

	<h2>Environment Committee</h2> <h3>12th May 2016</h3>
Title	Parking Enforcement Contract Extension
Report of	Commissioning Director, Environment
Wards	All
Status	Public
Urgent	Yes
Key	Yes
Enclosures	None
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Summary

The Council's Parking Enforcement Contract with NSL commenced in May 2012. The contract term was for a period of five years with an option to extend for a maximum of a further two years.

Year five of the contract therefore commences in May 2016 and ends in April 2017.

This means that the Council must now decide to either extend or re-procure the enforcement contract.

This paper outlines the options available for consideration and a preferred option to take forward.

There are three options presented:

1. Immediately re-procure a new contract.

2. Extend the current contract for a period of 18 months. This would allow time to review the possibility of joining with other neighbouring London boroughs on procuring a new joint parking contract. This is the suggested preferred option.
3. Bring service delivery in house.

Recommendations

That the Environment Committee agree to extend the current contract with NSL for a period of 18 months. This extension period will enable the investigation of shared contract(s) and service provision options with other neighbouring London Boroughs.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Council's enforcement contract with NSL expires in April 2017. Therefore there is a requirement to either extend via the extension provisions of the current contract or to re-procure a new contract in order to secure on-going service provision.

2. REASONS FOR RECOMMENDATIONS

Potential Future Joint Parking Services Model with other neighbouring London Authorities

- 2.1 Officers are currently investigating potential partnership working in relation to a range of parking services with the London Boroughs of Islington, Haringey, Enfield and Waltham Forest. This investigatory work has resulted in the formulation of three high level options thought suitable for further investigation:
 - Joint procurement of a single contract across the five boroughs. This would reduce the procurement costs of awarding a new enforcement contract whilst allowing each borough to retain control over its own back office functions.
 - Shared Services Model (Single Operational Management). This would involve the parking contracts being disaggregated by function with shared IT platforms between the five authorities (permits & pay by phone etc.). This option could also generate procurement savings and could lead to knowledge sharing and the establishment of centres of excellence for the development of key performance Indicators and other service improvements.
 - Shared Functions (with central and local management). This option is the same as the shared services model above, but it would involve more local management as opposed to central management which

would allow each borough to more effectively pursue its own objectives and commissioning intentions.

- 2.2 Each of the joint parking services options outlined above would require a period of time for the five authorities involved to synchronise their contracts as each has an existing contract with a different expiry date and therefore a different time scale for re-procurement.
- 2.3 The joint parking service models outlined above could generate financial and operational benefits for Barnet. They also have the potential to provide better IT services and a level of innovation greater than what might be possible if Barnet procured its own single contract and continued to operate as a single parking enforcement authority.
- 2.4 There are many factors to consider when assessing if any of the joint parking services models are viable and which is the best possible future service option for Barnet. Therefore an extension to the current NSL contract for a period of 18 months is necessary to ensure the joint parking services models are thoroughly investigated.

NSL's Contract Performance

- 2.5 NSL's performance in Barnet has been broadly good since the contract commenced in May 2012. A recent review has also led to agreement of a new enforcement plan which has improved the efficiency of the enforcement service and in doing so supports the Council to manage its parking infrastructure to benefit residents.

There are several key areas where NSL's contract performance has enabled the Council to manage the borough's parking infrastructure effectively in support of the aims of the parking policy. In particular the following areas demonstrate good contractual performance in support of the Council's commissioning intentions:

- NSL have demonstrated that they have adequate resources and flexibility to react to arising issues by responding to adhoc requests for enforcement at specific times and to specific areas. They have also been accommodating when the authority has requested that additional resources are deployed to deal with the changing patterns of parking non-compliance.
- Complaints specifically related to the actions of NSL staff and in particular the Civil Enforcement Officers (CEO's) have also remained within performance limits. In terms of complaints, NSL have a key performance indicator target for complaints to be less than 200 per

annum/16.67 average per month. Their performance over 2015/16 has been within these limits and have been as follows:

- Lowest level in a month was 4 complaints
- Highest level was 10
- Average number received 6.875 per month
- Shortest response time was on the same day of receipt
- Longest response time was 10 calendar days
- Average response time was 2.53 days

- Errors made by Civil Enforcement Officers often lead to a poor customer experience and the cancellation of Penalty Charge Notices. NSL has performed well in this area. For mistakes by Civil Enforcement Officers, NSL have a key performance indicator target of 3% maximum for the year 2015/16:

- Lowest level in a month was 0.99% cancelled due to CEO errors
- Highest level in the month was 1.76%
- Average for the year was 1.29%

- 2.6 The parking service is also planning to instigate a new enforcement regime at the beginning of contract year five (commencing in 2016) with an expectation that this year will see a further improvement over the previous year.
- 2.7 As we have positive engagement from NSL and the quality of the service is improving, extending the current contract whilst future potential joint working service provision is fully investigated is considered to be the most favourable option for the Council.
- 2.8 Resident satisfaction with parking in Barnet has improved by ten percentage points over the last three years and is now at 27%. However, the London average is 33% and so further improvement is necessary. As part of the contract extension negotiation with NSL, the issue of customer satisfaction will be discussed.

OJEU procurement value and the ability to extend the current contract

- 2.9 The published OJEU procurement notice for the current NSL contract indicated a contract value range of £15M to £25M. It also indicated that the contract length is for a period of five years with a two year extension option. Regulation 72 of the Public Contract Regulations 2015 permit modification of contracts – “where such modification was provided for within the original tender documents irrespective of their monetary value”. To date the Council has spent circa £14.3 million during the first three years of the contract 2012 – April 2016. Projected spend for the remainder of the contract means that there will be adequate headroom available to accommodate both the remaining two years of the contract and an 18 month extension.

Savings requirements

- 2.10 There is a savings requirement for the enforcement contract of £150,000 that was intended to be realised by a re-procured commission. This saving which is due in the 2018/19 financial year has a number of alternative mechanisms to achieve its delivery. Firstly, the achievement of savings via the contract extension negotiation is likely to be possible. In particular, a negotiation concerning various commercial aspects of the contract may well be possible resulting in a net service saving of £150,000. The potential partnership arrangement with neighbouring London boroughs will also generate savings contributing to the 2018/19 target.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Immediately commence procurement for a new contract

With this option the Council would not exercise the option to extend the current contract with NSL and would instead prepare a new specification and suite of tender documents in order to commence a procurement exercise for a new contract to commence in May 2017.

This option is not recommended as it would not allow the joint working opportunities with other London Boroughs (described above) to be fully investigated and therefore potential benefits and savings would be lost.

3.2 Bring Service Delivery in house

4. POST DECISION IMPLEMENTATION

- 4.1 Assuming committee accept the suggestion of an 18 month extension of the current contract with NSL, the parking and procurement team will enter into negotiations with NSL to secure favourable terms for the 18 month extension period.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Parking is an important service to residents and initiatives are in place to enable the service to fulfil its aims of keeping traffic moving, making roads safer, reducing air pollution, ensuring that there are adequate parking spaces on High Streets, and that residents can park as near as possible to their homes. An effective parking service enables these aims and in particular utilising the current contract's extension facility to fully investigate a shared service model with partners will help to fulfil the Corporate Plan's objectives.

5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The approach outlined in this paper aims to secure the best possible value for money by investigating joint procurement(s) with other Local Authorities which have the potential to save money on future procurement costs.
- 5.2.2 Extending the current parking enforcement contract will enable the authority to investigate a shared services model with other authorities which have the potential to establish shared IT systems which could provide greater value for money in the future.

5.3 **Social Value**

- 5.3.1 The parking service delivers the Council's Parking Policy which is key to managing the finite parking infrastructure across the borough. Effectively managed parking contributes to social value across the borough by enabling the Council to deliver its commissioning intentions in terms of allowing people to park as close as possible to their homes, by keeping traffic moving and by reducing air pollution.

5.4 **Legal and Constitutional References**

- 5.4.1 The Council has a statutory duty to provide network management under the Traffic Management Act 2004. Effective parking enforcement supports this duty and a parking enforcement contract is necessary to enable this.

HB Public Law has been consulted in this matter and its comments are incorporated into the body of the report.

The Council can extend the contract to the maximum permissible period under the Contract which in this case is up to another two years. The Public Contracts Regulations 2015 permit the Council to extend the contract where such extension provisions were incorporated into the Contract and the original tender documents in clear and unequivocal terms.

The Council's Constitution (Clause 15A, Responsibility for Functions, Annex A) sets out the terms of reference of the Environment Committee. This includes parking provision and enforcement.

The Council's Constitution, Contract Procedure Rules set out at appendix 1 Table A outline the decision making route for contracts and contract extensions also states that the relevant theme committee (in this case the Environment Committee) can authorise contract extensions.

5.5 **Risk Management**

- 5.5.1 The approach of extending the current enforcement contract helps to effectively manage the risk associated with re-procuring a new contract. The extension period will provide adequate time to investigate possible

procurement alongside partners (and in doing so shares the risk of re-procurement). The extension period also provides an opportunity to ensure that whether the Council procures a new contract alongside partners or procures its own individual contract, it does so in a considered manner with time to ensure that the best possible commission is secured for the residents of Barnet.

5.6 Equalities and Diversity

5.6.1 The Council's parking policy and regulation of Parking in the borough for supports equalities and diversity in several ways:

- By meeting the needs of disabled people, some of whom will be unable to use public transport system and depend entirely on the use of a car.
- Keeping our footways clear.
- By tailoring parking regulations across the borough to suit the differing needs of our diverse communities.

5.7 Consultation and Engagement

5.7.1 The Parking Service is currently undergoing a transformation programme which involves engagement with Elected Members to ensure that issues are properly considered to inform the future re-procurement of a new enforcement contract.

5.8 Insight

5.8.1 The extension of the current Parking Contract and future procurement of a new contract will very much be informed by information and data detailing the performance of the current service. Wherever possible this insight will be utilised to improve the service the current and future contracts provide to the residents of Barnet.

6. BACKGROUND PAPERS

1. Committee approval for the parking contract (Cabinet Resources Committee 14th December 2011).
2. OJEU procurement notice for the existing parking contract.