

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	20 th JANUARY 2020		
TITLE:	CIVIL ENFORCEMENT (PARKING) CONTRACT - REVIEW		
LEAD COUNCILLOR:	COUNCILLOR PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
SERVICE:	PLANNING, TRANSPORT AND REGULATORY SERVICES	WARDS:	ALL
LEAD OFFICER:	CRIS BUTLER	TEL:	0118 937 2068
JOB TITLE:	INTERIM HEAD OF TRANSPORT	E-MAIL:	cris.butler@reading.gov.uk

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The current Civil Enforcement Contract with NSL Ltd commenced November 2014 for a term of up to 10 years, consisting of an initial term of 5 years and extensions of a period or periods of not less than one year up to 5 years. As agreed at Policy Committee in January 2019, the contract was extended for a 1-year period commencing November 2019 as per the terms of the contract.
- 1.2 This report provides Policy Committee with an update of the work officers have completed since the above extension was agreed. Over the past 12 months, this work has included a review of the current parking services market supported by expert advice from specialist parking consultants, the development and progression of a Parking Services Fundamental Service Review (FSR), and the implementation of and review of performance of the contract improvements agreed as a part of the current contract extension.
- 1.3 The proposed actions from the FSR and contract improvements for this extension period are as laid out in the main report. In parallel, officers propose to prepare a new specification and contract for Civil Enforcement based on the changing parking services market conditions. As it will not be possible to deliver a new contract prior to the expiry of the current contract extension with NSL, this report recommends a further 1-year extension to the contract.

2 RECOMMENDED ACTION

- 2.1 Policy Committee agree to award a 1-year extension for Civil Enforcement with NSL Ltd from 1 November 2020 - 31 October 2021 in accordance with the terms of the contract.

3 POLICY CONTEXT

- 3.1 Enforcement of moving traffic (bus lanes/gates) and parking contraventions, in accordance with the Road Traffic Act 1988 and the Traffic Management Act 2004, is required as Reading Borough is designated as being a Civil Enforcement Authority (CEA).
- 3.2 Following a tender in accordance with the Contract Procedure Rules, a Civil Enforcement contract was awarded to NSL Ltd in 2014 to provide parking enforcement and related services (as detailed below). The contract consisted of an initial period of 5 years with an option to extend the term of this contract by a period or periods of not less than one year, with such extension periods or periods totalling in aggregate not more than 5 years for a total maximum contract period of 10 years.
- 3.3 In line with the above, the services provided under the current contract includes:
- On and off-street civil enforcement
 - Back office administration and associated services together with Penalty Charge Notice (PCN) payment processing and reconciliation;
 - In-Car camera services and associated back office administration;
 - Bus Lane Enforcement (BLE) and associated back office services;
 - Maintenance including supply and install of Pay and Display (P&D) machines and secure cash collection;
 - On-line permits including associated IT provision and management of permit database;
 - Pay by phone parking and cashless parking systems with associated IT provisions.
 - An option to provide, during the term of the contract, vehicle clamping, vehicle removal, vehicle pound operation and all associated services.
- 3.4 The work officers have completed since the previous contract extension was granted in January 2019 has identified that, whilst there are no fundamental legislative changes in the civil enforcement market, the parking provision and related services market is undergoing a rapid change, including but not limited to increased focus on use of data to both help customers with access to real-time information and influence behaviours around key priorities such as climate change and the Smart City and digital agendas. This change to the market was also reaffirmed by an independent specialist parking consultant recently appointed by the Council as a critical friend to support the Parking Fundamental Service Review (FSR).

4 THE PROPOSAL

Parking Services Fundamental Service Review

- 4.1 As a part of the Council's continued objective to deliver best value, high quality services to its residents and visitors, in August 2019, the Council commenced a Fundamental Service Review (FSR) of the Parking services operations within the Borough.
- 4.2 An element of the FSR specifically focussed on the current Civil Enforcement Contract. This included a detailed review of the existing contract with NSL and officers undertook a benchmarking exercise to determine value for money with comparable services/contracts held with other local authorities. Officers also appointed a specialist parking consultant as a critical friend to support and inform the FSR outcomes.
- 4.3 As detailed in paragraph 3.4 above, the parking services market is undergoing a rapid change and the main outcomes of the contract review element of the FSR also confirmed this. In particular, the specialist parking consultant confirmed the following

areas are key considerations in order to move the Council's future Civil Enforcement model forwards:-

- The parking and kerbside management environment is rapidly changing and becoming more complex;
- On-street and off-street parking management will need to be joined up in order to react to the changing technology offer and provide stakeholders with real choice (and benefits)
- Parking technology and data systems will play a key role in the future world of connected sustainable mobility.

4.4 Informed by the review completed by officers over the past 12 months, and as a part of the FSR, to ensure the Council is best placed to react to the changing parking services market, it is recommended to procure a new Civil (Parking) Enforcement contract. Officers also recommend engaging with a specialist parking consultant as soon as possible (January/February 2020) in order to support the Council in delivering this.

4.5 Officers recommend progressing procurement of a new Civil Enforcement contract based on the following outline programme:-

Preferred Option - Market engagement (to define specification)

Task	Date
PIN (Prior Information Notice):	Jan 2020
Market engagement/ strategy	Feb/March 2020
Spec/ approach to market determined	Apr/May 2020
Start procurement	July 2020
SQ	August 2020
ITT (Invitation to Tender) Issued	Sept-Oct 2020
Evaluation	End Oct/Early Nov 2020
Negotiation if required and seek to refine bids	End Nov/Early Dec 2020
If no negotiation required - Award	Dec 2020
If negotiation required - Final Tender	Jan 2021
Award	March 2021
Contract Mobilisation	Apr-Oct 2021

The current Civil Enforcement (Parking) Contract

4.6 The current contract with NSL commenced on 1st November 2014 for a 5-year initial term. Following the 1-year extension agreed by Policy Committee in January 2019, the contract is due to expire 31st October 2020. The contract contains a 9-month extension notice period, therefore requiring notice to be served to NSL no later than 31st January 2020.

4.7 The agreement of Policy Committee to the previous extension has allowed the Council to implement improvements to the NSL contract, including increasing the Civil Enforcement Officer headcount to focus on evening enforcement, and changes to permit processing.

Recommended next steps

4.8 The work officers have completed in reviewing the parking service over the past 12 months, supported by the specialist parking consultant, confirms it will not be possible

to deliver a new Civil Enforcement contract that will fully embrace the changing parking market conditions by the end of the current NSL contract extension (31st October 2020).

- 4.9 Officers have therefore challenged NSL through the contract management process to deliver further tangible benefits for the Council if a further contract extension was required. NSL have responded positively and have included as a part of their offer, additional Civil Enforcement Officers to focus on the new Pay and Display and residents permit zone schemes while also boosting the evening enforcement, move the current Permit-smarti system to fully digital and a further reduction in permit processing costs. These changes will support the delivery of the emerging MTFs savings associated with the FSR. Benchmarking of similar contracts conducted by the specialist parking consultant demonstrates the value for money delivered through the current contract and supports the proposals made by NSL to further improve the efficiency of the contract.
- 4.10 Therefore, to ensure continuity of service whilst a new Civil Enforcement contract is prepared, it is recommended to award a further 1-year extension for Civil Enforcement with NSL Ltd from 1 November 2020 - 31 October 2021 in accordance with the terms of the contract. The extension will deliver the additional benefits as detailed above.
- 4.11 Policy Committee are therefore asked to endorse the proposals as detailed within this report. Officers will submit further update reports detailing progress at the relevant Committee.

5 CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The Council's Corporate Plan 'Shaping Reading's Future' 2018 -21 sets out the Council's key priorities including:
- Keeping the town clean, safe, green and active
 - Providing infrastructure to support the economy
 - Remaining financially sustainable to deliver these service priorities

6 COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 The contractor will be required to work with Reading Borough Council on the coordination of information to be provided to residents and businesses.

7 EQUALITY IMPACT ASSESSMENT

- 7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:-
- eliminate discrimination, harassment, victimization 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.
- 7.2 A full Equality Impact Assessment will not be necessary for the contract extension sought here.

8. LEGAL IMPLICATIONS

- 8.1 As the estimated lifetime cost of the current Civil Enforcement contract exceeded the “Service Threshold”, the initial procurement exercise was subject to the Public Contract Regulations 2015, and as such the principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality were applied.
- 8.2 Enforcement of moving traffic (bus lanes/gates) and parking contraventions, in accordance with the Road Traffic Act 1988 and the Traffic Management Act 2004, is required as Reading Borough is designated as being a Civil Enforcement Authority (CEA).

9. FINANCIAL IMPLICATIONS

- 9.1 As required by the Traffic Management Act 2004, the Council publishes a Parking Services annual report which details all financial information relating to the operation of the Parking Service. The reports are publicly available on the Council website. The 18/19 report is due to be reported to the January 2020 meeting of the Traffic Management Sub-Committee.

10. BACKGROUND PAPERS

- 10.1 Policy Committee reports (23 June 2014 and 14 January 2019)
- 10.2 Traffic Management Sub-Committee parking services annual report (10th January 2019 and 9th January 2020)