

Report to: EXECUTIVE CABINET

Date: 20 December 2023

Executive Member: Councillor Jan Jackson, Executive Member (Planning, Transport and Connectivity)

Reporting Officer: Emma Varnam, Assistant Director, Operations and Neighbourhoods, Place

Subject: **PARKING ENFORCEMENT AND ASSOCIATED SERVICES FOR ON AND OFF STREET PARKING (INCLUDING CASH COLLECTION)**

Report Summary: The purpose of this report is to seek approval to award the contract for the provision of Parking Enforcement and Associated Services following the results of the joint procurement exercise undertaken with Trafford, Rochdale and Bolton Council.

Recommendations: That Executive Cabinet be recommended to approve the award of the contract for the provision of Parking Enforcement and Associated services for Tameside Council, following the results of the joint procurement exercise undertaken with Trafford, Rochdale and Bolton Council.

Corporate Plan: The proposals contained in this report will support the delivery of the Corporate Plan by providing a modern infrastructure and a sustainable environment.

Policy Implications: None arising from this report.

Financial Implications: The budget available for the provision of Parking Enforcement and Associated Services, taking into account the associated fine income, is set out in the table below.

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

	£m
Expenditure Budget	0.559
Income Budget	(0.527)
Net Budget Available	0.032

Following the procurement process, one bid has now been received with a contract value of up to £0.781m per annum, and up to £7.810 million over the 10 year duration, excluding inflationary increases, as allowed for in the contract. The annual contract value is an increase of £0.085m from the 23/24 value. The 23/24 value includes 2 months of interim provision and 10 months contract extension following negotiation with the incumbent provider.

The net annual impact of awarding this contract is shown below, however this is dependent on the level of fine income being as assumed.

	24/25 £m
Annual Contract Value	0.781
Forecast PCN Income	(0.616)
Net Cost before Pay & Display Income	0.165
Net Budget Available*	0.032
Variation to Budget	0.133

Evaluation Against Other Options

The service has considered other options available to the Council. The financial impact of each of these is shown in the table below.

	Award Contract to Preferred Bidder £m	Bring Service In House £m	Not Provide the Service £m
Budget	0.032		
Expenditure	0.781	1.002	0.000
Income	(0.616)	(0.616)	0.000
Net Cost	0.165	0.386	0.000
Variation to Budget	0.133	0.354	(0.032)

As shown in the table above, the option not to provide the service appears to be the lowest net cost option to the Council. However, this doesn't consider the impact on pay and display income, which would be expected to decrease if the parking rules were not enforced. As outlined in section 1, there are several non-financial reasons that mean ceasing enforcement of on and off-street parking is not a viable option. Once this option is removed, awarding this contract becomes the best value option to the Council.

The contract, if awarded, must be robustly contract managed to ensure enforcement across Tameside is acting as a suitable deterrent to ensure best use of chargeable parking facilities, on-street parking bays and improves road safety outcomes. Whilst awarding this contract delivers a better value option to the Council, it also generates a pressure on the revenue budget available of £0.133m. In 23/24, work has been undertaken to increase car parking income to ensure all costs, including those relating to enforcement, are covered. The service will need to continue the development of a Car Parking Strategy, to include further review of tariffs, to ensure that this pressure is mitigated with no adverse impact on the general fund.

In reviewing options, it has been determined that the cost of an in-house standalone enforcement team is not best value. What has not been considered is a wider brief around a Borough Inspectorate that can cover off aspects of community safety, network condition inspections as well as all forms of enforcement, including parking. The award of a ten year contract will not allow the Council to join up services to deliver a potentially more efficient service to residents, without suitable break clauses and appropriate penalties in the contract to be awarded.

Legal Implications: (Authorised by the Borough Solicitor)

The project officers are seeking support and advice from STaR procurement to ensure that a compliant procurement exercise is undertaken and that best value is achieved for the council.

Risk Management:

If the recommendations are not implemented the Council risks being unable to effectively monitor on and off street parking usage within the Borough and the financial management of this service.

Failure to provide on and off street parking enforcement will lead to:

- Loss of income stream to the Authority
- Increased traffic congestion

- Increased pollution
- Inappropriate parking
- A potential increase in accidents
- Pay and Display machines not being emptied

A detrimental effect on the long term economic prosperity of the Authority area

Access to Information: Not Confidential

Background Information: The background papers relating to this report can be inspected by contacting Sharon Smith, Head of Public Protection.



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1 INTRODUCTION

- 1.1 Tameside Council's current contract for Parking Enforcement Services and Cash Collection is due to expire on 31 March 2024. The original contract expired on 31 March 2023 and, following the abandonment of the previous procurement exercise due to a non-compliant advert process, the current 10 month extension was approved from 1 June 2023 until 31 March 2024.
- 1.2 In preparation of the current extension expiring on 31 March 2024, this report sets out the details of the proposal to award a 10 year contract as a joint procurement exercise with a commencement date of 1 April 2024.
- 1.3 To ensure the enforcement contract is fulfilled to the highest standard, Tameside Council will manage contractor performance and highlight any performance issues i.e. staff deployment, Civil Enforcement Officer errors, staff behaviour and ensuring a robust cash collection and associated services is in place, using all the contractual levers at its disposal.
- 1.4 Civil parking enforcement should contribute to the authority's transport objectives. A good civil parking enforcement regime is one that uses quality-based standards that the public understands which are enforced fairly, accurately and expeditiously.
- 1.5 Tameside Council aim to increase compliance with parking restrictions through clear, well-designed, legal and enforced parking controls. Civil parking enforcement provides a means by which an authority can effectively deliver wider transport strategies and objectives.
- 1.6 As a Local Authority, Tameside should ensure that parking in town centres and other shopping areas is convenient, safe and secure, including appropriate provision for motorcycles and deliveries. Parking policies, including enforcement, should be proportionate and should not undermine the vitality of town centres.
- 1.7 Tameside Council have designed their parking policies with particular regard to:
 - managing the traffic network to ensure expeditious movement of traffic, (including pedestrians and cyclists)
 - improving road safety
 - improving the local environment
 - improving the quality and accessibility of public transport
 - meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car
 - managing and reconciling the competing demands for kerb space
- 1.8 Tameside Council adopted Civil Parking Enforcement powers in 2007, taking that function from the Police and, once that process has been undertaken, it is not possible to hand it back. It is not viable to cease future parking enforcement, as traffic movement through the borough would be severely disrupted by indiscriminate parking, also resulting in road safety issues. The delivery of this service is essential to avoid any severe, adverse effect on traffic movement within the borough.

2 CURRENT ARRANGEMENTS

- 2.1 The current on and off street enforcement contractor provides Tameside Council with Parking Enforcement and other Associated Services on a daily basis Monday – Saturday and, evening/Sunday enforcement on an ad-hoc basis.
- 2.2 The Civil Enforcement Officers ensure that motorists are purchasing a pay and display ticket when using car park facilities within the borough and displaying their ticket, disabled badge or parking permit during the use of their stay on the dashboard/vehicle windscreen.

2.3 Should a pay and display ticket not be displayed clearly within the vehicle the Officer will issue a Penalty Charge Notice (PCN) to the vehicle at a charge of £70.00. Once a penalty charge notice has been issued a reduction of fifty percent of the charge is applied if the payment is made within 14 days. The presence of the Civil Enforcement Officers can act as a deterrent for parking contraventions and infringements as well as protecting the pay and display income levels for the 42 car parks around the Borough.

2.4 A penalty charge notice can be issued on a car park (off street) for the following reasons:

- Parking without payment
- Parked after the expiry of paid time
- Parked in a disabled bay without displaying a blue badge
- Parked outside of a marked bay
- Parked with no display/expired parking permit or contract pass

A penalty charge notice can be issued on street for the following reasons:

- Parked on single or double yellow lines
- Parked where loading/unloading restrictions are enforced
- Parked in a residents' bay without displaying a permit
- Parked in a timed bay for longer than permitted
- Parked in a designated disabled bay without displaying a disabled badge
- Stopped on a taxi rank/bus stop/school restricted area

Should any of the above not be adhered to a Penalty Charge Notice will be issued to the vehicle parked in contravention.

2.5 The current contract includes the following:

- Regular patrols of on and off-street parking within the borough
- Monitoring the parking facilities within the borough and help to keep traffic moving in areas where vehicles are parked in contravention to the road traffic order placed on the highway
- Enforcement of the Council's parking regulations in a fair and consistent manner
- Issuing Penalty Charge Notices to any vehicle parked in contravention within the Borough
- Emptying, transporting and banking of the pay and display cash boxes on a regular basis
- First line maintenance of pay and display machines to assist with minor faults and reduce any down time of the machines
- Work with Schools, Communities and the Police to ensure a safer environment at school drop off and pick up times
- Assist with other highway associated services by providing photographic evidence and serving ad-hoc notices on vehicles, caravans and trailers

3 PROCUREMENT EXERCISE

3.1 Tameside, Trafford, Bolton and Rochdale Councils have undertaken a fully compliant Official Journal of the European Union (OJEU) joint procurement process to establish four separate new contracts for Parking Enforcement and Associated Services. Tameside, Trafford, Bolton and Rochdale Councils are required to enter into individual contracts with the winning bidder.

3.2 The OJEU exercise has been undertaken as a joint procurement exercise led by STAR Procurement. An OJEU notice has been placed via the North West procurement CHEST web portal, used for e-tendering.

- 3.3 STAR Procurement have led the joint procurement exercise for all four Authorities and will provide the outcome of the tender process to the only bidder following formal approval from all Councils.

4 EVALUATION PROCESS

- 4.1 The bid will be assessed on price, social value and quality by the evaluation panel and moderated by staff from Tameside, Trafford, Bolton and Rochdale. All selection and award questions will be scored out of 5 marks. Each question has varying weightings depending on its importance. These were outlined in the Invitation to Tenderers (ITT) documentation for bidders to view.
- 4.2 All Authorities' procurement and finance teams will undertake the evaluation and checking of the financial submission on the company profile and pricing. One pricing schedule was provided for all contracts describing the services to be provided in detail. The new contract price will include for provision of new uniforms, equipment, more environmentally friendly vehicles and the increase in overheads that have occurred more generally.
- 4.3 The tender was calculated by the bidder at current prices and in accordance with baseline service volumes provided by the four Councils. The tender will be evaluated based on a 40% price and 45% quality ratio and 15% social value.
- 4.4 The baseline service volume for Tameside Council is 90 enforcement hours per day, Monday to Saturday. As part of the negotiation process for the current extension it was determined that 90 enforcement hours per day delivered the best value for the Council. This was an increase from 76 hours per day that was provided 1 June 2022 – 31 March 2023. The options considered in setting the baseline service volume at 90 enforcement hours per day is shown in the table below.

Contract Value	Deployed Hours/Day	Forecast PCN Income	Net Cost before P&D Income	Notes
£695,000	90	(£583,525)	£111,475	Latest offer from Marston's for 90 Hours (April 23)
£622,000	76	(£492,754)	£129,246	Value quoted following negotiations in 22/23
£560,686	63	(£408,467)	£152,219	Latest offer from Marston's (April 23)

- 4.5 After the evaluation of price, quality, social value and weighting totals, a combined price and quality total was calculated.

5 SELECTION OF CONTRACTOR

- 5.1 The bidder will be informed of the outcome of the procurement exercise following evaluation and assessment in December 2023 and subsequent approval under delegated authority. This is anticipated to be in early January 2024 to allow sufficient time for the mobilisation of the award of contract with a commencement date of 1 April 2024.
- 5.2 A total of 1 bid was received following the procurement exercise. The amounts shown in the table below show the costings provided from the received bid. The costings are based on the requirements of the specification provided.

	Annual Cost £m	Total Cost Over 10 Years £m
Expected Contract Value	0.781	7.810

5.3 In order to better manage contract performance with the provider and, highlight daily performance issues, the contract specifies a series of monitoring opportunities. The provider will be expected to hold regular meetings with the relevant Contract Manager, along with daily monitoring and monthly reports to be provided covering key Performance Indicators such as:

- Daily deployment of Civil Enforcement Officers
- Penalty Charge Notices issued
- Reviewing of deployment areas
- Cash Collection
- Civil Enforcement Officer errors

6 FINANCIAL IMPLICATIONS

6.1 The costs of the existing enforcement contract are partially covered by the income received from PCNs issued for parking infringements, however, there is a net cost to the Council.

6.2 The preferred bidder's contract costs per annum are higher than currently budgeted for, and activity is also higher. The impact is not from the costs and enforcement activity increases, it is from the modelled impact on PCN income. The current modelling assumes no changes will arise from the award of the new contract, however there are distinct changes and improvements in the contract specification that (if managed closely by the contract holder) should support increased PCN income to a point that the contract is, at a minimum, cost-neutral to the Council.

6.3 The annual contract value of the preferred bidder is expected to be £0.781m. When considered alongside the forecast PCN income, the net impact to the Council is shown in the table below. Should a change to the daily amount of contractual hours during the period of the contract be needed, this will require a modification of the contract through the procurement route.

	24/25 £m - Maximum
Annual Contract Value	0.781
Forecast PCN Income*	(0.616)
Net Cost before Pay & Display Income	0.165
Net Budget Available**	0.032
Variation to Budget	0.133

*Assumes no change in current issuance rates

**As the budget setting process for 24/25 is still underway, this assumes no change from 23/24

6.4 The total cost of the contract over the 10 year duration is expected to be up to £7.810m. Assuming income from PCNs remains steady over the same duration, the total net impact of awarding this contract is shown in the table below.

Impact over 10 year contract duration	Total Expected Value £m
Contract Value	7.810
Forecast PCN Income	(6.160)
Net Cost before Pay & Display Income	1.650

6.5 As detailed in section 2.3, the parking enforcement contract also protects the pay and display income generated by the Car Parking service. In 2022/23 £1.150m of pay and display income was generated by the Council with this expected to increase during 2023/24 following a change in tariffs and the installation of new machines, facilitating a wider variety of payment methods.

7 NEXT STEPS

7.1 Following the formal approval of this contract award by all Authorities, STAR Procurement will notify the bidder of the outcome of the tender process.

7.2 If awarded, the new contract will commence on 1 April 2024.

7.3 If the current contractor is not the preferred bidder TUPE will need to be considered under the Transfer of Undertakings Regulations 2006. A period of 3 months' notice is required with the current supplier when TUPE applies.

8 OTHER OPTIONS

8.1 If the contract award is not made then the Council would have to extend the current parking enforcement contract in order to either retender for the service or to develop an in-house service. This would be likely to incur substantial additional costs to the Council. Alternatively, the Council would have to cease parking enforcement and associated services which would be a detriment to the Council. Therefore, both of these options are rejected.

8.2 Extending the current parking enforcement contract would be likely to incur substantial additional costs to the Council due to the contract expiring and two further extensions have been put in place to continue the current service. An extension to the contract can only be for a minimum time period.

8.3 If the enforcement service for on and off street parking were to return 'in house' and be operated by the Council at the same baseline levels of enforcement hours used in this procurement exercise, the Council would incur greater costs as a standalone service. The direct costs associated with operating in house are set out in the table below.

In House Costings			£m
<i>Staffing Costs:</i>	<i>Grade</i>	<i>FTE</i>	
Manager	H	1	0.050
2 Supervisor	E	2	0.069
Civil Enforcement Officers	C	22	0.661
Total Staffing Costs			0.780
Training			0.036
Accommodation including gas/electric			0.060
Transport and fuel			0.017
PPE			0.020
Software & Equipment			0.030
Handhelds and Equipment/software			0.040

Maintenance	0.005
Cash collection	0.014
Total In-house costs	1.002

*Staffing costs are based on the salaries existing staff would TUPE across on.

Staffing is made up of the following:

20 Civil Enforcement Officers

2 Supervisors

1 Client Account Manager

*Equipment and maintenance cost are estimated at this stage as it would require a full review

8.4 A number of Operational concerns with bringing the Service in-house have also been identified including:

- Cash collection – although it is expected that the requirement of cash collections from pay and display machines will continue to reduce, the Council limited cash processing abilities following a continued reduction in the acceptance of cash as an organisation. As a result, an external service would still need to be procured and managed to collect and process the cash from the Pay and Display machines
- Accommodation with appropriate welfare facilities in a suitable location would be required which is not currently available within the Council's operational estate. Whilst facilities aren't currently available we can consider adapting facilities with new additions that could be made to existing accommodation if adequate for requirements and available for use. Vehicles and specialist equipment would also be required which would have potential impacts on capital expenditure.
- For Civil Enforcement Officers, TUPE would apply. There is a difference in staff contracts between the Council and NSL such as grade, training, working hours, holidays and sick pay. The Council would need 23 officers to cover the same level of service that is currently provided by NSL.
- Recruitment for this role is considered continuous, as there is a relatively high turnover of staff in the role.

9 REASONS FOR RECOMMENDATION

9.1 The recommendation is made on the basis that a fully compliant OJEU procurement process has been followed and a winning bidder identified.

9.2 The other options of bringing the on and off street enforcement in house and going out to tender as one Authority are not viable as outlined in section 8.

9.3 Outsourcing to an Enforcement Contractor allows the Authority to draw on the flexibility this provides. The majority of Enforcement organisations also work in partnership with other Councils across the North West and they have the ability to draw resources from these areas to assist when required.

9.4 All neighbouring authorities have produced a specification and pricing schedule to ensure that the new contract will deliver quality services that are also future proofed whilst allowing the ability to review technology and smarter ways of deployment and the issuing of penalty charge notices in the future. The specification also includes to cater for new Moving Traffic Enforcement powers, camera installation and monitoring, enforcement of red routes and provisional items for environmental enforcement. This option is expected to deliver best value for the Council.