

ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER

Subject **Parking Refund Project -
Authorisation and Award of
Temporary Contract for Additional
Administration Capacity**

Officer taking decision Chief Operating Officer

Date of decision 3 September 2013

Summary

This report is seeking approval to proceed with single tender procurement for a contract to process parking CPZ permit refunds and Visitor Vouchers refunds.

This decision was constructed in accordance with the Councils Constitution and appropriate consideration was given in respect to the Councils Contract Procedure Rules.

Officer Contributors Lynn Bishop, Streetscene Director,
Lauretta Vitalis, Interim Head of Revenues, Benefits & Customer Services

Status (public or exempt) Public

Wards affected All

Function of (Council/Executive) Council

Key Decision No

Enclosures None

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1. RELEVANT PREVIOUS DECISIONS

1.1 None

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

2.1 This report supports the Corporate Plan 2013 strategic objective to 'Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study'. It is important for resident satisfaction and trust that decisions are made following proper processes and where errors are made that steps are taken to put things right. The High Court judgement *Barnet Council Vs. Attfield, R* ruled that Barnet had acted unlawfully when it increased the cost of residents' parking permits and visitor vouchers in controlled parking zones (CPZ's). The Council has accepted this ruling. This report requests approval of additional capacity to ensure that residents receive a refund of the difference in the parking charge.

3. RISK MANAGEMENT ISSUES

3.1 This procurement is required to meet the peak in demand predicted as a result of the High Court judgement *Barnet Council Vs. Attfield, R* which ruled that the charges for CPZ were increased without going through the proper process. Residents who made payments at the increased rates for their annual charges have been offered a refund of the difference in charge and there is an application form available online. Residents who do not apply but are eligible for a refund will be contacted and given every opportunity to get a refund.

3.2 I do not consider the issues involved in this request for additional resource are likely to raise significant levels of public concern or give rise to policy considerations. This is because the main priority is to ensure that the refund process is simple and timely. There are precedents for utilising external providers to process permits, for example the Saracens CPZ permits were processed by Civica and this did not lead to public concern. In addition the processes agreed by the council and the provider will ensure a seamless customer experience as calls will be automatically transferred to the provider and the provider will have access to all the information that they need in order to be able to process the refund. The parking refund process has been advertised widely and there are high levels of public awareness

3.3 There is a risk that the contract does not provide value for money. The parking refund project will be monitored by finance so that the implication for the risk reserve is fully understood. The proposal from Civica includes a full budget breakdown to ensure that the costs are fully understood. The aim is to encourage residents to apply for a refund, and every effort will be made to contact them. The applications received and the number of refunds made will be monitored by Parking so that there is a good understanding of the activity levels. Payment will be made to Civica based on progress and results and in arrears barring the initial set-up costs. The standard council terms and conditions which include a termination clause will apply.

4. EQUALITIES AND DIVERSITY ISSUES

- 4.1 Everyone with a permit applied by email, post or phone. Residents will be contacted via their preferred contact method and efforts have been made to ensure the process is simple and accessible. For people who find communicating in writing difficult there will be a phone access route.
- 4.2 Applications for refunds have been monitored and the vast majority of applications have been made using the webform suggesting that most people are comfortable with communicating electronically.
- 4.3 Refunds will be processed through Civica and will utilise the preferred payment method as chosen by the applicant as part of the original purchase.
- 4.4 There is a specific carers permit available which is used by non drivers who are likely to have regular visits for reason of health or disability but this is not part of this refund arrangement.

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

- 5.1 This is a standalone project which is being funded from the council's risk reserve. Quarter 1 budget monitoring reports that up to £2.5million will be required from the risk reserve to cover the parking refunds and administration.
- 5.2 The additional capacity will cost £87,500 for a 6 month period.
- 5.3 LBB have already received over 3000 applications and can reasonably expect to receive further applications once people return from their holidays. It is expected that there could be up to 12000 applicants for a refund.
- 5.4 Civica have provided a fully costed proposal and there are not any additional costs above the agreed payment schedule.
- 5.5 £87,500 is the maximum that the council will pay. After 6 months any residual refund applications will be processed by the Permit Team in the Customer and Support Group as part of business as usual. There is therefore an incentive for the council to make best use of the additional capacity and encourage residents to apply for their permit within the 6 month time period.
- 5.6 Civica will as part of the contract draw up process maps that describe how the refund will be processed and the information that they will collect. This information captured and the process will be cleared by audit and the Corporate Anti Fraud Team
- 5.7 Value for Money has been an important consideration as part of the negotiation with the provider. The proposal includes a budget breakdown of the proposal from Civica which is considered reasonable and fair.
- 5.8 The required activity, quality and processes have been shared with Civica and these requirements have formed a checklist for Civica's service offering and their

detailed pricing schedule. The agreed schedule has then formed the basis of a contract including the council's terms and conditions.

- 5.9 Civica are the existing supplier of Civica Civil Enforcement (CE) system. Civica have recommended as the single tender for technical reasons. More detail is included in the background section.

6. LEGAL ISSUES

- 6.1 There is a legal requirement to respond to the High court judgement Barnet Council Vs. Attfild, R ruled that Barnet had acted unlawfully when it increased the cost of residents' parking permits and visitor vouchers in controlled parking zones (CPZ's). The Council has accepted this ruling and has responded by offering a refund to all residents who made purchases and making an application form available online. Residents who do not apply but are eligible for a refund will be contacted and given every opportunity to get a refund.

7. CONSTITUTIONAL POWERS

- 7.1 Council Constitution Part 17 – Responsibility for Functions 7.1, Chief Officers as listed in Article 11 can take decisions, in consultation with the Cabinet Member concerned (or without consultation where it is a decision authorised to be taken by the Chief Officer under the Contract Procedure Rules to authorise and accept quotations for contracts to the limits placed on Chief Officers by Contract Procedure Rules for approved schemes with sufficient estimate provision;
- 7.2 The Contract Procedure Rules, Appendix 1, Table A, outlines the authorisation and acceptance thresholds. For spend between £25,000 and £173,934, a Full DPR signed by a Director or Assistant Director is required as authority to spend where they spend isn't included on the procurement forward plan.
- 7.3 The Contract Procedure Rules, section 9 (Single Tender Actions), state that a single tender action is not allowed unless approved in advance by the Commercial Lead. This procurement has been approved by the Commercial Director as a Single Tender Action for technical reasons. Single Tender Actions are permitted under the EU Procurement Directives in exceptional circumstances including for technical Reasons. This has been applied in this scenario as Civica are the only organisation with the expertise to do the work.

8. BACKGROUND INFORMATION

- 8.1 High Court judgement Barnet Council Vs. Attfild, R ruled that Barnet had acted unlawfully when it increased the cost of residents' parking permits and visitor vouchers in controlled parking zones (CPZ's). The Council has accepted this ruling. Residents who made payments at the increased rates for their annual charges have been offered a refund of the difference in charge and there is an application form available online. Residents who do not apply but are eligible for a refund will be contacted and given every opportunity to get a refund.

- 8.2 Members have committed to ensuring the refund process is easy to access, simple and timely. Residents have been informed that if they apply for a refund they will receive a refund within 8 weeks of application.
- 8.3 Applications need to be checked against the Civica Civil Enforcement (CE) system to ensure name, car, address and payment details are all correct. A check will be made to ensure that a resident receives a full refund regardless of the number of permits they have listed on their application. Where a debit or credit card payment can be made this will be done using the ICON system that has a direct link through from Civica CE to the Council's banking merchant. This method of payment is fully auditable, streamlined and follows the process usually used when refunding a permit, for example, because a resident has moved out of the borough
- 8.4 It is recommended that Civica are contracted to support the administration of the refund process. A single tender process is appropriate for technical reasons as Civica have the expertise, access and staff capacity to be able to carry out this function.
- 8.5 Civica develop, host and maintain Barnet's CE system. They, therefore have the greatest technical expertise in making any system developments required for refunding the monies and updating the system to show all technical and auditable changes. Because they develop, host and maintain the CE system they will have an intimate knowledge of how the data tables are accessed, simplifying the processes of identifying which residents are entitled to a refund and ensuring that the correct amount is refunded. As they are so heavily involved with the system and already have people trained in its use, they will be able to hit the ground running.
- 8.6 For the refund process to be successful there are a number of important factors;
- 8.7 Timeliness of refund- Barnet have committed to making refunds within 8 weeks of application. This requires a core resource of trained users who have knowledge of existing systems and processes in order to deliver a quality service. There is therefore not time to train new staff / negotiate new access arrangements to the system, and staff will need to 'hit the ground running'.
- 8.8 Best use of resources- Additional capacity is required to support Barnet Customer Services activities in order to cope with a number of competing priorities. Changes to waste and recycling processes have resulted in a peak in demand for customer services and are already underway. This means that there isn't adequate capacity to manage parking refunds in addition to other commitments. Due to the other priorities it would also not be possible to reassign staff from these other priority projects to the parking refund project. As this is a peak of activity for a relatively short period of 6 months, utilising external resources to fulfil this short requirement is an appropriate supply option.
- 8.9 For the reasons above it is recommended that Civica are contracted to administer the parking refunds. A contract sets out the required activity, quality and time standards. The contract will be monitored by the LBB Parking team to ensure the contract is providing value for money and that the capacity is still required. Quality checks will be made to ensure that the provider is meeting the required standards. Payment will be made to Civica based on progress and results and will ensure that the additional capacity is used as required.

9. LIST OF BACKGROUND PAPERS

9.1 None

10. DECISION TAKER'S STATEMENT

10.1 I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.

11. OFFICER'S DECISION

11.1 I authorise the following action:

Approval to proceed with single tender procurement for a contract with Civica to process parking CPZ permit refunds and visitor vouchers refunds as outlined in the report.

Signed

Chris Naylor

Chief Operating Officer

Date

3 September 2013
