



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 6 DECEMBER 2021
Report Number	AGENDA ITEM 12
Subject	OPTIONS FOR PARKING ENFORCEMENT
Wards affected	All
Accountable member	Councillor Mike Every – Deputy Leader and Cabinet Member for Finance Email: <a href="mailto:mike.every@cotswold.gov.uk">mike.every@cotswold.gov.uk</a>
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Summary/Purpose	The purpose of this report is to provide options in relation to the expiry of the (APCOA) Parking Enforcement contract.
Annexes	None
Recommendation(s)	<p><i>(a) Cabinet agrees to bring the Enforcement service back in-house.</i></p> <p><i>(b) Cabinet delegates to the Deputy Chief Executive in consultation with the Deputy Leader and Cabinet Member for Finance, the decision on whether to lease or buy the vehicles associated with this decision and approves the allocation of £45,000 from the Electric Vehicle Charging point budget within the Capital Programme to fund the purchase if necessary;</i></p> <p><i>(c) Cabinet approves an allocation of £12,000 from the Council Priorities Fund to fund the start-up costs for the in-house service.</i></p>
Corporate priorities	<ul style="list-style-type: none"> <li>Delivering our services to the highest standards</li> </ul>
Key Decision	YES
Exempt	NO
Consultees/ Consultation	Leader and Deputy Leader and Cabinet Member for Finance, Chief Executive and Deputy Chief Executive, Monitoring Officer, Interim Head of Legal Services, Finance Business Partner, Director of Finance (Publica), Parking Manager



**1. BACKGROUND**

- 1.1. The Council's Car Parks are the source of significant income receipts. The Covid-19 pandemic clearly had an impact on this income but, pre-Covid receipts were around £2,400,000 per annum. It is therefore important that this service is managed carefully. Publica manages the service on behalf of the Council but the enforcement element of the service is contracted out to APCOA, in a shared agreement, with Forest of Dean.
- 1.2. The enforcement contract commenced on 1<sup>st</sup> April 2020 for an initial period of two years (i.e. to 31<sup>st</sup> March 2022); with an option to extend for a further two years, to 31<sup>st</sup> March 2024 (and then an option of one further year).

**2. MAIN POINTS**

- 2.1. Effective enforcement of the Off-street parking and maintenance of the payment equipment is essential in safeguarding the income and the reputation of the Council. These functions are undertaken by the contractor (APCOA).
- 2.2. The current contract includes the provision of uniformed Civil Enforcement Officers (CEO's), vehicles and subsistence, their training, and provision of hand-held devices. The provision of cover for absences is the responsibility of APCOA. The contract also includes first line maintenance of Pay and Display machines.
- 2.3. APCOA generally perform well in their duties and also 'add value' whilst on patrol by reporting to the Council issues such as sign displacements and damaged street furniture.
- 2.4. The contract break at 31<sup>st</sup> March 2022 provides the Council with an opportunity to evaluate the various options for the future provision of the service.

**3. OPTIONS FOR THE FUTURE OF PARKING ENFORCEMENT:**

- 3.1. There are three main options available to the Council:
1. Extend the APCOA contract for a further two years,
  2. Bring Enforcement back In-house,
  3. End the APCOA contract and re-tender.



**Option 1 – Extend the APCOA contract.**

- 3.2. The current contract allows for a two year extension; to 31<sup>st</sup> March 2024.
- 3.3. The contract allows up to 2,958 patrol hours per annum (an average of 57 hours a week) on a 'call-off' basis with the flexibility to vary times. This includes pay and display machine checks on arrival at car parks. Should there be an issue with a machine the patrolling officer is able to undertake some basic first line maintenance operation.
- 3.4. The cost of the contract also relates to the issuing of penalty charges notices (PCN's); but does not include:
- The monitoring and recovery of PCN;s
  - Cash collection, reconciliation and banking
  - General car park maintenance, including technical machine faults

Option 1 - Pros and Cons	
Pros	Cons
Continuation of service provision, established contract arrangements and good working relationships with Publica.	Concentrates on Parking Enforcement only
Contract includes some 'added value' activity	Council has no direct control of officers or their duties
Council do not have to pay holidays/sickness, administration, training costs – the responsibility rests with the contractor	Limited eyes and ears at ground level

- 3.5. This extension would be the most straightforward course of action; simply requiring notification to APCOA.

**Option 2 – Bring Enforcement In-house**



- 3.6.** APCOA would require notice by 31<sup>st</sup> December 2021 and this option would necessitate a TUPE transfer of the existing APCOA officers to Publica.

Option 2 – Pros and Cons	
Pros	Cons
Given the strategic importance of car parking revenue to the Council, an in-house enforcement service aligned with the car park management team enables the Council to continually improve the car park service.	One off 'set up' costs for items such as, vehicles, uniforms and handhelds.
Ability to deploy staff on other parking/non parking activities if required.	Increased workload on Parking Manager.
Public may feel there is a greater understanding of parking issues if delivered locally.	Reduced resilience - would require sufficient resource to be able to cover leave/sickness and training.
Positive impact on environment and would fit in with Council's Clean and Green initiative.	Risk of reduced PCN income generation.

- 3.7.** There is the potential to add value here, in that these officers could be tasked with additional (Clean & Green responsibilities). However, there are two further considerations in respect of that proposal:

- I. The existing APCOA officers flag Clean and Green issues with Publica officers (e.g. notifying the location of Fly Tipping for action by our officers), and
- II. This proposal would mean that Publica may need to increase its resource (and therefore costs) to ensure resilience within service delivery.

**Option 3 – End the current contract and re-tender**

- 3.8.** Ending the current contract with APCOA would require notice to be given by 31<sup>st</sup>



December 2021.

Option 3 – Pros and Cons	
Pros	Cons
Ability to create a more detailed specification within the tender process to include 'Clean and Green added value' items for service improvement.	Time and resource required for procurement purposes.
	Recently tested the market (2020) so unlikely to obtain any additional savings.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1.** The current contract has a pricing schedule which is on a call off basis and the costs are therefore estimated on a 'standard number of requirements' basis. APCOA contract cost is £71,541 per annum (Option 1).
- 4.2.** The cost of In-house provision (Option 2), is estimated to include start-up costs of £11,750. Should the Council choose to buy rather than lease the vehicles required to deliver the service, then the set up costs would increase by around £45,000. The purchase of the two vehicles can be funded from within the Council's Capital Programme by allocating some of the budget for investment in electric vehicle charging points. The balance of start-up costs will require an allocation from the Council Priorities Fund earmarked reserve.
- 4.3.** Annual revenue costs of the in-house provision, including resilience and supervision, are estimated to be £65,900. It is important to note that if staff TUPE from ACPOA salary costs may be higher. The impact on the revenue budget will be reviewed as part of the Council's budget proposals for the 2022/23 financial year.



- 4.4. The following table gives a comparison of the average projected (gross) costs between Options 1 and Option 2:

Start-up Costs	Option 1	Option 2
Vehicles	Nil	£Nil (if vehicles leased)
Equipment (handhelds, docking station, cover & straps, printer, laptops)	Nil	£7,000
Uniforms	Nil	£750
Training (City & Guilds CEO training) Metric Training (First line maintenance)	Nil	£2,000 – this is dependent on whether resource TUPE over £2,000 – this is dependent on whether resource TUPE over
<b>Total Start Up Costs</b>	<b>Nil</b>	<b>£11,750</b>
Annual Revenue Costs	Option 1	Option 2
Staffing	£55,716	£45,000 (Based on 2 FTE) Clarification needed on TUPE from APCOA to establish exact costs.
Uniforms (replacements)	Nil	£200
Ticket Printing	Nil	£150
Stationery	Nil	£100
Transport/Maintenance/Fuel	£6,975	£14,000
Training (ongoing)	Nil	£1,000
Professional Fees	Nil	£1350
Mobile Phone Charges	Nil	£550



Computer/Software/maintenance and support	Nil	£1,050
HR/Finance/IT (recharge)	Nil	£2,500
Management	£8,850(in c HR & Finance)	Nil
<b>Total Revenue Cost</b>	<b>£71,541</b>	<b>£65,900</b>

4.5. On the basis of the above analysis the in house delivery offers a small saving over external delivery. This saving could be increased if a decision is made to buy rather than lease the vehicles but this requires some further analysis before a final decision can be made. It is recommended this decision be delegated to the Deputy Chief Executive in consultation with the Deputy Leader and Cabinet Member for Finance.

4.6. The annual contract cost of an alternative provider (Option 3) is unknown and would be subject to tender. It is unlikely that an exercise could be completed by to ensure continuity of delivery and this was tendered only two years ago.

4.7. The income generated from PCN fees over the last 5 year period (which helps support service delivery) and the numbers issued is as follows:

	No	2018/19 £	No	2019/20 £	No	2020/21 £	No	2021/22 £
Apr	426	10,234	457	11,209	0	700	165	2,490
May	363	9,988	373	14,564	0	1,075	235	3,878
June	312	9,890	264	9,354	64	924	226	4,798
July	270	7,594	311	6,916	143	2,538	233	4,760
Aug	274	7,144	302	9,090	109	2,026	159	4,989
Sept	312	6,138	264	7,937	258	4,100	107	3,502
Oct	302	8,049	301	6,899	181	4,493		
Nov	348	7,992	175	8,302	168	3,862		
Dec	315	7,373	180	5,357	207	3,590		
Jan	222	8,371	194	5,529	119	2,575		
Feb	291	5,910	215	5,435	128	3,705		
March	428	6,678	158	4,668	107	2,418		
<b>Total</b>	<b>3,437</b>	<b>95,361</b>	<b>2,737</b>	<b>95,260</b>	<b>1,484</b>	<b>32,006</b>	<b>960</b>	<b>24,417</b>



## **5. LEGAL IMPLICATIONS**

- 5.1.** There are different legal implications against the three options.
- 5.2.** Option 1 would require the Council to send a letter of intent to extend the current enforcement contract for an additional two years, by 31<sup>st</sup> December 2021.
- 5.3.** Option 2 would require the Council to give notice to APCOA to terminate the current contract with effect from 1<sup>st</sup> April 2022. This notice would have to be given by 31<sup>st</sup> December 2021. This would initiate the TUPE process.
- 5.4.** Option 3 would require the Council to give notice to APCOA to terminate the current contract with effect from 1<sup>st</sup> April 2022. A new tender process and TUPE process would need to be initiated.

## **6. RISK ASSESSMENT**

- 6.1.** There is a reputational risk associated with any change to face to face service delivery if members decide to change the current arrangement; this may include a decrease in income generation; however, by retaining the current arrangement the Council does not have the opportunity to improve the service through having more direct control.
- 6.2.** There is a risk with Option 2 that if the resource currently in place does not TUPE across there may not be sufficient time to recruit officers, undertake statutory training in readiness for the service to commence from 1 April 2022. To mitigate this the Council could ask APCOA to continue on a month by month basis under a contract variation. It should be noted however, that there is no obligation on the ACPOA to do this.

## **7. EQUALITIES IMPACT**

- 7.1.** There are no unacceptable adverse effects on the protected characteristics covered by the Equalities Act that have been identified.

## **8. CLIMATE CHANGE IMPLICATIONS**

- 8.1.** This would be dependent on which option was considered as follows:
- Option 1 – vehicles used are currently petrol which create more CO<sub>2</sub>





- Option 2 – there would be an option to source hybrid or fully electric vehicles to reduce the carbon impact of the service. An assessment will be required of the appropriate vehicles as part of the appraisal supporting the lease or buy decision.
- Option 3 – the Council could stipulate the type of vehicle within its tender specification

**9. ALTERNATIVE OPTIONS**

- 9.1.** The options have been detailed within the body of the report.

**10. BACKGROUND PAPERS**

- 10.1.** None.