

Subject:	Parking Enforcement Procurement Strategy		
Date of Meeting:	16 March 2021		
Report of:	Executive Director Environment, Economy & Culture		
Contact Officer:	Name:	Paul Nicholls	Tel: 01273 293287
	Email:	paul.nicholls@brighton-hove.gov.uk	
Wards affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Procurement Advisory Board requested that independent consultants be engaged to evaluate procurement options for the parking enforcement contract and associated services such as IT. This was to include the option of bringing elements of the service in house, such as enforcement officers, taking social value into account. The review did look across the whole of Parking Services due to the close links between teams but it is important to note that the vast majority of the service is already an in-house operation.
- 1.2 Expressions of interest were invited to carry out this consultancy work, but the tender was delayed due to the first covid outbreak and later awarded to 'Red Quadrant' consultants who started work in July 2020 working remotely.

2. RECOMMENDATIONS:

- 2.1 That the Committee agrees to proceed with option three of the procurement strategies set out in the independent consultant's report and in the main body of this report which was endorsed as the preferred option by the Procurement Advisory Board.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Council officers met weekly with the consultants to set out the parameters and criteria for the review including ensuring they benchmark with other LA's to thoroughly examine our performance. The review included a series of workshops with all service managers to ensure all aspects of the service were reviewed.
- 3.2 The current enforcement contract expired on 1 July 2020 and the council has agreed terms to extend contractual arrangements pending the review and procurement next steps. Generally, the consultant's report found that the contract has performed well against set KPIs as explained in the Red Quadrant report. Benchmarking information has also been researched by the consultants and is included for information
- 3.3 Three options were evaluated by the consultants. The first option is to re-let the contract on the same basis as previously. The second option is to bring the

enforcement contract in house and just re-let for IT systems. The third (recommended) option is to re-let the PCN enforcement service and IT systems but bring in-house blue badge enforcement (3 posts) and the permit IT system. This option also recommends exploring whether there is a financial case for procuring a car pound.

- 3.4 The background reasoning for bringing forward the third option is explained in the consultant's report. Blue badge enforcement officers are largely based at Hove Town Hall when not on street. Blue badge misuse is a criminal offence requiring close work with Sussex Police as opposed to parking contraventions which is a civil matter
- 3.5 Rather than re-letting the permit system it is thought that this IT system could be developed in house given the links to council tax and MyAccount
- 3.6 When the contract was let in 2013 the requirement for a pound was removed to achieve savings of £250k. The report suggests reviewing whether a multi-agency approach (working with Sussex Police, DVLA and neighbouring councils) to procuring a pound could be financially viable. This reflects the changing financial situation where PCNs numbers have increased with a particular issue around persistent evaders.
- 3.7 Subject to the recommended option 3 being approved the enforcement contract could be re-let with the new contract operational by July 2022.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Option 1, the 'as is' option was considered but this would not have the benefits outlined in the paragraph above. It was noted at the Procurement Advisory Board that the minimum salary paid by the current contractor was slightly below the Brighton Living Wage. It was felt that this could be addressed through specifying minimum pay requirements when re-letting the tender. Some of the other social value issues, could similarly be addressed through the tender specification.
- 4.2 Option 2, bringing the enforcement service in house was considered. Whilst this option provides the highest level of control over terms and conditions of employment, it was also considered by the consultants to have the longest mobilisation period (2 years) with potential for disruption of service as well as being resource intensive for Procurement, HR and Legal Services. On street parking income has been severely affected by the pandemic and this option would add significantly to budgetary pressures (£1.6m per annum in year 1 and approx. £1m per annum in subsequent years).

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 At the Procurement Advisory Board on 25th January 2021 the Members were concerned about the financial impact from option 2 which would have a huge impact on Council finances. There was also further discussion on reviewing Council wide enforcement including parking, anti-social behaviour and the field officer role. However, it was accepted that the current parking enforcement contract could not be extended any further and that any review of this would

need to be undertaken in the next few years and this should not delay this process.

- 5.2 No community engagement / consultation took place as this is a commercial and contractual matter.

6. CONCLUSION

- 6.1 It is recommended that this committee accepts the recommendation to proceed with option three of the procurement strategies as outlined in this report, the individual consultant report and as endorsed as the preferred option by the Procurement Advisory Board.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The financial implications of each of the three options considered are set out in the Red Quadrant report. The surplus over 5 years (July 2022 to 2027) has been calculated by deducting the cost of the service from the estimated income from Penalty Charge Notices (PCN's).
- 7.2 All budgetary assumptions in the Medium-Term Financial Strategy have been based on current contract costs and existing income assumptions through PCN's. Selecting option 2, bringing the service in house would therefore result in a service pressure of over £1m per annum. Surplus shown is council surplus (not private profit in outsourced options) and is used towards concessionary fares, support for buses and other transport improvements.
- 7.3 The recommendation is for option 3 which is estimated to provide small financial improvement of £0.060m pa from an annual contract cost of approx. £4.0m pa. The actual financial impact will not be known until the procurement process is complete.
- 7.4 This option also includes exploring the business case for procuring a car pound which would require a multi-agency approach to be financially viable.
- 7.5 The cost of the consultancy was approx. £0.083m and is reflected in the parking services Targeted Budget Management financial position reported to Policy & Resources Committee.

Finance Officer Consulted: James Hengeveld

Date: 15/02/2021

Legal Implications:

- 7.6 The Council will need to follow the relevant procurement regulations and the Council's standing orders when re-procuring the PCN enforcement service and IT systems. The Transfer of Undertakings Regulations are likely to apply to the services which are brought in-house.

Lawyer Consulted: Alice Rowland

Date: 15/02/21

Equalities Implications:

- 7.7 The parking enforcement contract helps protect access to disabled bays and prevent blue badge misuse.

Sustainability Implications:

- 7.8 Parking enforcement is a low carbon contract as most officers patrol the city on foot. The vehicles included in the contract are bicycles, electric bicycles and hybrid cars and vans.

Brexit Implications:

- 7.9 None

Any Other Significant Implications:

- 7.10 None

Crime & Disorder Implications:

- 7.11 Parking enforcement officers through their on-street presence deter anti-social behaviour and encourage compliance with road traffic regulations.

Risk and Opportunity Management Implications:

- 7.12 A risk register has been compiled by the consultants Red Quadrant. The option with the highest number of risks that are red RAG rated items is option 2, bringing the enforcement contract in-house. These red risks are continuity of service, time to implement and exposure. Option 2 would also result in financial risks at a time when on street parking income has become erratic, adding to budgetary pressures. Option 1, re-letting the contract 'as is', has no red RAG rated risks. Option 3, a mix of in sourcing and contracting out has one red RAG rated risk which is continuity of service.

SUPPORTING DOCUMENTATION

Appendices:

None

Background Documents

1. The consultant's report as presented to the Procurement Advisory Board