

# SUSTAINABLE DEVELOPMENT, TRANSPORT AND PLANNING COMMITTEE

17 JANUARY 2017

## PART I - DELEGATED

### 5. PROCUREMENT OF NEW PARKING ENFORCEMENT CONTRACT – ONGOING INVESTIGATION (DCES)

#### 1. Summary

1.1 This report asks the Committee to consider a number of options for the provision of the parking enforcement service, as the existing contract expires in Spring 2018. This results from a requirement by Watford BC that the District Council determines and commits whether to progress a joint procurement process in early 2017.

1.2 While the main recommendation is to determine a response on whether to commit to a joint parking contract with Watford BC, an alternative recommendation is made, to further investigate several other models that appear initially to be more effective than others to provide on and off-street parking enforcement services in the District.

#### 2. Details

2.1 Members of the Sustainable Development, Planning and Transport Committee received a report on the costs of the existing parking contract in September 2015. In February 2016 a report was presented to the same Committee detailing Parking Service charging and Income. At both Committees Members resolved to:

- *undertake with Watford BC sufficient market testing for the future management of the parking enforcement service beyond 2018 before entering into any new arrangement.*
- *Members also resolved to undertake market testing for the management of the parking service and the enforcement service both independently and in partnership with neighbouring authorities during 2017 before entering into any new arrangement.*

2.2 Officers were asked to research the alternative opportunities for procuring a new contract for our parking enforcement services. A report was presented to this Committee in November 2016 detailing the opportunities and implications for six potential models, four of which were currently employed by districts in Hertfordshire. These models were:

- Fully **in-house** services, where the enforcement officers are directly employed and managed, permits are issued and challenges are processed all in-house (for example Hertsmere BC).
- A **balanced** service, where all back office services are operated in-house and on-street enforcement is directly outsourced to a private firm.
- A **balanced shared** service, where back office services are shared with another local authority and on-street enforcement is directly outsourced to a private firm (for example, the East Herts consortium).

- A **shared contract** service, where both back office and on-street enforcement services are contracted out to another local Authority, with the on-street enforcement then further outsourced to a private firm (this is the model currently operated by TRDC)
- A **fully shared or partnership** service, where a lead authority acts on behalf of other authorities in a consortium, where the enforcement officers are directly employed and managed, permits are issued and challenges are processed all in-house.

Each model has benefits and disbenefits, generally in terms of cost and quality. Quality impacts tend to be related to the control of the authority over the effectiveness of service provision.

2.3 In terms of these models Officers then considered the options currently available to the District Council which are set out below:

- A. Continuation of arrangements with Watford Borough Council (Model with an external service provider) (**shared contract model**).
- B. Joint working with another local authority (such as Dacorum Borough Council) to secure parking enforcement services (**shared contract model**).
- C. Provision of an in-house parking enforcement service (**in-house model**)
- D. Provision of a Local Authority service managed by a Lead Authority with a joint Parking Services Manager (**fully shared or partnership model**).
- E. Joining a consortium of Local Authorities with a service managed by a Lead Authority but with an external service provider, for example the East Herts consortium including East Herts DC, Welwyn and Hatfield DC and Stevenage BC (**balanced shared model**).
- F. Provision of a Local Authority service managed by a Lead Authority for off-street parking only, specifically Chiltern and South Bucks.
- G. 'Do nothing' option – withdraw from civil parking enforcement
- G1. Reduced civil enforcement activities with potential use of new statutory powers.

2.4 At the November 2016 Committee Members determined that:

- Officers prepare a progress report with further information on Options A, B, D, E (and G1 as a supplementary option) to be brought to an extraordinary meeting of the Sustainable Development, Planning and Transport Committee in January 2017.

2.5 Since this resolution, Officers have spoken to Officers at other authorities and further details, where received, are detailed in this report. However, representatives from Watford BC (option A) and other authorities have been invited to a Member briefing on Monday 16 January 2017 for a question and answer session and this is intended to inform members further on the opportunities available. All Members have been invited to attend, at the date of publication of this report no questions have been raised in advance of the briefing.

- 2.6 Throughout this report, abbreviations and acronyms are used including the following:
- 'CEO' (Civil Enforcement Officer, referring to the on-street enforcement workforce)
  - 'PCN' (Penalty Charge Notice, referring to parking tickets).
  - 'P&D' (Pay-and-display, referring to method of charging for parking)
  - 'IT' and 'ICT' (Information technology, referring to computerised systems)
- 2.7 The District Council's current parking enforcement contract
- The Council shares its Parking enforcement service with Watford and Dacorum Borough Councils. On-street enforcement is carried out by Civil Enforcement Officers who are managed through a contract between Watford Borough Council and a private firm, Indigo (formerly Vinci Park Ltd). Both this contract and the enforcement service are managed by Watford Borough Council.
- 2.8 This current 10-year parking enforcement contract, covering Watford, Three Rivers and Dacorum, is due to end in Spring 2018.
- 2.9 The total value of the contract annually for all three authorities is £2 million. The contract cost is split between each authority based on the enforcement costs it uses. The District Council currently pays approximately 9% of the contract costs, which equals around £183k each year. In addition, the District Council pays performance-related pay based on the achievement of KPI targets. This is a cost of approximately £25k each year.
- 2.10 The contract with Indigo provides to the District Council:
- The equivalent of just under four Civil Enforcement Officers
  - Counter staff at The Parking Shop
  - Contract management by Indigo
  - Uniforms and equipment
  - ICT and handheld devices
  - Vehicles and associated maintenance costs
  - Cash collection, P&D machines and maintenance.
- 2.11 The current cost breakdown for Three Rivers DC is included at Appendix A.
- 2.12 The District Council has an agreement with Watford BC for them to deliver the management of the Parking Service. This agreement currently costs this authority approximately £80k per annum. The agreement includes the following:
1. Rent and associated building costs for the building containing the Parking Shop in Watford
  2. Management costs for the parking enforcement service and associated functions of the Parking Shop
  3. Representation Officer costs
  4. Web, IT and telephony charges.
- 2.13 The management and Representation Officer element includes:
- Indigo contract management,
  - processing and administration of Penalty Charge Notices,
  - managing appeals and cost recovery,
  - managing resident and business parking permits,
  - management of car parks,
  - management of signage/lines,
  - dealing with public enquiries,

- Service marketing.
- management of bailiff contract and three appointed companies.

2.14 In addition, the District Council directly employs a Representations Officer who is based at the Parking Shop. This is a total cost of £32k per annum. This role undertakes many of the elements in paragraph 2.9 in addition to a number of other specific traffic management duties for the District Council.

#### 2.15 Procurement of a new parking service contract – Models and Options

In considering alternative options of providing our parking enforcement service Officers have met with Officers from other authorities and undertaken desk top investigations. For a full understanding of progressing an alternative parking enforcement service, whether in-house or through a contract, or a partnership approach with another Local Authority, specialist input, at a cost, would be required with a full procurement exercise to fully understand the cost and the opportunities available. The final specification of the contract would also affect cost. However, Officers have attempted to gather the information to present Members with sufficient information to understand alternatives available. The models available range from a fully in-house service to a largely outsourced service, with variants in this range that involve part-sharing different parts of the services with other Authorities.

The service functions that we have identified include:

- 1) On-street enforcement (including a range of enforcement officers from 'basic' to supervisors).
- 2) Back-office processing of parking tickets (penalty charge notices or PCNs). This includes officers dealing with two stages of challenge to PCNs; the first stage being a written representation (for which the District Council is required to employ an officer directly and not by outsourcing) and the second stage dealing with appeals to the tribunal.
- 3) Permit application processing and issue of permits.

Each of these functions is dealt with by other Local Authorities in slightly different ways particularly in the way that outsourcing to other Authorities or to private firms is managed

#### 2.16 **Option (A) Continuation of arrangements with Watford Borough Council with an external service provider**

Officers from Watford BC have confirmed they are open to continuing with the existing arrangements and commencing a joint procurement exercise with Three Rivers for a managed contract. The contract could be jointly renegotiated to ensure the future requirements of the District Council are met, if the committee determines to proceed with this option.

2.17 In the November Committee report, Officers detailed comments from the Parking Services Manager in support of continuing the existing service arrangements. These are copied below:

2.15 *“Due to the length of the partnership with Three Rivers, Watford have knowledge of the Three Rivers set up, infrastructure and general requirements, including the management of resident parking schemes (which not all authorities manage), as well as being within a reasonable proximity for Three Rivers customers of the Parking Shop and deployment of enforcement staff, minimising enforcement time lost through travel.*

*For the most part, a lot of the parking rules and policies of Watford and Three Rivers have been fairly consistent, which means that there is also a consistency for residents and motorists moving between the two areas.”*

*2.16 The existing Parking Services Manager has acknowledged that there was an expectation technological advances such as increased online application systems would have advanced at this stage under the current contract. Much of this delay is alleged to have been caused by the current software supplier and this remains an issue of ongoing dispute.*

*2.17 Going forward, the Parking Services Manager has confirmed there will be a number of areas that Watford BC consider could be improved, in addition to any further concerns raised by the District Council. His views are summarised below:*

#### *The Parking Shop building*

- Currently open 8am to 6.30pm, Monday to Saturday. We are looking at reducing the hours over a phased period with only a minimal number of days open by the point that we enter the new contract.*
- Most parking shop visitors purchase visitor vouchers. We hope that the introduction of new online and virtual services under the new contract will allow for a total closure of the Parking Shop, which will reduce the number of contracted staff that need to be employed.*
- Many Parking Services no longer operate Parking Shops or only do so for very minimal periods. St Albans did this a few years ago, via their contractor, NSL, and report it caused no major issues or public complaint.*

#### *Virtual Vouchers/ Permits*

- Permits and vouchers are currently in hard copy form which means various user issues and is significantly expensive*
- Virtual systems are effectively the same as cashless parking and many of the solutions are actually offered by the same providers.*
- However, a number of notice processing system providers also incorporate these services now and we have already seen a few of these as part of the market testing. This will be tied in to replacing hand-held equipment.*
- However, we ideally need to ensure that there is a smooth transition for the customer between our existing systems and any new one implemented, which will hopefully avoid a requirement for new pin numbers but this cannot be clarified until we have further information from the potential suppliers themselves on their migration capabilities and limitations.*

#### *Hand-helds/PDAs/PTT*

- Indigo confirm that it will arrange for a trial of some Push To Talk [PTT] technology on this contract.*
- These are likely what we will move to under the new contract, whether with Indigo or not, and they will replace the current walkie-talkie type radios. The current radios rely on masts throughout the areas to maintain connectivity whereas, the PTT system relies on satellites and is far more stable.*

- *We hope to move to full deployment of PDAs or mobiles, which will have an ANPR facility that is linked to the new back-office system. This will reduce the contract costs of hand-helds considerably as phones are much cheaper to purchase and replace, improve the camera quality (removing separate cameras entirely).*
- *This will enable CEOs to simply scan a vehicle's registration and know whether it has a permit or has paid for parking etc.*
- *These systems can also easily facilitate the lists of concessions and special instructions given to CEOs each day, as well as any live updates or messages to be sent directly to a particular CEO at any given time.*

#### Back-office system

- *This is a significant area of the contract as this system effectively allows all operations to take place both by the Council and the contractor.*
- *The market is not flooded with either enforcement contractors or notice processing systems and all authorities are generally using one of a selected few. However, we have visited both authorities and suppliers, which we will continue to do, and it is evident that we can improve upon our current set up going forward.*
- *New systems will be able to accommodate both the virtual systems outlined above and interface with a variety of applications to facilitate ANPR and add-ons, depending upon the system.*
- *This will include greater reporting and monitoring abilities, including heat mapping showing where most issuing or illegal activity occurs, allowing for more proactive deployment, and real time tracking information to determine precisely where a CEO is located at any given time.*
- *This will allow the closest staff member to be deployed to particular requests and a direct route can also be forwarded to them on their PDA. All systems include all the usual requirements in relation to notice processing and progressions of case work etc."*
- *Like all Authorities WBC will be ensuring their new contract services meet their needs whilst providing value for money. The continuation of this managed contract arrangement may result in some technological advances and possible efficiency savings, although it is likely these will be also be explored in any other model progressed.*

- 2.18 Representatives from Watford BC have declined to attend the Member briefing on 16 January 2017. However, they have provided an explanation and some additional details on pursuing a renewal of the existing arrangements.
- 2.19 Watford Borough Council Officers have explained that they “accept and respect Three Rivers decision to explore all alternatives to the long standing partnership arrangement and will co-operate in the provision of any information or assistance that can be provided”. However, they “wish to re-iterate their knowledge and experience in the management of Civil Parking Enforcement regimes and have emphasised their continued willingness to extend the existing partnership arrangement”. Further details are attached at **Appendix B**.
- 2.20 Watford BC ‘acknowledge that the current enforcement contract has been in place since 2008 and that there are now a variety of issues relating to service provision and the service level agreement between the authorities that their re-

tender process must address. As per the approach adopted in 2008, it is the intention that Three Rivers would play an active and inclusive role in representing their wishes and views during the procurement process and Watford continue to remain accommodating to this.

In clarification of Watford's position, they would continue to retain sole management responsibility of their future enforcement contract, supported by a revised service level agreement for the provision of services in Three Rivers, following negotiation between the authorities.'

- 2.21 With regard to procurement costs, which members specifically questioned at the meeting in November 2016, the Transport and Infrastructure Service Head at Watford BC, Andy Smith, has confirmed by email dated 3 January 2017;

*"with DBC no longer part of the pre procurement going forward I accept that TRDC costs need to be more reflective. Taking on board your Members request for the split to be reconsidered, I propose a split 1/3<sup>rd</sup> TRDC 2/3<sup>rd</sup> WBC split (34% and 66%)."*

*The estimated contract costs are £31,125.00. Based on the estimate then TRDC costs would be £10,582.50 (plus vat) which was the original split figure."*

- 2.22 Watford BC require the commitment of Three Rivers DC to a shared procurement exercise to progress the existing arrangements to secure a renewed contract by Wednesday 18 January 2017.

- 2.23 In the previous report Officers noted the benefits of continuing the current arrangements with Watford BC specifically in terms of proximity, consistency of approach, local experience and understanding. However, Officer's did suggest that there were limitations in the existing arrangements, for example, in terms of lack of technological advancement and inflexibility of some aspects of the service. However, it is acknowledged that a large part of this is as a result of the contract specification and also the existing SLA and any future negotiations for a new contract and SLA could answer some of these concerns.

- 2.24 **Option (B) Joint working with other Authorities (such as Dacorum Borough Council) to secure parking enforcement services**

Essentially this service would be procured as above but with a different Local Authority. Whilst Dacorum BC was initially suggested as an example of another Local Authority that could be approached, there is a range of other Local Authorities that could alternatively be approached. Overall the size of any contract could be different than existing due to the parking enforcement requirements of other Authorities but would still be procured on proportionate costs for each Local Authority. No further contact has been made by Dacorum BC and there have been no advances from other Authorities. This could be explored further if required but essentially would result in the same model as above just with a different Authority.

- 2.25 **Option D) Provision of a Local Authority service managed by a Lead Authority with a joint Parking Services Manager.**

Another Local Authority Hertsmere BC runs its full parking service in-house, directly employing staff including 12 Civil Enforcement Officers. The service is managed by a Parking Services Manager. This service provider is attending the Member briefing on January 16 2017 and will clarify any further information.

- 2.26 Details of this option were provided in the November 2016 report and are repeated below;

*“As a comparison, Hertsmere BC (HBC) issues approximately 8000 PCNs annually, as compared to the District Council’s 4000. HBC issues 5000-6000 permits a year and 400 business permits, whereas the District Council issue approximately 800 permits a year and 65 business permits. They have a bigger and busier parking service than the District Council but HBC Officers consider there are comparisons between each Authority and are keen to consider a partnership arrangement with the District Council where they provide their in-house service to the District Council.*

*There have been some discussions and meetings with Officers regarding joint services and based on the current volumes of permits and penalty charge notices (PCN) issued, HBC have advised in writing they could provide a call centre based in Borehamwood, with a permit processing, representations, and administration team also operating from there. Importantly there would be a dedicated front line enforcement team consisting of 4 operating in the Three Rivers District. HBC Officers have advised they could provide our existing service levels at a reduced cost, see letter attached at **Appendix C**. However, it should be noted that at this stage it is not clear whether this includes all services currently provided by Indigo/Watford BC such as debt recovery/instruction to bailiff services etc.*

*In support of their proposal, HBC have stated, “With this arrangement HBC would also provide expert (bespoke) advice on levels of charges, and the application of controlled parking zones (CPZs). HBC has experience of operating both on and off street enforcement since decriminalisation in 1995, having regard for similar local economies, residents and the requirements of the general public in comparable centres.*

*Other benefits would also include a quarterly reporting process, the availability of managers to be present at relevant council committees, and the provision of the technical expertise in the formulation, revision and monitoring of a parking management strategy for the District Council.*

*HBC would work closely with and provide update information for the District Council web and social media communications team.”*

2.27 **Option E) Joining a consortium of Local Authorities with an external service provider for parking enforcement managed by a Lead Authority with the back office services, for example East Herts DC, Welwyn and Hatfield DC and Stevenage BC.**

East Herts DC, Welwyn Hatfield DC and Stevenage BC outsource part of their parking enforcement services to an external provider, which is currently NSL. East Herts DC hold the contract and then manage this contract on behalf of the other two authorities. The contract provides some limited notice processing services to the Council. In addition, East Herts District Council are responsible for providing the back office services for the other 2 authorities in terms of notice processing, secured by Agency Agreements with these authorities. East Herts DC will be attending the Member briefing on January 16 2017 and will clarify any further information.

2.28 Details of this option were provided in the November 2016 report and are repeated below;

*“2.36 East Herts DC handles 45,000 PCNs per annum on behalf of its own service and the two other authorities. East Herts does not have a Parking Shop. Individual customer service centres for each authority use their front office/customer service centre staff to handle low complexity/high volume calls and enquiries. They have confirmed they currently have the following staff handling PCN processing for all three authorities and managing East Herts DC’s permit schemes:*

- Parking Manager*
- Enforcement and Admin Manager*
- 4 x Notice Processing Officers*
- 2 x Admin Support Officers*
- Contract Manager*
- Car park inspector/officer*

2.29 *These existing Districts all have a combination of CPZs, resident parking schemes, car parks and on street parking bays between them, similar to the District Council. However, Welwyn Hatfield and Stevenage predominantly handle their own off-street parking enforcement. As such Welwyn Hatfield DC and Stevenage both have their own Parking Managers and run their own permit schemes and car parks.*

2.30 *Each Authority is provided with its own local enforcement staff (CEOs). However, the CEOs can work across District boundaries if necessary and there is a requirement allowing a level of flexibility for special events/to cover sick leave etc.*

2.31 *Currently, the East Herts District Council’s external contractor/Service Provider operates from premises supplied by all three, rather than central premises. This is because of the time taken to travel between and around the Districts. This would have to be considered by the District Council in addition to providing some form of frontline customer service if main operations were from East Herts DC offices.*

2.32 *The existing East Herts contract, which is a 5-year contract, expires in January 2019, a year after Three Rivers District Council’s existing contract. However, the Parking Services Manager at East Herts DC has confirmed the District Council could enter the contract next year and then be partner to the procurement process for negotiating a new contract from 2018.*

2.33 *The main difference with this contract arrangement is that each authority pays retrospectively for the contract services actually used each month (in addition to a fixed amount to East Herts to manage the contract and other services). This is formula based and is worked out based on the number of PCN tickets issued. In addition, it appears that this contract currently allows a level of flexibility which means certain authorities pay for different services from the external contractor. For example East Herts DC includes the provision of cash collection services from pay and display machines, and pay and display machine maintenance from the external contractor.*

2.34 *The formula applies to all elements of the target costs that are billed monthly, including IT provision, vehicles, stationery, uniforms and equipment etc. In the event that the enforcement contractor was providing these resources directly to any one authority then the costs to them would be the same, meaning that the sole authority would be liable for 100% of the charges alone.”*

2.35 *At the previous meeting members questioned the potential logistical difficulties of this option in terms of proximity of the Local Authorities, this could also apply to option D. However, the Parking Services Manager at East Herts DC reiterated ‘the optimum solution would be for the CEOs to have a base within*

your council area. This is not a legal requirement; however they would need a base for activities such as briefings at start and end of shift, refreshments, to store their equipment and to upload data from their enforcement devices at end of shift.'

2.36 The existing CEO's use the Council facilities during office hours so this could be accommodated, in addition to TRDC facilitating access to meeting rooms for example. Future consideration would need to be had in all options if increased CEO hours were required beyond office hours, as this would change access required to TR House.

2.37 It has previously been suggested that individual customer service centres use their front office/customer service centre staff to handle low complexity/high volume calls and enquiries and this could be explored further with the Customer Service Centre.

2.38 **Option G1 – Reduced civil parking enforcement activities**

Option G presented a 'do nothing' option which was not supported by members. However, option G1 proposed consideration of options to reduce the extent of civil parking enforcement (and the associated introduction of new parking controls) but retain some control over many aspects of on-street parking through other legal mechanisms such as through antisocial behaviour powers.

2.39 The previous Committee report detailed the following;

*2.51 The District Council's Community Partnerships team is currently investigating the potential use of antisocial behaviour powers to control parking on the footway. A key finding of their research is that enforcement using these powers can be self-financing. The Council may have the option to use such powers created by The Anti-social Behaviour, Crime and Policing Act 2014, including "Community Protection Notices" (which can be issued to individuals) and "Public Spaces Protection Orders" (which can be created by councils after the appropriate publicity and consultation) to control specific behaviours in specific locations. Officers have discussed the operation of a wider range of these powers to address the many parking-related concerns identified by the public on the adopted public highway.*

*2.52 It seems that these powers can be used in many ways to supplement the statutory powers under the Road Traffic Acts that are used in civil parking enforcement. These powers are particularly flexible, potentially relatively inexpensive and easy to introduce, with a similar impact to existing parking controls; although they would not allow for the introduction and operation of controlled parking zones (residents permit zones, for example).*

*2.53 Any specific proposals would of course attract a carefully designed procedure to ensure that comprehensive consultation is carried out with relevant groups including, where appropriate, the general public (for example, in any location that the public has a right to use or may use 'as of right' such as the adopted public highway). This level of consultation is currently used prior to the making of any Traffic Order. A full assessment would be required of the effectiveness of the use of such powers relative to those used under the Road Traffic Acts, before further consideration of this option and before any such controls were introduced.*

*2.54 Officers, with the Council's legal team, have identified the potential risks to the possible use of these powers. This includes the limitations set out in the legislation; for example, a Public Space Protection Order can only be used where activities have had (or are likely to have) "a detrimental effect on the*

*quality of life of those in the locality". Another risk is the possibility of legal challenge through judicial review, which is common to most statutory order-making powers (such as Traffic Orders). It is considered that at this stage, while these risks are significant, they do not in themselves represent reasons why this option should not be considered and further investigated.*

*2.55 These powers could, to some extent still to be identified, supplement existing parking control powers across the District, potentially at a significantly lower cost than the existing parking enforcement contract, or potentially of any alternative option under civil enforcement.'*

2.40 Option G1 could be considered alongside other options detailed above. It would not enable the enforcement of existing parking controls and may not be an appropriate comprehensive solution but Officers recommend it could be used to supplement formal parking enforcement, for example outside schools or to address specific localised parking problems such as footway parking. This would need further investigation with a possible pilot study.

### 3. **Options/Reasons for Recommendation**

3.1 The District Council must take a decision now on whether to continue with the current model, prior to any procurement or pre-procurement detailed investigations, because this is required by Watford Borough Council, by 18 January 2017.

3.2 If the decision was taken to not continue arrangements with Watford BC, the investigation and procurement of an alternative arrangement would still need to be secured quickly considering the 12 month timescale (approximately) now remaining prior to the expiry of the existing contract. The timescale to procure a contract could be reduced by joining other Local Authorities' existing arrangements, which does not require a full procurement process. Whilst the extent of time may be reduced, depending on the agreed option, Officers wish to ensure there is sufficient time to negotiate any contractual and management arrangements including seeking Member views and agreement.

3.3 There are various considerations in looking to future model and many current features and practices of the contract will have to change. For example:

- The final contract costs will mostly be determined by the level of enforcement and back-office staff employed. Whilst the District Council has opportunities for these services to be delivered in alternative ways, it should be noted that the level of enforcement in the District has not kept pace over the last 10 years with the increasing amount of new parking controls restrictions and costs spent on enforcement may need to increase. It is essential that any new parking controls include recognition of the costs of additional enforcement that they incur to avoid a steadily-reducing quality in the level of service.
- Similarly, enforcement contractors do not and will not provide new technology and upgrades at their own expense so any services taken on will be included in the new overall contract costs, or the District Council will have to pay for them and management of the project if we acquire them at a later stage. This will affect initial contract costs. As part of any procurement exercise, Officers will ensure they are identifying technology that is financially viable and that will deliver an actual benefit or saving.
- The scale of the District Council service should also be noted. The percentage breakdown given in Appendix A demonstrates how small the

service used by the District Council is in comparison to the neighbouring authorities (Watford BC and Dacorum BC) also using the existing contract.

#### **4. Policy/Budget Reference and Implications**

4.1 The recommendations in this report do not have implications for the Council's agreed policy. In terms of budgets a PID has been prepared. The cost of the provision of the service going forward will depend on the option agreed and future negotiation of the service specification. A future report will provide detail of the option/s selected and will detail how, through the procurement or other selection process the service provided will meet quality and value standards.

4.2 Whilst Hertsmere BC has provided a cost of its services at Appendix B this should be taken as an indicative estimate, as it is not clear that this covers all aspects of the current service and this would need to be explored further. However, it does appear to represent a saving on the current contract and management costs.

#### **5. Financial and Legal Implications**

5.1 Any decision to procure a new contract or services will follow relevant procurement guidelines. Watford BC has confirmed a 1/3 v 2/3 split of procurement costs if the current arrangements were pursued, at a cost of £10,582.50 (plus vat) to TRDC. This expenditure cannot be accommodated within existing budgetary provision.

5.2 No alternative procurement costs are yet known but the previous consultant and procurement costs were in the region of £30,000. This has been detailed in a Project Initiation Document for future consideration. This expenditure cannot be accommodated within existing budgetary provision.

5.3 If the Council joins an existing arrangement with one or more authorities, procurement costs ought to be minimal, the process having already been through full procurement.

#### **6. Staffing and Customer Services Centre**

The type and model of service required will determine the staffing implications. Many of the options rely on increasing involvement of Customer Service Centre staff to handle frontline enquiries, whether by phone or in person. This will have to be costed and staff trained as relevant. Depending on the option pursued consideration would need to be had to the role of the existing Written Representations Officer and potentially transfer of existing staff. The legal implications for staffing would need to be explored further with the Council's Solicitors.

#### **7. Environmental, Community Safety, Public Health, Communications & Website.**

None specific.

## 8. Equal Opportunities Implications

### 8.1 Relevance Test

Has a relevance test been completed for Equality Impact?	No
Did the relevance test conclude a full impact assessment was required?	No

## 9. Risk Management and Health & Safety Implications

9.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

9.2 The subject of this report is covered by the Regulatory Service Plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan. The impact of losing the opportunity to jointly procure a new contract with Watford BC cannot be easily estimated at this point compared with the other options, in the absence of a full pre-procurement process that could not be carried out in the timescale demanded by Watford BC.

9.3 The following table gives the risks if the recommendations are agreed, together with a scored assessment of their impact and likelihood.

	Description of Risk	Impact	Likelihood
1	Further investigations of the options could prevent the Council from meeting the deadline set by Watford BC for committing to a joint procurement process by January 2017. This would mean that Option 1 would not be viable.	I	A
2	Committing to a joint procurement process with Watford BC by January 2017 would inhibit full investigation of the alternative options.	I	A

9.4 The following table gives the risks that would exist if the recommendation is rejected, together with a scored assessment of their impact and likelihood:

	Description of Risk	Impact	Likelihood
3	If no recommendation is made, this has the same effect as risk 1 above	I	A

9.5 Of the risks detailed above none is already managed within a service plan.

9.6 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood, detailed definitions of which are included in the risk management strategy. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require a treatment plan.

Likelihood ↑	A	1, 2, 3					Impact	Likelihood
	B						V = Catastrophic	A = >98%
	C						IV = Critical	B = 75% - 97%
	D						III = Significant	C = 50% - 74%
	E						II = Marginal	D = 25% - 49%
	F						I = Negligible	E = 3% - 24%
			I	II	III	IV	V	
	Impact →							

9.7 In the officers' opinion the new risks above, were they to come about, would not seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of treatment plans are reviewed by the Audit Committee annually.

10. **Recommendations**

10.1 It is recommended that Members consider any further information received and, in order to select preferred models for officers to further investigate the provision of parking enforcement services, determine to select either option (a) or option (b) below:

- a) to concur to the request by Watford BC to commit to a future joint service by 18 January 2017
- b) to further investigate options D or E with consideration of option G1 as a supplementary alternative.

Report prepared by: Kimberley Rowley, Head of Regulatory Services and Peter Simons, Traffic Engineer (part time, interim).

**Data Quality**

1	Poor	
2	Sufficient	x
3	High	

**Appendices**

- Appendix A – Cost Breakdown for Three Rivers District Council
- Appendix B – Additional information received from Watford BC
- Appendix C - Letter from Hertsmere BC