowest priced tender.

## **9. BACKGROUND INFORMATION**

### **9.1 One Barnet Programme**

As part of the One Barnet Programme, the Transact Working Group, with the assistance of PricewaterhouseCoopers and Local Partnerships (previously 4Ps), identified a bundle of street scene services (grounds maintenance, street cleaning, street lighting (PFI contract) and highway maintenance) as an area where efficiencies could be made, through delivering this bundle in a different method. It was also suggested that as part of this bundle the current Civil Enforcement Officers (CEOs) could be included, as under the Traffic Management Act their duties had the scope to be widened. However given the scale of the parking operation and the current issues around performance and pressure on income, it was more appropriate to look at the Parking Service in isolation of the rest of the Environment and Operations Department.

### **9.2 Business Case Outline**

The Business Case attached as Appendix One sets out the financial and non-financial benefits behind the recommended decision in the Cabinet Paper, Future of the Parking Service presented to Cabinet on 29 November 2010. The paper sets out the reasons for looking to procure a supplier to provide the parking service on behalf of Barnet Council, this is with the exception of the policy and strategy design which will be retained by the council.

9.2.1 The Business Case sets out both the cost of the current service and the expected savings and the costs associated with the project and the anticipated timeline for the procurement process to ensure that a strategic partner is identified and in place for a contract start of April 2012.

9.2.2 The Business Case will continue to be reviewed and refined during the project. Review and refinement of the business case throughout the procurement phase as the specification and financial modelling is completed will ensure that the council is achieving value for money by carrying out this process and that the project continues to be aligned to both strategic and financial objectives.

## **10. LIST OF BACKGROUND PAPERS**

10.1 None.

Legal: PJ

CFO: JH/MC

## Appendix 1: Future of Parking Business Case



# London Borough of Barnet One Barnet Programme

## Future of the Parking Service: Business Case

Final v 1.9

Date: April 2011  
Author: Tahir Mahmood, Project Manager  
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Jan 2011	0.3	Initial draft	Suzanne Hope
Mar 2011	0.4	Incorporate revised financial baseline	Tahir Mahmood
April 2011	0.5	Comments from One Barnet programme manager and the project board	Tahir Mahmood
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April 2011	0.7	Comments from Finance following business case review meeting	Tahir Mahmood
April 2011	1.0	Final document for CDG with comments from AD for Finance	Tahir Mahmood
April 2011	1.1	Further minor changes from AD for Finance	Tahir Mahmood
May 2011	1.7	Further changes to financial model and text by the finance team	Ewan Dunn
May 2011	1.8	Further changes to financial model regarding CSO by the finance team	Ewan Dunn
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# 1. Executive Summary

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## 1.1 Purpose

This report sets out the business case for the procurement of a strategic partner to provide parking services on behalf of Barnet Council. The business case outlines the services in scope of this project, strategic fit with the One Barnet programme, financial and non-financial benefits as well as with key risks to the council associated with the procurement process and the anticipated outcomes. With regard to the key risks associated with the process the appropriate methods of management and mitigation are being logged and actively monitored to ensure a successful outcome of the project. Finally, the report sets out both the cost of the current service and the expected savings and the costs associated with the project and the anticipated timeline that the procurement process will follow to ensure that a strategic partner is identified and in place for a contract start of April 2012.

The business case will be further refined during the project at key points within the procurement process. Following the planned operational changes in the service, the financial baseline for the project will be revised to be able to assess the tender responses. It is then anticipated that bidders will put together their submissions based on the evidenced potential of the service not just the figures available from previous years. During the evaluation of final tenders it will be possible to view the bids against the business case to ensure that the council is achieving value for money by carrying out this process and that the service will continue to be aligned to both strategic and financial objectives of the council.

## 1.2 Summary

There is a need for change in the parking service as, although strong in some areas, it is weak in others and has consistently failed to meet activity and income targets. This is due partly to a lack of investment, but is also caused by a failure throughout the organisation to focus and act on the key drivers for these areas.

The solution agreed by Cabinet is to engage a delivery partner who will bring both investment and expertise, allowing the service to be raised to a new level of efficiency and effectiveness. This partner will maintain activity levels, hence income, at the required level but will reduce costs by bringing both economies of scale and expertise. It is anticipated that budgeted income will remain broadly constant at over £13 million per annum, but that the cost of delivery can be driven down from a revised gross expenditure of £4.24m to below £4.01m in the first year with further reductions in subsequent years. The overall cost benefit compared to the 2011/12 baseline in this business case is over £5.61m over a 7 year period, or an average of £802k per annum.

This improved service will also fit with corporate objectives to form a new relationship with citizens, work in a joined-up way, and improve efficiency.

The arrangements will cover all aspects of the parking service including the provision of parking (payment collection), all enforcement, and maintenance of the local infrastructure. Some 81 staff will transfer to the provider, with only two remaining to monitor the contract and undertake those statutory functions that must be retained. The contract will not include dealing with telephone enquiries or issuing permits to residents which will be carried out by the Council's Customer Service Organisation.

The contract is to commence in April 2012 for a term of five years, but can be extended for a further two years if the council is satisfied with the way it is working.

### **1.3 Need for change**

It is accepted that the Parking Service cannot remain as it is – income has repeatedly fallen short of projection as a result of the lack of investment and maintenance, making enforcement of non-compliance with regulations difficult. As well as a significant financial pressure, this raises a great reputational risk. Additionally, through researching other models in the market, it has been established that the current service does not provide value for money to the council when compared to the operating costs of other suppliers.

Effective enforcement relies on the controls being effectively signed, and it proposed that the provider undertake a full assessment of the signs and lines and provide a priced proposal to upgrade them to an acceptable standard.



## 2. Strategic fit

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### 2.1 One Barnet Programme

The One Barnet Programme is the council's response to address several drivers for change that have been identified:

- The financial pressures resulting from the global recession has brought the era of consistently increasing public sector budgets to an end. Within the council there is a funding gap of £53.4m over the next three years, and our public sector partners face challenges of a similar scale.
- Despite consistent improvements in service delivery, satisfaction with Barnet Council, as with other local authorities, has been on a consistently downward trend.
- Digital technology continues to change and develop, as do the ways that people use it to change and grow. Residents will continue to expect us to deliver against those standards of instant information and access to services.
- Our identification of the need to develop a new partnership with our residents to deliver services in future is echoed by the Coalition Government's focus on a Big Society.
- The Government's focus on localism and devolution sets a national context for our aim to provide local leadership and join up services across the public sector.

The aim of the One Barnet programme is to create a citizen-centred council which ensure that citizens get the services they need to lead successful lives, and to ensure that Barnet is a successful place. The council believes that this is best delivered through the adoption of the three key principles of the programme.

- **A new relationship with citizens** - Enabling residents to access information and support and to do more for themselves
- **A one public sector approach** - Working together in a more joined up way with our public sector partners to deliver better services
- **A relentless drive for efficiency** - Delivering more choice for better value

The aim of the project is to provide a streamlined service which will result in a more efficient service that provides a better experience for customers. This would help improve the reputation of the council. As such the proposal to select a strategic partner for the delivery of a parking service fits within the One Barnet objectives of "a relentless drive for efficiency" and "a new relationship with citizens".

## 2.2 Parking Service

Efficient transport provision within the borough is vital to the local economy and quality of life of both residents and visitors. The Parking Service has an essential role to play in the maintenance of order on the highway. Within Barnet effective control of parking is essential in combating the negative impact of parking on traffic movement, road safety, and essential servicing of the parking infrastructure.

The Parking Service oversees the installation and maintenance of the infrastructure that allows residents and visitors to park legally both on street and in Barnet's car parks. This has includes parking permits and pay by phone parking. Compliance with the traffic and parking regulations is through the Civil Enforcement Officers (CEO) on street and Closed Circuit TV monitoring.

### 3. Scope

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The following areas of the Parking Service are included within the scope of this procurement. These are the provision of:

- On and off-street enforcement
- Payment collection of the parking service
- Processing of Penalty Charge Notices (PCNs), including representations and appeals
- Dealing with payments and non-statutory correspondence
- Automated bus lane enforcement system
- Parking signs and lines maintenance

The current spend is approximately £6.6m in revenue on these services annually and the service employs over 86 staff in these areas, with a budgeted income of approximately £13.6m.

These services include the provision of parking enforcement and infrastructure maintenance. In particular, this requires the provision of: On-Street Services, which include the provision of street based staff who will primarily enforce parking regulations. There are 48 Civil Enforcement Officers (CEOs) issuing some 140,000 PCNs per annum. They are deployed on foot, by car or on motorcycles to cover the entire borough which is a mixture of Controlled Parking Zones (CPZs) and areas of location-specific controls. CEOs also undertake the inspection of some 2,000 suspected abandoned vehicles every year.

It also includes management and parking enforcement IT software and hardware systems; hand held and portable computers/devices for the purposes of communicating, recording and reporting parking contraventions and, maintenance and support for any or all of the above. Additionally, it includes the maintenance and reporting of faults in relation to on and off street infrastructure such as parking signs and lines.

The processing of these PCNs, together with another 20,000 from an automated bus lane enforcement system, gives rise to some 600,000 items of correspondence per year. In scope is responding to informal representations and enquiries; preparing and issuing decisions and case packs for formal representations and appeals; and the receipt, processing and banking of payments at every stage. The contract will also cover debt recovery process, including providing and instructing bailiffs.

### 3.1 Out of Scope

The service has undergone significant transformation in the past year and more is planned as part of the overall One Barnet programme. The net result of this that some of the areas of the Parking Services are out of scope for externalisation. The parking customer call centre is already part of the Customer Services Organisation. Other services which are out of scope for procurement of the Parking Service are:

- Permits, Suspensions and Dispensations – this service is to be transferred to the Customer Service Organisation (CSO)
- Service Management (client side monitoring)
- Pay and display machines maintenance and the payment and collection of parking charges
- Removal of abandoned vehicles – this is dealt with under a separate joint contract with two neighbouring boroughs

## 4. Benefits Case

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### 4.1 Strategic benefits

A good parking service will ensure compliance with Barnet Council's parking policy making sure that enforcement is carried out correctly and consistently to a high standard across the borough. It will give choice to the customer as to how and when they engage with, and pay for, the service. It will also ensure that parking signs and lines are well maintained to ensure that those parking are in a position to understand the regulations in regard to the location they wish to park.

The strategic benefits of this work will be realised both during the project and across the duration of the contract. Those benefits to be realised after the project has closed will be measured by both the contract monitoring team and through the new customer service framework. In order to ensure accurate benefit measurement the service will have a base line where appropriate.

Key strategic benefits from carrying out this project will be:

- Improved parking signs and lines will allow for greater compliance to be enforced within parking regulations leading to an improved ability to raise income from paid for parking spaces.
- By providing a better service for customers where infrastructure and signs and lines have adequate investment it will improve the reputation of the council for being able to deliver the service to a high standard.
- It will be easier for customers to carry out parking related transactions online. This will improve the service for customers and will reduce the cost of running the service.
- An improved payment collection system will result in decreased costs and increased revenue collection. The integration of the improved payment collection parking with the wider parking service provision will result in the customers receiving a more consistent and flexible range of services and will reduce the burden on the council of monitoring and coordinating the various aspects of the service.

## 4.2 Non-Financial benefits

The main benefit of outsourcing the Parking Service is to improve the parking provision to our citizens and make it easier for them to use the service. The financial and resource investment required to remedy the issues within parking, would be passed to a provider who will be in a better position to leverage the investment required. This investment in infrastructure would mean that compliance could be better enforced, thereby improving the income of the service. Currently the council's reputation for running parking services is low, and the expectation is that this would be addressed by bringing in an external provider to run and manage the service. The new provider would be able to draw on best practice and innovation gained for working with other local authorities.

It is recognised that the right partnership will help us to meet our efficiency targets and enhance and improve citizens' experience. This partnership must be based upon openness, transparency and trust. We expect any partner to work with us as trusted peers to meet not only our current desired outcomes but also all the new challenges we will face in the coming years. We therefore seek to achieve the following outcomes:

- To provide a truly citizen-centred service that is easy to access and simple to navigate.
- Be responsive to changing citizen needs within the Borough and adjust service offerings accordingly.
- To provide improved parking signs and lines in the Borough to allow both for better compliance by citizens but also for better enforcement as contravention of parking regulations will be clearer.
- Improve customer satisfaction (both citizen and business customer) with the services provided in terms of ease of use, speed of response and transparency in the decision making process.
- Streamlined, efficient, integrated services which is able to respond flexibly to situations as they arise
- Fulfil all statutory requirements and meet all additional local priorities and agreements.
- Have effective risk assessment of businesses
- Have accurate customer intelligence and record keeping using well designed technology in co-operation with customer service staff who work for the council.
- Have a well trained, well motivated workforce with more opportunities for staff development and progress.

## 4.3 Financial case

The approach taken to calculate current delivery costs, and the financial benefits associated with this project, is outlined in this section. For each part of the parking service the project has established the current service cost and assessed the potential for the service to improve income and reduce costs.

### 4.3.1 Establishing the service cost

The understanding of current service costs is key to determining and gauging potential levels of improvement. The business case has used 2011/12 budget data for both income and expenditure as a baseline. Table 1 shows the current cost of the service. The forecast outturn position of parking income for 2010/11 is £8.54m with a reduced appropriation to the General Fund of approximately £2.2m.

Service	Number of FTEs	Gross 2011/12 Expenditure (£000)	Total Income (£000)
Car Parks Off-Street	0	281	1,180
Parking Maintenance	6	482	0
Parking Enforcement	56	3,086	10,626
Parking Processing	24	2,754	1,817
<b>Totals</b>	<b>86</b>	<b>6,603</b>	<b>13,623</b>

Table 1

### 4.3.2 Establishing the service cost for outsourcing

The cost of the service needs to be adjusted to reflect not only the contract value but also the areas of the service that are out of scope for outsourcing. In order to facilitate this calculation of the costs of the services, the following assumptions have been made (see Table 2):

- A standard 8% assumption for secondary recharges was added to the gross expenditure figures to pay for overheads and head office costs
- Cost and FTE associated with permits and suspensions functions of the back office service moving to the Customer Services were then deducted from the revised gross expenditure.
- Cost and FTE associated with the retained client function (or services that will remain in the Council post the appointment of a partner) were also deducted from the revised gross expenditure.

The revised expenditure for the service resulting from the above changes is shown in Table 2 below.

Service	Gross Exp (£000)	8% secondary recharges (£000)	Assumed implications (NSO, CSO, Efficiencies) (£000)	Retained client & retained costs (£000)	Revised Exp (£000)	Gross Income (£000)	Assumed Implications (Income increases)	Revised Income (£000)
Car Parks Off-Street	281	30	0	(243)	69	1,180	0	1,180
Parking Maintenance	482	N/A	0	(128)	355	0	0	0
Parking Enforcement	3,086	N/A	0	(705)	2,380	10,626	0	10,626
Parking Processing	2,754	N/A	(197)	(1,120)	1,436	1,817	0	1,817
<b>Totals</b>	<b>6,603</b>	<b>30</b>	<b>(197)</b>	<b>(2,196)</b>	<b>4,240</b>	<b>13,623</b>	<b>0</b>	<b>13,623</b>

Table 2

These calculations provide revised 2011/12 expenditure and income for each service, and this has then been used as a baseline against which further opportunities for cost reductions and improved income generation have been made. This is shown in the table 3 below.

Parking Services - overview of improvement potential and financial benefits										
Overview of improvement potential and financial benefits - service by service										
	Revised gross expenditure (baseline)	Cost reduction potential (by Year 7)	Revised Income (baseline)	Income generation potential (bv Year 7)	Per annum (average)			Over Seven Years		
					Cost reduction	Income increase	Total financial benefit	Total cost reduction	Total income increase	Total financial benefit
Car Parks Off-Street	£ 69,079	0%	£ 1,179,560	41%	£ -	£ 261,038	£ 261,038	£ -	£ 1,827,267	£ 1,827,267
Parking Maintenance	£ 354,710	25%	£ 2	0%	£ 62,808	£ -	£ 62,808	£ 439,656	£ -	£ 439,656
Parking Enforcement	£ 2,380,400	25%	£ 10,625,538	0%	£ 414,796	£ -	£ 414,796	£ 2,903,574	£ -	£ 2,903,574
Parking Processing	£ 1,436,238	22%	£ 1,817,000	0%	£ 63,201	£ -	£ 63,201	£ 442,405	£ -	£ 442,405
<b>Total</b>	<b>£ 4,240,427</b>		<b>£ 13,622,100</b>		<b>£ 540,805</b>		<b>£ 801,843</b>	<b>£ 3,785,636</b>		<b>£ 5,612,903</b>

Table 3

#### Key assumptions used in the financial analysis

- Predicted increases in income did not separate out the causes of that growth i.e. what growth is due to outsourcing or the growth that would happen naturally. As such all increases in income related to PCNs are profiled as being flat (0% increases)



- All income generated from any part of the service will be retained by the Council
- 'Other retained costs' are costs that are non-employee related and will be retained by the Service, these were not being picked up in the model.
- Expenditure reductions have only been applied to expenditure which will be outsourced and not to all expenditure.
- No assumption has been made around the value/cost of any management fee.
- Retained Expenditure: E&O - Profiled as flat
- Retained Expenditure: CSO - The savings accruing from this will be claimed by CSO Project - so profiled as flat.

### **Car Parks Off-Street**

- Income is increased by the new provider by 41% over the life of the contract (5% year-on-year over 7 years) as result of closer expert focus leading to both increased patronage and the opportunity for selective fee increases
- Expenditure is expected to remain flat within this cost centre

### **Parking Maintenance**

- The whole parking maintenance function is to be transferred to the provider. The client side management of this function is retained and reflected within Parking Processing team
- Expenditure is expected to reduce by 25% over the life of the contract (10% in year 1, followed by a 3% reduction year-on-year) within this cost centre. This reduction is expected as a result of economies of scale that an outsourced provider could leverage in purchasing, investment in automation of processes and shared management costs all of which will reduce costs to a greater extent that would be possible in an in-house arrangement.

### **Parking Enforcement**

- The whole of the parking enforcement function, bar any specified exceptions, is to be transferred to the provider. The client side management of this function is retained and reflected within Parking Processing
- The environmental recharge line has been included within the income figure, although it nets (almost) with the corresponding line in 10644.

- Vehicle costs are assumed to be flat across the length of the contract
- Expenditure is expected to reduce by 25%, broken down as follows:
  - Employee costs are expected to reduce by 10% in year 1, followed by a 3% reduction year-on-year within this cost centre. In line with parking maintenance, this reduction is expected as a result of economies of scale that an outsourced provider could leverage in purchasing of goods and services, investment in automation of processes and shared management costs
  - Building costs are expected to reduce by 20% in year 1, followed by a 3% reduction year-on-year within this cost centre. This comes as a result of rationalisation
  - Equipment/Materials/Supplies are expected to reduce by 10% in year 1, followed by a 3% reduction year-on-year within this cost centre, this has also been applied to all recharges within this code.

### **Parking Processing**

- There are 24 FTEs within this cost centre. Assumed that 2 of these posts are retained by the Council and that 3 posts are transferring to the CSO Project with the remainder transferring out to the provider.
- The Post Team are considered to be joining the external partner therefore the Franking machine lease and associated postage costs have also been transferred.
- Expenditure is expected to reduce by 22% as a result of reductions in employee and building costs. This is particularly in respect of a private provider leveraging greater economies of scale in terms of purchasing of goods and services, along with a track record of delivering improvements in processes and IT systems to support parking processing which will reduce the costs of this function over time.
- The Council to retain the costs of the Traffic and Development Service function for the provision of traffic management orders to enable enforcement

## 4.4 The Financial Model

A summary of the net financial benefits over the course of the proposed contract is shown in Table 4. The summary covers the services in scope and their assumed cost at the point of contract over a 7 year contract length. It demonstrates the cumulative effect of cost reductions and increases in income as the savings and income increases made in year 2 are carried over into year 3 and built upon providing a time-based view of the projected savings.

## Parking Services - Business Case Overview

### Current cost of all services in Parking Service

2011/12		2011/12	
Gross expenditure	£ 6,603,152	Revised gross expenditure prior to transfer	£ 4,240,427
Adjusted secondary recharges	£ 30,499	This excludes an estimated cost of the retained client function	£ 2,195,984
Income	£ 13,622,100		
Income as % expenditure (inc. secondary recharges)	205%		
Net expenditure	-£ 6,988,449	Revised net expenditure prior to transfer	-£ 9,381,673

### Seven-year overview of financial benefits

			Contract starts								
	Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total	
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	(cumulative)	
Cost reduction	£ -	£ -	£ 237,382	£ 343,682	£ 446,792	£ 546,809	£ 643,825	£ 737,931	£ 829,214	£ 3,785,636	
Income increase	£ -	£ -	£ 58,978	£ 120,905	£ 185,928	£ 254,203	£ 325,891	£ 401,163	£ 480,199	£ 1,827,267	
Total financial benefit			£ 296,360	£ 464,587	£ 632,720	£ 801,012	£ 969,716	£ 1,139,095	£ 1,309,414	£ 5,612,903	
Revised expenditure			£ 4,003,044	£ 3,896,745	£ 3,793,635	£ 3,693,618	£ 3,596,601	£ 3,502,495	£ 3,411,212		
Cost of change	£ 29,125	£ 123,861								£ 152,986	
Net financial benefit										£ 5,459,917	

### Summary statements

The revised gross expenditure at point of transfer is calculated as	£ 4,240,427	This excludes an estimated cost of the retained client function	£ 2,195,984
If the Parking Service reaches the target potential for improvement within 7 years, the service will operate at the cost of:	£ 3,411,212	The net financial benefit will be	£ 5,459,917
If the Parking Service reaches the target potential for improvement +10% within 7 years, the service will operate at the cost of:	£ 3,070,091	The net financial benefit will be	£ 6,005,909
If the Parking Service reaches the target potential for improvement - 10% within 7 years, the service will operate at the cost of:	£ 3,752,334	The net financial benefit will be	£ 4,913,925

Table 4

## 5. Commercial Aspects

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As the procurement is for a single service where the service requirements are clearly established and the crossover between the Customer Service Organisation and the Parking Service has been established it is considered that the restricted procurement route, rather than the competitive dialogue route, will ensure best value for money for the council. The added advantage is that the restricted procedure will be less time consuming for staff involved, have reduced procurement costs but still ensure the most satisfactory outcome for the council.

The competitive dialogue route is designed for the award of particularly complex contracts where a contracting authority needs to discuss all aspects of the proposed contract with the providers.

The restricted procedure is a two-staged process. Providers are requested to express an interest in the contract following publication of a contract notice in the OJEU. Following an assessment of those providers who have expressed an interest, the contracting authority must draw up a shortlist of those providers it will invite to tender.

Notice has been placed in the Official Journal of the European Union (OJEU) to invite expressions of interest from potential partners to deliver the Parking Service for Barnet. It is now anticipated that the invitation to tender will be sent out in July 2011 to invite proposal against the service specification. As such it is anticipated that the contract would be awarded in December 2011, followed by the mobilisation period, with the desired start date for a new contract would be 1<sup>st</sup> April 2012.

### 5.1 Procurement process

The key dates within the procurement process are outlined in the table below.

Cabinet – Commencement of procurement process for One Barnet	November 2010
OJEU	Notice published 04 April 2011 PQQ released 05 April 2011
Pre-Qualification Questionnaire process	Last date for requesting PQQ and raising points of clarification 16 May 2011 Last date for receiving completed PQQs 23 May 2011
Tender Process	ITT releases 11 July 2011 ITT Returned 22 August 2011 Tender Evaluation completed 14 October 2011
Contract Award	7 December 2011
Commence Contract	1 April 2012

### 5.1.1 The Requirements

The key requirements that will form part of the service specification are set out below. This is by no means the exhaustive list of outputs and outcomes and it is entirely possible that as the specification is developed and reviewed further outputs may come to light.

- To keep the traffic control infrastructure in a good state of repair so that enforcement can be carried out,
- to establish and maintain payment systems so that charges for parking on streets and in car parks can be collected effectively,
- to provide, deploy, and manage sufficient trained staff to ensure that motorists in the borough comply with the regulations,
- to ensure that Penalty Charge Notices are correctly issued and processed with quick and accurate responses at every stage of the process,
- to report regularly on all aspects of the service so that the council has no less information from the front line than it would have if the service was to be provided directly,
- to conduct all activities in such a way as to protect and enhance the reputation of the council,
- to ensure that the service complies with the new public sector Equality Duty which came into force on 5<sup>th</sup> April 2011. The council will require the service provider to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations in the course of developing policies and delivering services.

### 5.2 Payment mechanisms

Currently there are a number of payment mechanisms that are being considered by the procurement team and finance team. The model considered to be of most benefit to Barnet Council will be included in the Invitation to Tender documentation. Those models being considered are:

- Core contract cost - charges could include but not be limited to; head office overhead, investment return, administrative costs, human resource funding, sundries and consumables, licenses and fees, ICT software and hardware, vehicles and other physical equipment, development funding and contract surplus.
- Performance risk and reward - the contractor would 'risk' a percentage of their expected contract surplus, against achievement of selected key performance indicators, as defined in the specification information.
- Key quality performance indicator element – it would be expected that initial key quality performance indicators will be confirmed by the contract management team prior to commencement of contract.
- Value for money element - this is a key element in demonstrating the continued sound management of the contract and the contractor will take an active role in ensuring that adequate control is maintained over contract expenditure.

### 5.3 Risk allocation and transfer

Business risks will be retained by the council such as meeting business objectives, change in business direction which could be as a result of political, environmental or financial change.

Service risks would likely where possible be transferred to the service provider. Although there may be cases where the risk is considered to be best shared between the council and provider, these risks would be reviewed at the regular contract management meetings, frequency of these meetings will be dealt with during the procurement process.

### 5.4 Contract length

The council is intending to let a contract for parking services for five years with up to two years extension. This is considered industry standard and gives an incentive for potential suppliers to offer up front investment into the service as they would see the return on their investment across the duration of the contract.

### 5.5 Workforce issues

During the final phase of the project, the contract mobilisation, the council will comply with its legal obligations under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") with respect to the transfer of staff. Where they apply, the Regulations impose information and consultation obligations upon the council and the incoming contractor and operate to transfer the contracts of employment, of staff employed immediately before a transfer, to the new contractor at the point of transfer of the services. Any new provider will be required to comply with the Best Value Pensions Direction, 2007.

An equalities impact assessment on the staff that would be currently affected by any change to the service is currently being carried out with HR.

Health and safety is an integral part of the Council's responsibility to its citizens, employees and service users. Through the procurement of services, the Council will endeavour to ensure that workers and the public are properly protected. The Council retains responsibility for third parties to carry out their responsibilities on their behalf. It is not possible to discharge these responsibilities with regards to section 3 of the Health & Safety at Work etc Act 1974.

The Council will form a framework with the successful strategic partner to ensure compliance with all legislative requirements and standards. There is the expectation to form a common set of standards and expected activity. Prior to this and throughout the procurement process, the Council will be assessing all bidders to ensure they hold the required knowledge, competencies and skills to maintain and develop the council's Health & Safety strategy in relation to the contract.

The Council as a commissioning body will monitor the contract, audit the provider, work together with the provider to assess risk and review processes and procedures. The provider will be regularly assessed against key performance indicators in health and safety to ensure the provider meets the appropriate standards and regulatory requirements.



## 6. Critical Success Factors, Constraints, Dependencies and Risks

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### 6.1 Critical Success Factors

- A new supplier to deliver the parking service identified by December 2011
- A new contract with the preferred supplier for delivering parking services mobilised for April 2012
- A new contract that financially delivers an annual saving of 10% on current operating costs
- A suitable contract management team in place and trained to the appropriate standard to ensure effective contract management by February 2012.

### 6.2 Constraints

- Key members of the project board and team are also staff from within the Parking Service. As such they are still required to perform their day to day roles. Some of these staff will also be involved in putting together and seeing through the in-house service recovery plan. This constraint will be addressed in the resource plan.
- Applicable legislation may restrict delegation of some statutory functions to the new supplier/partner. If this is the case, the Council will need to ensure there are appropriate procedures in place between the new supplier and the retained Council staff to ensure compliance with that legislation. This constraint will be addressed in the contract should legal advice sought on this issue suggests that this is necessary.

### 6.3 Dependencies

- In order to provide a contract with best value for money to the council the project is dependent on the in-house recovery plan. Early indications are that the plan is delivering its aim to streamline the service and return income to an upward trend. If this does not occur in a timely fashion it will impact on the prices provided by suppliers during the procurement process.
- A smooth transition from the procurement phase into mobilisation of a new contract is dependent on early identification of a suitable contract manager. In order to have greatest control over the contract once delivery begins the contract manager needs to be involved in the service specification and procurement process in order to have a detailed understanding of what is agreed.

## 6.4 Risks

The following risks are those considered highest in the project. The risk register is maintained by the project manager and those high risks are monitored and reviewed by the Project Board and escalated to the One Barnet programme board as necessary

1. Failure to improve the Parking Service in line with the dependency of the in-house recovery plan, would see a continuation or increase in the elevated number of challenges and appeals, leading to the inability to reduce administrative overheads. This would be reflected in the prices submitted by potential suppliers in their final bids.
2. If the service specification is not designed fit for the purpose of the future service it could result in the contract failing to deliver the results as expected.
3. There is a risk that suppliers who are invited to tender are not able to show adequate financial and non-financial benefits for the council in running the service.
4. If the procurement process is not conducted correctly it could leave the council open to the risk of legal challenge.
5. There is risk that a three-way relationship between the parking provider, the customer services provider and the Council may result in some issues being passed from one provider to another if there are not clear Service Level Agreements with a commitment to strong partnership working.

## 6.5 Risk quantification

1. Failure to improve the Parking Service would see a continuation or increase in the elevated number of challenges and appeals, leading to the inability to reduce administrative overheads.
  - This risk will be managed by the Parking Service Project Manager as this risk will be mitigated by ensuring adequate key performance indicators (KPIs) are drafted as part of the specification for the contract. Once a supplier has been appointed it is likely that this would be an ongoing risk which is then transferred to the new contractor. It would be their responsibility to meet the KPIs. The financial risk could be reduced through the appropriate payment mechanism for example a risk and reward system against key KPIs.
2. If the service specification is not designed fit for the purpose of the future service it could result in the contract failing to deliver the results as expected.
  - This risk is to be managed by the Parking Service Matter Expert who will be taking the lead in specifying the requirements for the contract. The specification will be reviewed and signed off by the Project Board. It is difficult

to estimate the financial impact if this risk if it occurs but the likely impact would be jeopardising reaching the maximum income for the service however the saving in operational costs could still be achieved. However, as review points with the Project Board will be built into the design of the specification this will reduce the likelihood of this risk occurring.

3. There is a risk that suppliers who are invited to tender are not able to show adequate financial and non-financial benefits for the council in running the service.
  - This risk will be managed by the Sponsor who will retain the approval as chair of the Project Board to reject all bids should none be considered to provide better value for money than the service already provided by the council. The outcome of the procurement process will be set out to the Project Board in early September, however as the service is currently managed in-house if the risk materialises it will not compromise the delivery of the current service.
4. If the procurement process is not conducted correctly it could leave the council open to challenge and possibly a judicial review.
  - This risk will be managed by the Procurement Manager within the procurement team supported by One Barnet's internal and external legal advisers to ensure the process is conducted correctly which will therefore prevent any valid challenges to the contract award being made.
5. There is risk that a three-way relationship between the parking provider, the customer services provider and the Council may result in some issues being passed from one provider to another if there are unclear and ineffective SLAs and hand-off points between the three service providers to the citizens of the borough.
  - This risk will be managed by exploring the idea of a corporate intelligent client for CSO and Parking and by ensuring that effective SLAs are in place and clear responsibility for resolving issues to provide an end-to-end service to the citizens of Barnet.

## Appendix A – Existing Arrangements

The on street service comprises the installation and maintenance of signs and lines, pay and display machines and payment collection of parking, patrolling of the streets and the enforcement of parking regulations through the issue of PCNs.

There is also a significant back office function within the Parking Service, which deals with the processing of over 100,000 PCNs and the issue of 14,000 parking permits per annum

The table below outlines the income streams of the Parking Service over the previous three years. It should be noted that although income is important as it allows the service to maintain investment in parking and highways, it is an alternative for compliance to parking regulations.

Table 1

<b>Income</b>	<b>07/08</b>	<b>08/09</b>	<b>09/10</b>	<b>10/11 (Projected)</b>
Penalty Charge Notices	£4,558,567	£5,792,493	£4,425,726	£3,983,693
Permits	£1,246,016	£1,161,728	£1,015,225	£1,251,633
Pay and Display	£2,938,408	£2,716,719	£2,531,827	£2,114,981
CCTV Bus lanes	£2,164,894	£2,073,069	£1,523,629	£1,190,442
<b>Total Income</b>	<b>£10,907,885</b>	<b>£11,744,009</b>	<b>£9,496,406</b>	<b>£8,540,749</b>

The level of PCNs issued has reduced over the past three years as set out in Table 1 above, whereas the number of tickets appealed has remained stable in the previous two years, as reflected below.

Table 2

	<b>07/08</b>	<b>08/09</b>	<b>09/10</b>	<b>10/11</b>
Number of PCNs	156,972	149,137	143,386	104,568
Number paid at discount	104,259	65,102	59,603	65,966
Number appealed at PATAS*	875	1,138	1,139	1,222

\*Parking and Traffic Appeals Service

Barnet's Parking Service is somewhat unusual in providing almost all of its services in-house. In an established market place, it is one of a minority of London local authorities still providing in-house enforcement, compared with 23 of 34 (68%), who are already using an external service provider. Only the bailiff service, ICT enforcement system and the cashless parking service are currently operated externally.

Currently 56 staff carry out and manage on street enforcement. Barnet currently provides its back office processing service in-house, with 32 staff involved in processing PCNs through to responding to written customer contact on challenges and appeals.

# Appendix 2: Employee Equality Impact Assessment

## One Barnet Programmes – Employee Equality Impact Assessment

### One Barnet Programme Name: Future of Parking

[This document remains live with information being added at each critical milestone]

<b>Project Sponsor:</b>	<b>Declan Hoare</b>
<b>EIA Owner:</b>	<b>Pam Wharfe</b>
<b>Date process started:</b>	<b>14 April 2011</b>
<b>Date process ended:</b>	

<b>This EIA is being undertaken because it is:</b>	<input checked="" type="checkbox"/> outlined within the equality scheme relevance assessment table <input type="checkbox"/> part of a project proposal submission to the programme management board <input type="checkbox"/> a result of organisation change <input type="checkbox"/> other – please specify:
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#### EIA Contents

- 1 Introduction
2. Any Anticipated Equalities Issues at each milestone and identified mitigation
3. Monitoring Summary
4. Project Milestone Outcomes, Analysis and Actions

## 1. Introduction

### 1.1 Aims and objectives of the OB programme

The Future of Parking project forms part of the One Barnet programme.

The One Barnet programme is the London Borough of Barnet's strategic change programme. At its heart is one clear aim – to become a truly citizen-centric council ensuring that our residents can lead successful and independent lives. It is also the council's response to address several drivers for change that have been identified:

- The financial pressures resulting from the global recession has brought the era of consistently increasing public sector budgets to an end. Within the council there is a funding gap of £53m over the next three years, and our public sector partners face challenges of a similar scale.
- Despite consistent improvements in service delivery, satisfaction with Barnet Council, as with other local authorities, has been on a consistently downward trend.
- Digital technology continues to change and develop, as do the ways that people use it to change and grow. Residents will continue to expect us to deliver against those standards of instant information and access to services.
- Our identification of the need to develop a new partnership with our residents to deliver services in future is echoed by the Coalition Government's focus on a Big Society.
- The Government's focus on localism and devolution sets a national context for our aim to provide local leadership and join up services across the public sector.

The council believes that the One Barnet programme is best delivered through the adoption of the three key principles:

- **A new relationship with citizens** - Enabling residents to access information and support and to do more for themselves
- **A one public sector approach** - Working together in a more joined up way with our public sector partners to deliver better services
- **A relentless drive for efficiency** - Delivering more choice for better value

### 1.2 Future of Parking

The aim of this project is to provide a streamlined parking service which will result in a more efficient service that provides a better experience for

customers. This would help improve the reputation of the council. As such the proposal to select a strategic partner for the delivery of a parking service fits within the One Barnet objectives of “a relentless drive for efficiency” and “a new relationship with citizens”.

Efficient transport provision within the borough is vital to the local economy and quality of life of both residents and visitors. The Parking Service has an essential role to play in the maintenance of order on the highway. Within Barnet effective control of parking is essential in combating the negative impact of parking on traffic movement, road safety, and essential servicing of the parking infrastructure.

The Parking Service oversees the installation and maintenance of the infrastructure that allows residents and visitors to park legally both on street and in Barnet’s car parks. This includes parking permits and pay by phone parking. Compliance with the traffic and parking regulations is through the Civil Enforcement Officers (CEO) on street and Closed Circuit TV monitoring.

### **1.3 Scope of the project**

The following areas of the Parking Service are included within the scope of this process. These are the provision of:

- On and off-street enforcement
- Payment collection of the parking service
- Processing of Penalty Charge Notices (PCNs), including representations and appeals
- Dealing with payments and non-statutory correspondence
- Automated bus lane enforcement system
- Parking signs and lines maintenance

The current spend is approximately £6.8M in revenue on these services annually and employs over 90 staff in these areas, with an income of approximately £13.6m.

### **1.4 Description of the critical milestones**

- Initial EIA on staff likely to be in scope carried out – the business case and the financial model identifies those in scope and out of scope
- Service Specification for the tender identifies the details of the services in scope
- Final Tender report will outline the preferred bidder and the services in scope
- Transfer of staff to appointed partner.



### **1.3 Key Stakeholders**

- The key stakeholders of this EIA process are the employees and managers within the project's scope.

## **2. Any Anticipated Equalities Issues at each milestone and identified mitigation**

None

### **2.1 Milestone 1 - Outset**

None

### **2.2 Milestone 2 - Service Specification**

None

### **2.3 Milestone 3 - Final Tender Report**

None

### **2.4 Milestone 4 - Transfer of staff to the appointed partner**

None

### 3. Monitoring Summary

#### 3.1 Table 1- Employee EIA Profile of the One Barnet Project (this profile is in accordance with the requirements of the Equality Act 2010 and the Council will collect this information so far as we hold it)

#### Critical Milestones

		Outset date (April 2011)		Service Specification (June '11)		Final Tender Report (Sept '11)		Transfer date (Jan 2012)	
		No.	N/A	No.	% change	No.	% change	No.	% change
<b>Number of employees</b>									
<b>Gender</b>	Female	24							
	Male	59							
<b>Date of Birth (age)</b>	<b>1992-1986</b>		Figure withheld to prevent identification						
	<b>1985-1976</b>	24							
	<b>1975-1966</b>	25							
	<b>1965-1951</b>	28							
	<b>1950-1941</b>		Figure withheld to prevent identification						
	<b>1940 and earlier</b>	0							
<b>Ethnic Group</b>	<b>White</b> British Irish Other White	23	Figures withheld to prevent identification						
	<b>Mixed</b> White and Black Caribbean White and Black African White and Asian Other Mixed		Figure withheld to prevent identification						
	<b>Asian and Asian British</b> Indian Pakistani Bangladeshi Other Asian		Figures withheld to prevent identification						
	<b>Black or Black British</b> Caribbean African Other Black	19	Figures withheld to prevent identification						

			ation						
	<b>Chinese or Other Ethnic Group</b> Chinese Other Ethnic Group		Figure withheld to prevent identification						
<b>Disability</b>	<b>Physical co-ordination</b> (such as manual dexterity, muscular control, cerebral palsy)		All disability figures withheld to prevent identification						
	<b>Hearing</b> (such as: deaf, partially deaf or hard of hearing)								
	<b>Vision</b> (such as blind or fractional/partial sight. Does not include people whose visual problems can be corrected by glasses/contact lenses)								
	<b>Speech</b> (such as impairments that can cause communication problems)								
	<b>Reduced physical capacity</b> (such as inability to lift, carry or otherwise move everyday objects, debilitating pain and lack of strength, breath, energy or stamina, asthma, angina or diabetes)								
	<b>Severe disfigurement</b>								
	<b>Learning difficulties</b> (such as dyslexia)								
	<b>Mental illness</b> (substantial and lasting more than a year)								
	<b>Mobility</b> (such as wheelchair user, artificial lower limb(s), walking aids, rheumatism or arthritis)								
<b>Gender Identity</b>			All gender identity figures withheld to prevent identification						
	<b>Transsexual/Transgender</b> (people whose gender identity is different from the gender they were assigned at birth)								
<b>Pregnancy and Maternity</b>	Pregnant		Data not yet available						
	Maternity Leave (current)								
	Maternity Leave (in last 12 months)								
<b>Religion or Belief</b>	Christian	40	Other figures withheld to						
	Buddhist								
	Hindu								
	Jewish								
	Muslim								
	Sikh								

	Other religions		prevent identification						
	No religion	12							
	Not stated	11							
<b>Sexual Orientation</b>	Heterosexual		All other figures with held to prevent identification						
	Bisexual								
	Lesbian / Gay								
	Prefer not to say	23							
<b>Marriage and civil partnership</b>	Married		Other figures withheld to prevent identification						
	Single								
	Widowed								
	Divorced								
	Unknown	42							
<b>Relevant and related grievances</b>	Formal	0							
	Upheld	0							
	Dismissed	0							

## 3.2 Evidence

### 3.2.1 List below available data and research that will be used to determine impact on different equality groups

The revised establishment lists from SAP provide the primary data, plus the 'local knowledge' of heads of service. They will consider the impact of the project on the following, amongst other potential factors:

- Flexible working arrangements and their impacts on parents and carers
- Working from home (as above)
- The impact of moving staff to different work locations
- The impact of potential changes to holidays / term time working
- The impact on staff of changes to their working culture
- The impact on staff of additional health and safety training
- The impact on staff of a different programme of investment and development

We have a small number of employees who have notified us in their equalities returns that they have a disability. It is not clear from the data currently available what specific disabilities they have. Any changes to working conditions proposed by the project will be subject to consultation. At that point the employees in question will be able to disclose any issues they may encounter as a result of the changes. There is a mini project about to commence asking staff to update their equalities data on SAP.

### **3.2.2 Evidence gaps**

The business case is reviewing the existing service and the parking recovery plan which may result in change in the services in scope.

Data used for employee equalities is taken from the information held at present. SAP establishment is currently going through a definition project for the Council. Following this and SAP upload the data will be of a greater degree of accuracy.

### **3.2.3 Solution, please explain how you will fill any evidence gaps?**

The equalities impact assessment will be revised at key milestones to accommodate changes in the scope of staff included within the project.

## **4. Project Milestone Outcomes, Analysis and Actions**

### **4.1 Summary of the outcomes at each milestone**

- Milestone 1 - Outset
- Milestone 2 - Service Specification
- Milestone 3 - Final Tender Report
- Milestone 4 - Transfer of staff to the appointed partner

#### **4.1.1 Milestone 1 - Outset**

The EIA data will be reviewed in conjunction with the business case to ensure that the proposed solution identified any equalities implications on staff

#### **4.1.2 Milestone 2 – Service Specification**

The detailed service specification will refine the services and the functions in scope of the project against which the bidders will submit their solutions. The EIA will be reviewed to identify any changes in the scope of the project and any impact on staff

#### **4.1.2 Milestone 3 – Final Tender Report**

At the end of tender process, one bidder's proposal will be accepted. The EIA will be reviewed in the light of the chosen solution in order to assess the potential impacts on staff in scope.

#### **4.1.2 Milestone 4 - Transfer of staff to the appointed partner**

The EIA will be reviewed following the close of the project in order to determine the actual impact on staff in scope.

### **4.2 Actions Proposed**

#### **4.2.1 Milestone 1 - Outset**

*Were there any unexpected equalities impacts that you did not identify at the first stage?  
How will the learning be brought forward to the next milestone?*

**TBC**

#### **4.2.2 Milestone 2 – Service Specification**

*Were there any unexpected equalities impacts that you did not identify at the first stage?  
How will the learning be brought forward to the next milestone?*

**TBC**

#### **4.2.2 Milestone 3 - Final Tender Report**

*Were there any unexpected equalities impacts that you did not identify at the previous stages?*

*How will the learning be brought forward to the next milestone?*

**TBC**

#### **4.2.3 Milestone 4 - Completed transition to the appointed partner**

*Were there any unexpected equalities impacts that you did not identify at the previous stages?*

*How will the learning be captured?*

**TBC**

## Business Scrutiny:

This table summarises the briefing activities. This EIA forms the primary briefing tool and has been shared as detailed below.

**Table 1**

Dates dependent upon Governance Services schedule for 2011/12 and 2012/13.

<b>Milestone Description</b>	<b>Programme Office</b>	<b>Trade Unions – appropriate TU for Project</b>	<b>CDG</b>	<b>DPR - Delegated Powers Report</b>	<b>GFC – General Functions Committee</b>
<i>Milestone 1 - Outset</i>	date	date	26 April 2011	date	date
<i>Milestone 2 - Service Specification</i>	date	date		date	date
<i>Milestone 3 – Final Tender Report</i>	date	date		date	Sept 2011
<i>Milestone 4 - Transfer of staff to the appointed partner</i>	date	date		date	date

