

MUNICIPAL YEAR 2017/2018 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:
Cabinet Member for Environment

REPORT OF:

Executive Director – Regeneration & Environment

Agenda – Part: 1

KD Num: 4485

Subject:

Extension of current contract for Parking Enforcement Services

Wards: All

Contact officer and telephone number: David Morris x796556

1. EXECUTIVE SUMMARY

- 1.1 The current Parking Contract between the Council and NSL Limited (“NSL”) ran from July 2010-July 2016, but with an option to extend on an annual basis until July 2020. A one year extension to the current contract was agreed by the Cabinet Member in June 2016 (ref: 16.022).
- 1.2 In accordance with the provisions of the Parking Contract, on 8 March 2017 NSL was informed of the Council’s intention to extend the Parking Contract by a further year.
- 1.3 However, following a recent approach from NSL, officers carried out due diligence in investigating an offer to extend the contract for a further three years until the contract termination in 2020.
- 1.4 This report seeks approval to extend the existing parking contract with NSL Ltd (‘NSL’) until 3rd July 2020.

2. RECOMMENDATIONS

- 2.1 That approval be given for the Council to extend the Contract Period by notice in writing to NSL for a three-year period up to 3rd July 2020.
- 2.2 To note that this is in accordance with the terms of the current contract and meets EU procurement (because of the existing provision in the contract for extensions) and the Council’s Contracts Procedure Rules.
- 2.3 To commence the procurement exercise to re-tender a new Parking Contract in 2019 for implementation in July 2020.

3. BACKGROUND

- 3.1 Parking was decriminalised in 1994 when local authorities took over enforcement from the police. The primary parking legislation is covered under the Traffic Management Act 2004 (formally the Road Traffic Act 1991) though other legislation covers additional enforcement areas such as CCTV and bailiffs (enforcement agents).
- 3.2 The Council is responsible for managing and co-ordinating the activities of the contractor, carrying out the adjudication and bailiff debt recovery operations which is a statutory function and dealing with financial management, and auditing/reconciliation functions relating to all parking and traffic enforcement activities within the Borough including initial appeals to CCTV Penalty Charge Notices (PCNs).

In-house

- Parking furniture (pay and display machines etc.), unattended CCTV, car parks and lorry park maintenance
- Parking appeals (the statutory function)
- Contract monitoring which includes Civil Enforcement Officer monitoring, signs and lines, vehicle pound (scrapping of vehicles), staff permits, FOIs and members enquires

Outsourced

- Civil Enforcement Officers
 - Notice Processing which includes scanning of documents, issuing or reminder notices, answering of informal non-statutory appeals, processing of CCTV Penalty Charge Notices (PCNs) and banking payments
 - IT system and website management
 - CCTV, removal and clamping of vehicle enforcement and management
 - Management of the Council vehicle pound and lorry park
 - Management of residents and business permit system
 - Management of Palace Garden car park
- 3.3 The majority of the parking function is outsourced to our Parking Contractor, NSL. They have been the incumbent contractor since 2004. The current contract from July 2010-July 2016 has an option in clause 1.8.2 to extend the contract in annual increments up to July 2020.
- 3.4 A one year extension to the current contract was agreed by the Cabinet Member in June 2016 (ref: 16.022).
- 3.5 The basis for the 2016 extension was that officers needed to explore the following future options (the results of which can be found under section 4 of this report) namely:

- 3.5.1 extend the Contract for a further year and then re-tender a new parking contract;-
- 3.5.2 explore in more detail a NSL proposal which included a number of efficiencies, but on the understanding that the Council agrees to extend for the full available term of the Contract; and
- 3.5.3 investigate a joint contract option with a number of neighbouring boroughs.
- 3.6 The current contract value is £3.49m p.a. (2016/17).
- 3.7 This report recommends extending the current contract for the maximum of three years up to July 2020 and in 2019, before the end of this contract period, begin a re-tendering exercise for a new contract to begin in July 2020.
- 3.8 Officers have benchmarked the NSL offer against the four London local authorities that, since the beginning of 2016, have awarded new parking contracts. The awarded contracts delivered savings for the boroughs of between 10%-20%
- 3.9 NSLs offer, which includes payment of the London Living Wage, represents a saving on the current contract cost of approximately 10% and therefore provides the Council with a significantly beneficial value for money offer.
- 3.10 Please see part 2 of the report
- 3.11 Please see part 2 of the report

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 A shared parking contract (Barnet, Waltham Forest, Haringey and Islington) was investigated. After a year of discussions the boroughs could not agree to a way forward.
- 4.2 To re-procure at the end of the financial year 2017-18. However short-term savings can be realised earlier by continuing with the incumbent provider.
- 4.3 In the 2016/17 financial year, NSL provided a proposal to extend the contract by a year. However, after due diligence, officers rejected the proposal which at that time would not have achieved any deliverable savings.

5. REASONS FOR RECOMMENDATIONS

- 5.1 On 10 January 2017 Marston (Holdings) Limited (“Marston Holdings”) acquired the share capital of NSL. Marston Holdings is also one of the Council’s incumbent Enforcement Agent (bailiff) contractors. NSL will continue to operate as a separate business, with investment support from Marston Holdings. Marston Holdings will be required to provide a parent guarantee and performance bond in accordance with the terms of the Parking Contract.
- 5.2 Due to this takeover, NSL are now in a position to be able to offer the Council substantial financial savings from the current contract.
- 5.3 The Council has carried out due diligence by carrying out a benchmarking exercise to compare the received offer with boroughs who have procured new parking contracts since 2016.
- 5.4 NSL has confirmed that the savings will be found from efficiencies in relation to overheads, procurement and other group synergies from joining with Marston Holdings. This package will realise real savings to the Council which will not inhibit the current operational ability of the contract.
- 5.5 NSL has agreed to pay all their contract staff the minimum of the London Living Wage (LLW). This is currently not being paid to staff as the contract was introduced prior to the existence of the LLW.
- 5.6 Extending the Contract will maintain continuity of service whilst the procurement of a new parking contract takes place.
- 5.7 NSL has agreed to an extension in the parking contract.
- 5.8 The Council cannot be left without a parking enforcement contract.

6. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

Please see part 2 of the report

6.2 Legal Implications

Please see part 2 of the report

6.3 Property Implications

None

7. KEY RISKS

Not having a parking contract would mean that the enforcement of parking and traffic restrictions and the running of the vehicle and lorry park could not take place. This would lead to traffic and parking violations and problems, such as dangerous parking.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

Parking enforcement has a consistent approach in dealing with customers equitably.

8.2 Growth and Sustainability

The current contract has proved flexible in dealing with the changing patterns of parking and traffic enforcement, for example, the emphasis on the enforcement of moving traffic regulations as well as parking restrictions.

8.3 Strong Communities

8.3.1 Parking Services is a service that the public may not appreciate. However, most understand the need to enforce to keep traffic flowing on busy roads and intersections.

8.3.2 Parking is at a premium in shopping areas. Enforcement ensures that parking spaces are regularly turned over which in turn means that more patrons visit businesses in all parts of the Borough.

9. EQUALITY IMPACT IMPLICATIONS

9.1 The recommendation to extend the existing Parking Contract will be under its current terms and conditions, other than a reduction in the agreed contract price and the commitment to the London Living Wage, which is advantageous to the workforce. The Parking Contract was competitively tendered and evaluated taking into account that local resources are used where possible, and ensuring that NSL has a robust equalities and diversity policy.

9.2 The Company follows the terms and conditions of the Contract and complies with their Equalities and Diversity policy for both its staff and clients.

9.3 The nature of the services will not change, which provides an inclusive service to all.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Performance management of the Parking Contract will continue.

11. HEALTH AND SAFETY IMPLICATIONS

Both parties have responsibilities under health and safety law. Measures will be taken to regularly review NSL's performance to ensure that NSL's work, which forms part of the employers undertaking, is being conducted in a way that is legally compliant.

12. PUBLIC HEALTH IMPLICATIONS

Transport is a major determinant of health and controlling parking is part of this. Inconsiderate parking can prevent others from conducting their daily business, blight the landscape and create areas of danger for pedestrians and cyclists. Parking enforcement is therefore a necessary and important function.

Background Papers

None