

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	TRAFFIC MANAGEMENT SUB-COMMITTEE		
DATE:	1 NOVEMBER 2018	AGENDA ITEM:	10
TITLE:	CAR PARKS		
LEAD COUNCILLOR:	TONY PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
SERVICE:	TRANSPORTATION & STREETCARE	WARDS:	BOROUGHWIDE
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1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to inform the Sub-Committee of the transfer of the management of the Council's public car parks back in-house. Our car parks had been managed by a commercial operator, under a 15 year contract, for the past 11 years. As a result of a contract review, savings in the region of £1.8M over the remaining term of the contract (4 years) had been identified by ending the contract early.
- 1.2 A voluntary termination clause within the contract was activated on 3rd July 2018 starting a 3-month handover period. This is now complete with the car parks being handed back at 00.02 on 4 October 2018.
- 1.3 The expected savings are based on do nothing scenario and by continuing to manage the car parks as the commercial partner did previously. However, there are opportunities to improve the business further through invest to save opportunities. These opportunities will not be achieved instantly and will be developed over the next few years. But with the car parks under Council management these opportunities will be realised sooner than they would otherwise have been with the commercial management partner in place.

2. RECOMMENDED ACTION

- 2.1 That the report be noted.

3. POLICY CONTEXT

- 3.1 The management contract was let in 2007 to resolve a number of issues that the Council had at the time in relation to the management of our car parks. The contract was front loaded with a capital investment programme for the first 3-years. This arrangement resulted in a number of improved surfaces with marked spaces, water proofing of Broad Street Mall car park and the introduction of pay on-foot in Broad Street Mall and Queens Road car parks with pay & display within the surface level car parks.
- 3.2 There is no policy or other legal requirement to out-source the management of council owned car parks. Most local authorities now manage their car parks in-house without the need to pay for external management services. Thus savings are achievable through the use of other council services in managing and maintaining the car parks (for example, cleaning services).

4. BACKGROUND, PROPOSALS AND RECOMMENDATIONS

- 4.1 The management contract was let in June 2007 for a 15 year contracted term. Therefore, the contract was expected to naturally terminate in June 2022.
- 4.2 The contract was a management only service with the Council retaining all the responsibility for the assets and capital expenditure. Whilst the commencement of the contract included initial capital investment there had been no further investment since. It has been recognised that some of our car parks are in need of investment to better compete in a healthy competitive market. With only 4-years left of the contract there is no desire by either party to make any further investment in the car parks. Continuation of the contract will only generate the need for a larger capital investment in 4-years.
- 4.3 Voluntary termination of the contract offers an opportunity to revisit the current service and generate additional income for the Council. For example, investing in automatic number plate recognition provides increased security, pre-booking and account based (cashless) payment systems. By improving the attractiveness of our car parks business will also increase thus increasing car parking revenue.
- 4.4 TUPE is applicable in respect of staff at the point of termination and seven of the contracted management/operational team have joined the Council. Consequently the handover on 4th October 2018 was relatively trouble free with few minor issues needing to be resolved. Within two weeks of handback all customer facing services are fully integrated and operating as we would want. Therefore, the in-house team are now focusing their attention on future growth opportunities.

4.5 Short term opportunities

By bringing the management of the car parks back in-house we would not want to change the tariff as previously put forward at the June meeting of this Sub-committee. Under the management contract tariff increases were put forward by the contractor with very little input or control by the Council. We now seek alternative opportunities to offer better customer value within the current tariff band rather than increase car parking prices. One idea, for example, is to explore an off-peak tariff that encourages visits to the town centre during quieter periods of the day/week. This may be particularly attractive at Christmas when roads can be so much busier during the peaks with extra shopping traffic. Another tariff opportunity may also include differing payment bands based on the environmental impact of the vehicle.

4.6 Longer term opportunities

With advancement in solar technology there is likely to be a number of opportunities in generating solar power for the Council and its customers. With the increasing use of electric vehicles we lack charging points within our car parks. Solar power may offer vehicle charging opportunities alongside reduced energy bills for the car parks themselves. There is also a desire to invest in Cattle Market car park to offer a higher quality product to meet the demand in commuter travel once the Elizabeth line opens.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 These proposals contribute to the Council's strategic aim to:

- Safeguarding and protecting those that are most vulnerable
- Providing the infrastructure to support the economy.
- Keeping the town clean, safe, green and active.
- Remaining financially sustainable to deliver these service priorities

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 Communicating the change in management to customers and the business community has taken place. Any changes in tariffs will be done so by public notice as required by legislation.

7. LEGAL IMPLICATIONS

7.1 Voluntary termination was allowed within the contract without default on the part of the provider.

7.2 TUPE has applied to staff previously employed by the contractor.

8. EQUALITY IMPACT ASSESSMENT

8.1 In addition to the Human Rights Act 1998 the Council is required to comply with the Equalities Act 2010. Section 149 of the Equalities Act 2010 requires the Council to have due regard to the need to:-

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.2 The Council does not consider that in-house management of the car parks will have a direct impact on any groups with protected characteristics.

9. FINANCIAL IMPLICATIONS

9.1 Post termination by running a like-for-like service in-house for the next 4-years is expected to generate in the region of £1.8M additional revenue for the Council.

10. BACKGROUND PAPERS

10.1 None