



URGENT BUSINESS

MONDAY, 13 JULY 2009

Please find enclosed an Urgent Business Notice in connection with the following:

1. **Civil Parking Enforcement** (Pages 1 - 34)

The Chief Executive, in consultation with the Leader of the Cabinet and the Cabinet Member with Special Responsibility for Property Services, has been asked and has agreed to make a decision in accordance with the City Council's Urgent Business Procedure.

Details of the above decision and the reasons for urgency are set out in the attached Notices and report.

Additionally the Chief Executive (in consultation with the Chairman of the Overview and Scrutiny Committee) has been asked to waive call-in in accordance with Overview and Scrutiny Committee Procedure Rule 17(a). The Chairman of the Overview and Scrutiny Committee was not in agreement with the decision to waive call-in.

The Chief Executive has decided that this decision is now subject to call-in in accordance with the Overview and Scrutiny Procedure Rule 17(a).

Queries regarding these documents

Please contact Tom Silvani, Democratic Services - telephone (01524) 582132 or email tsilvani@lancaster.gov.uk.

Gillian Noall,
Head of Democratic Services,
Town Hall,
Dalton Square,
Lancaster LA1 1PJ

Published on Monday, 13 July 2009

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Our reference: GN/TS/UB72
Your reference:

Councillor Stuart Langhorn,
Leader of Cabinet,

Councillor Malcolm Thomas,
Cabinet Member with
Responsibility for Property Services

HEAD OF DEMOCRATIC SERVICES

Town Hall
Dalton Square
Lancaster
LA1 1PJ

DX 63531

10^h July 2009

Dear Councillor,

URGENT BUSINESS – Civil Parking Enforcement

Members are requested to consider the attached report, which identifies the procurement options for the operation Civil Parking Enforcement (CPE) after the expiry of the current Agency Agreement with Lancashire County Council in September 2009.

Members of Cabinet and Overview and Scrutiny Committee recently received a Cabinet Briefing Note on the arrangements for Civil Parking Enforcement (CPE) that are due to change in September. The note outlined the current position with the procurement options for the provision of various off-street parking services. A copy of the briefing note is attached to the report at **Appendix A**.

Team Lancashire and Lancashire County Council have now confirmed their preferred options and contractors and officers have evaluated the operational and financial implications of each procurement exercise. This report provides further information on these proposals and evaluations.

The background to this report is outlined in the earlier briefing note. A decision now needs to be made on which option is to be chosen for the provision of off-street car park enforcement, back office notice processing services and cash in transit (CIT) arrangements to coincide with the current contractual arrangements terminating in September. This is when the County Council assumes responsibility for the on-street element of parking enforcement in the Lancaster district.

An urgent business decision is required to enable the contractor and service providers to introduce their arrangements by September. Any delays in implementing the urgent business decision will make it extremely difficult to guarantee that the necessary arrangements will in place by the required deadline.

The recommendations are:-

- (1) That the County Council be selected for the provision of off-street parking enforcement and back office services including Cash in Transit from September 2009 subject to County wide consultation and there being no significant changes in agreeing the final level of charges.**
- (2) That the Corporate Director (Regeneration) in consultation with the Head of Legal and Human Resources, Head of Property Services and Head of Financial Services be authorised to enter into the necessary contracts to ensure the delivery of the above services from September 2009.**
- (3) That the County Council provides appropriate levels of enforcement in residents parking zones and liaises with the City Council's parking team over this requirement.**
- (4) That the Overview & Scrutiny Chairman be consulted with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable immediate implementation.**

The approval of the Chief Executive in consultation with the Chairman of the Overview and Scrutiny Committee has also been sought to this action in accordance with Overview and Scrutiny Committee Procedure Rule 17(a).

I would be grateful if you could complete the attached slip, signifying whether you are in agreement with the recommendation or not, and return it to the Town Hall as soon as possible. In the meantime, could you please telephone Tom Silvani on 582132, or e-mail tsilvani@lancaster.gov.uk, with your decision.

Yours sincerely,

HEAD OF DEMOCRATIC SERVICES

Enc.

URGENT BUSINESS – Civil Parking Enforcement

Councillor Consultation

*I am/~~am not~~ (***please delete as appropriate**) in agreement with the recommendation:-

- (1) That the County Council be selected for the provision of off-street parking enforcement and back office services including Cash in Transit from September 2009 subject to County wide consultation and there being no significant changes in agreeing the final level of charges.
- (2) That the Corporate Director (Regeneration) in consultation with the Head of Legal and Human Resources, Head of Property Services and Head of Financial Services be authorised to enter into the necessary contracts to ensure the delivery of the above services from September 2009.
- (3) That the County Council provides appropriate levels of enforcement in residents parking zones and liaises with the City Council’s parking team over this requirement.
- (4) That the Overview & Scrutiny Chairman be consulted with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable immediate implementation.

Signed: Stuart Langhorn -----

Name: Councillor Stuart Langhorn -----

Position Held: Leader of Cabinet-----

Dated: 10th July 2009-----

Councillor Consultation

*I am/~~am not~~ (***please delete as appropriate**) in agreement with the recommendation:-

- (1) That the County Council be selected for the provision of off-street parking enforcement and back office services including Cash in Transit from September 2009 subject to County wide consultation and there being no significant changes in agreeing the final level of charges.
- (2) That the Corporate Director (Regeneration) in consultation with the Head of Legal and Human Resources, Head of Property Services and Head of Financial Services be authorised to enter into the necessary contracts to ensure the delivery of the above services from September 2009.
- (3) That the County Council provides appropriate levels of enforcement in residents parking zones and liaises with the City Council’s parking team over this requirement.
- (4) That the Overview & Scrutiny Chairman be consulted with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable immediate implementation.

Signed: Malcolm Thomas -----

Name: Councillor Malcolm Thomas -----

Position Held: Cabinet Leader with Responsibility for Property Services-----

Dated: 10th July 2009-----

Chief Executive Decision

*I agree/~~do not agree~~ (***please delete as appropriate**) to exercise my delegated authority and approve:-

- (1) That the County Council be selected for the provision of off-street parking enforcement and back office services including Cash in Transit from September 2009 subject to County wide consultation and there being no significant changes in agreeing the final level of charges.
- (2) That the Corporate Director (Regeneration) in consultation with the Head of Legal and Human Resources, Head of Property Services and Head of Financial Services be authorised to enter into the necessary contracts to ensure the delivery of the above services from September 2009.
- (3) That the County Council provides appropriate levels of enforcement in residents parking zones and liaises with the City Council's parking team over this requirement.
- (4) That the Overview & Scrutiny Chairman be consulted with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable immediate implementation.

Signed: Mark Cullinan-----
Chief Executive

Dated: 13th July 2009-----

Please return to: Tom Silvani,
Democratic Services,
Town Hall,
Dalton Square,
LANCASTER. LA1 1PJ

Ref: UB72

Contact: Gill Noall
Telephone: (01524) 582060
Fax: (01524) 582161
Minicom: (01524) 582175
E-mail: GNoall@lancaster.gov.uk
Our reference: GN/TS/UB72
Your reference:

Councillor Gilbert,
Chairman of the Overview
and Scrutiny Committee.

HEAD OF DEMOCRATIC SERVICES

Town Hall
Dalton Square
Lancaster
LA1 1PJ

DX 63531

10th July 2009

Dear Councillor,

URGENT BUSINESS – Civil Parking Enforcement

Members are requested to consider the attached report, which identifies the procurement options for the operation Civil Parking Enforcement (CPE) after the expiry of the current Agency Agreement with Lancashire County Council in September 2009.

Members of Cabinet and Overview and Scrutiny Committee recently received a Cabinet Briefing Note on the arrangements for Civil Parking Enforcement (CPE) that are due to change in September. The note outlined the current position with the procurement options for the provision of various off-street parking services. A copy of the briefing note is attached to the report at **Appendix A**.

Team Lancashire and Lancashire County Council have now confirmed their preferred options and contractors and officers have evaluated the operational and financial implications of each procurement exercise. This report provides further information on these proposals and evaluations.

The background to this report is outlined in the earlier briefing note. A decision now needs to be made on which option is to be chosen for the provision of off-street car park enforcement, back office notice processing services and cash in transit (CIT) arrangements to coincide with the current contractual arrangements terminating in September. This is when the County Council assumes responsibility for the on-street element of parking enforcement in the Lancaster district.

An urgent business decision is required to enable the contractor and service providers to introduce their arrangements by September. Any delays in implementing the urgent business decision will make it extremely difficult to guarantee that the necessary arrangements will in place by the required deadline.

The recommendations are:-

- (1) That the County Council be selected for the provision of off-street parking enforcement and back office services including Cash in Transit from September 2009 subject to County wide consultation and there being no significant changes in agreeing the final level of charges.**
- (2) That the Corporate Director (Regeneration) in consultation with the Head of Legal and Human Resources, Head of Property Services and Head of Financial Services be authorised to enter into the necessary contracts to ensure the delivery of the above services from September 2009.**
- (3) That the County Council provides appropriate levels of enforcement in residents parking zones and liaises with the City Council's parking team over this requirement.**
- (4) That the Overview & Scrutiny Chairman be consulted with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable immediate implementation.**

The approval of the Chief Executive, in consultation with the Leader and relevant Cabinet Member has been sought to this action.

Subject to this approval, I would be grateful if you could consider the immediate implementation of this course of action and agree to waive the right of call-in, in accordance with Overview and Scrutiny Committee Procedure Rule 17(a). Please complete the attached slip signifying your decision and return it to the Town Hall as soon as possible. In the meantime, could you please telephone Tom Silvani on 582132, or e-mail tsilvani@lancaster.gov.uk with your decision.

Yours sincerely,

HEAD OF DEMOCRATIC SERVICES

Enc.

URGENT BUSINESS – Civil Parking Enforcement

~~I agree~~/do not agree (***please delete as appropriate**)

To this matter being treated as a matter of urgency in accordance with Overview and Scrutiny Committee Procedure Rule 17(a) and therefore not being subject to call-in.

Signed: John Gilbert

Dated: 13th July 2009

Chief Executive Decision

~~I agree~~/do not agree (***please delete as appropriate**) to this matter being treated as a matter of urgency in accordance with Overview and Scrutiny Committee Procedure Rule 17(a) and therefore not being subject to call-in.

Signed: Mark Cullinan-----
Chief Executive

Dated: 13th July 2009-----

Please return to: Tom Silvani
Democratic Services,
Town Hall,
Dalton Square,
LANCASTER. LA1 1PJ
Ref: UB72

CABINET

Urgent Business Report Civil Parking Enforcement

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT				
This report considers the procurement options for the operation Civil Parking Enforcement (CPE) after the expiry of the current Agency Agreement with Lancashire County Council in September 2009.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date Included in Forward Plan		April 2009		
This report is public				

RECOMMENDATIONS

- (1) That the County Council be selected for the provision of off-street parking enforcement and back office services including Cash in Transit from September 2009 subject to County wide consultation and there being no significant changes in agreeing the final level of charges.
- (2) That the Corporate Director (Regeneration) in consultation with the Head of Legal and Human Resources, Head of Property Services and Head of Financial Services be authorised to enter into the necessary contracts to ensure the delivery of the above services from September 2009.
- (3) That the County Council provides appropriate levels of enforcement in residents parking zones and liaises with the City Council's parking team over this requirement.
- (4) That the Overview & Scrutiny Chairman be consulted with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable the Chief Executive's decision to be implemented immediately.

1.0 Introduction

- 1.1 Members of Cabinet and Overview and Scrutiny Committee recently received a Cabinet Briefing Note on the arrangements for Civil Parking Enforcement (CPE) that are due to change in September. The note outlined the current position with the procurement options for the provision of various off-street parking services. A copy of the briefing note is attached at **Appendix A**.

1.2 Team Lancashire and Lancashire County Council have now confirmed their preferred options and contractors and officers have evaluated the operational and financial implications of each procurement exercise. This report provides further information on these proposals and evaluations.

1.3 An urgent business decision is required to enable the contractor and service providers to introduce their arrangements by September. Any delays in implementing the urgent business decision will make it extremely difficult to guarantee that the necessary arrangements will in place by the required deadline.

2.0 Background Information

2.1 The background to this report is outlined in the earlier briefing note. A decision now needs to be made on which option is to be chosen for the provision of off-street car park enforcement, back office notice processing services and cash in transit (CIT) arrangements to coincide with the current contractual arrangements terminating in September. This is when the County Council assumes responsibility for the on-street element of parking enforcement in the Lancaster district.

3.0 Proposal Details

3.1 County Council Procurement Arrangements

3.2 The County Council has appointed NSL Services (formally NCP Services) for the provision of a combined enforcement and back office notice processing IT system. NSL are the present enforcement contractor and they have selected a company called SPUR to provide their back office software. This means the central notice processing office in Preston will be using new software for notice processing from September. NSL have also confirmed they can provide an all inclusive CIT service. Further information on the County's proposals and prices is attached at **Appendix B**.

3.3 Discussions have been taking place with representatives from Team Lancashire and the County Council over their respective procurement exercises. This has resulted in the County Council offering to absorb all fixed costs for the period of the contract thereby reducing the total cost for all districts by £101,000 per annum. County have also offered to pay the full cost of accommodation and this means that no costs will be payable for off-street operations using the same facilities. This has resulted in the County's unit costs reducing to £13.06 per hour for enforcement and £5.47 per PCN for notice processing. However, the notice processing cost is subject to all districts using this facility.

3.4 The County Council has indicated it is strongly committed to developing a positive and productive partnership with the districts and believe they have a workable solution that is competitively priced. They feel that a partnership could achieve a better public image and that separate arrangements for on and off-street could be perceived by the press and the public as being inefficient.

3.5 Team Lancashire Procurement Arrangements

3.6 The background to the alternative options is outlined in the earlier briefing note. Team Lancashire has now published its final report and a copy is attached at

Appendix C. The report outlines the procurement work that has been undertaken, summarises the bids received, comments on the County's proposals and prices and provides some cost comparison analysis across all districts.

- 3.7 The Team Lancashire preferred option is to contract a software company called Chipside for 5 years to deliver a hosted and fully managed back office and notice processing service at £3.07 per PCN. This figure could be reduced if the setting up costs of £72,530 across all districts were capitalised or paid in the first year. Chipside would establish the back office in Swindon and this would offer similar services to the existing notice processing office in Preston.
- 3.8 Team Lancashire's preferred option for enforcement and CIT is to use Legion Services who can offer enforcement at an initial cost of £10.11 along with rates for CIT. However, each district would have to negotiate the provision of transport and accommodation and enter into a short term arrangement with Legion to overcome procurement difficulties. This would require the Chief Executive/Corporate Director to approve a Request for an Exception to Contract Procedure Rules. The Lancashire Procurement Hub would then be engaged to undertake a formal procurement exercise in consultation with all 12 Lancashire districts.
- 3.9 Discussions have been held with Legion Services to determine the City Council's off-street specification and to investigate how these services would be provided during a short term arrangement. For CIT this has resulted in additional costs due to the scale of the City Council's operation and these costs have been included in the financial implications.
- 3.10 It is clear from discussions with the County Council, NSL Services the present enforcement contractor and Legion Services that some existing Civil Parking Enforcement Officers (CEOs) and CIT staff would be eligible for transfer to Legion Services under the Transfer of Undertakings (Protection of Employment) Regulations 2006. For the Lancaster district this could be up to 5 employees and additional costs relating to these transfers were not included in Legion's initial unit costs for enforcement and CIT. However, Legion Services have subsequently provided an estimate of these additional costs and these are noted separately in the financial implications but as yet they are not based on information Legion have obtained from the current contractor.

3.11 In-House Enforcement and Back Office Option

The disadvantages of providing these services in-house were also outlined in the briefing note. This option has been included in the operational and financial evaluation and further information is provided in the options and options analysis section of this report.

3.12 Parking Strategy

All the potential options for delivering these off-street parking services are in line with the Parking Strategy. However, the new arrangements from September whereby the County Council will be responsible for on-street parking enforcement could potentially impact on the level of enforcement in on-street residents parking zones. Within the Parking Strategy residents are considered to be at the top of the parking hierarchy when considering parking priorities. It is therefore suggested that if the option to use the County's off-street services is chosen this should be linked to the County providing similar levels of enforcement in on-street residents parking zones to those provided under the current arrangements.

3.13 Form of Agreement or Contract

It is understood the City Council will be expected to sign a contract with the County's enforcement contractor NSL Services and it is likely that a Service Level Agreement will be required for the back office services. For the Team Lancashire option each district will have to enter into a short-term agreement with Legion Services for enforcement and CIT services as outlined earlier. A separate contract or agreement will be required with Chipside for 5 years for the provision of the back office services and software. The contractual implications of the option that is chosen will be discussed with the Head of Legal Services when further information has been provided.

4.0 Details of Consultation

- 4.1 The County Council's approach to on-street parking enforcement has been discussed on several occasions at Lancashire Leaders' and LCFOs meetings. The Parkwise Managers' meetings have discussed the arrangements for September 2009 onwards and copies of the County Council's ITT document have been provided to the relevant district directors and senior managers.

The Team Lancashire initiative has been discussed at its Shared Services Board. Parking Managers have discussed the expressions of interest with a panel of district representatives evaluating the final submissions. Representatives from Team Lancashire and the County Council have also discussed the procurement exercises as outlined earlier. The final Team Lancashire report has been circulated to district representatives, senior managers, Heads of Finance and Chief Executives.

5.0 Options and Options Analysis (including risk assessment)

Please refer to the following pages

5.1 Option 1 – County Council Services

The advantages and disadvantages of the County Council option are as follows:

Advantages	Disadvantages
<p><u>Enforcement</u></p> <p>Less expensive than current arrangements and more certainty over costs</p> <p>CEOs already appointed, trained and have local knowledge and understanding of our enforcement protocols</p> <p>All CEOs trained to deliver on and off-street enforcement. Car park requirements will be drawn from this pool of resources with equal priority for deployment</p> <p>CEOs and CIT staff trained to provide first line maintenance for pay and display machines. Provision of additional first line maintenance will allow the potential cancellation of the pay and display machine maintenance contract</p> <p>Accommodation and infrastructure already in place and retains elements of the existing integrated service</p> <p>Annual tender prices linked to RPI increases</p> <p>Proven track record on enforcement requirements and established client and contractor relationship</p> <p>No TUPE implications for CEOs & CIT staff</p>	<p>More expensive should TUPE not apply to the Team Lancashire option and initial tender prices are accurate</p> <p>Perceived poor public relations image from existing arrangements under the Parkwise branding</p>
<p><u>Back Office</u></p> <p>Already in place in Preston, staff appointed and trained and all electronic links and bureau services available</p> <p>All payment options and services are already available</p> <p>Access to shared technical and legal resources for PCN notice processing issues</p>	<p>Uncertainty over PCN unit cost if most districts go with the Team Lancashire option</p> <p>Potential problems with new back office software</p>
<p><u>Cash In Transit (CIT)</u></p> <p>Service already substantially established. Full CIT service would enable savings to be made by terminating G4S contract</p>	<p>Some implications for other services based at Morecambe Town Hall</p>

5.2 Option 2 - Team Lancashire Services

The advantages and disadvantages of the Team Lancashire option are as follows:

Advantages	Disadvantages
<p><u>Enforcement</u></p> <p>Less expensive than the County Council based on the initial tender prices should TUPE not apply</p> <p>More direct control over CEOs and local deployment</p> <p>12 month contract provides districts with an opportunity to undertake their own procurement exercise</p> <p>Public perception – fresh approach to enforcement</p> <p><u>Back Office</u></p> <p><u>Cash in Transit (CIT)</u></p> <p>Full CIT service would enable savings to be made by terminating G4S contract</p>	<p>Less certainty over costs & greater risks over some aspects of the tender requirements</p> <p>CEOs yet to be appointed and trained and will need to know local arrangements and enforcement protocols</p> <p>Ability to provide cover if reduced deployment resources e.g. sickness etc.</p> <p>TUPE implications for CEOs and CIT staff are highly likely</p> <p>CEOs and CIT staff would need training on first line pay and display maintenance</p> <p>Potential for another contractor and uncertainty over future costs</p> <p>Lead authority recommended and long term availability of Team Lancashire resources has not been confirmed</p> <p>Public perception of another contractor and less effective arrangements</p> <p>Company currently only provides partial support services for some customers</p> <p>Staff not appointed, trained and familiar with statutory guidance and PCN processing. Electronic links and bureau services only partially in place</p> <p>Project implementation time to provide service by September & increased risk of not being ready in time & less effective in early months</p> <p>Increased risk of additional costs due to being new service provider</p> <p>Remote location for staff familiarisation and meetings</p> <p>Reduced income from enforcement and back office services a possibility</p> <p>Service to be established by September with vehicles, collection, banking, reconciliation and management information arrangements</p>

5.3 Option 3 - In-House Arrangements

The advantages and disadvantages of in-house arrangements are as follows:

Advantages	Disadvantages
<p><u>Enforcement</u></p> <p>More certainty over costs</p> <p>Direct control over CEO and CIT staff recruitment, training and deployment</p> <p>Possibly less turnover of staff</p>	<p>Most expensive option and outside the budget framework</p> <p>Recruitment costs</p> <p>Training required by an external contractor</p> <p>Uniforms and transport required</p> <p>Day to day supervision required</p> <p>Paid per employed hour rather deployed hour when they are actually carrying out enforcement duties</p> <p>Less flexibility to increase or decrease deployment to meet short term or longer term needs</p> <p>Insufficient time to establish workforce before September</p>
<p><u>Back Office</u></p> <p>Direct control over whole PCN notice processing operation</p>	<p>Need to purchase new or upgraded software and implement before September</p> <p>All electronic links with DVLA, TEC and bureau service for bulk handling of statutory correspondence would need to be set up</p> <p>Fully integrated range of payment options would need to be established</p>
<p><u>Cash In Transit (CIT)</u></p> <p>Direct control over the whole operation</p>	<p>Separate staff would need to be recruited and a secure vehicle purchased or leased</p> <p>G4S contract would still be required</p>

5.4 An analysis of the costs associated with all the above options is included in the Financial Implications section of this report.

6.0 **Officer Preferred Option (and comments)**

6.1 The preferred option is to use the County Council's contractor to provide car park enforcement and a fully inclusive cash in transit (CIT) service. This option is compliant with the City Council's own financial regulations and EU legislation and avoids the need for the Lancashire Procurement Hub to carry out a further procurement exercise within the next 6 months. This option also uses the County Council's already established back office in Preston for PCN notice processing.

- 6.2 This option ensures that both on-street and off-street enforcement are carried out by the same contractor and this will be more effective in terms of the flexibility and deployment of CEO resources. Whilst this will not be the same as the existing integrated operation it will maintain the current arrangements to a large degree and help to provide better management of parking enforcement across the district.
- 6.3 The existing contractor is able to provide first line maintenance of pay and display machines and this could provide further savings. An all inclusive maintenance agreement is currently in place for these machines and the number of call-outs to repair the machines is being monitored. Early indications suggest this contract could be terminated and repairs would then be paid for as they arise. Further monitoring will be undertaken and the contract will be terminated if this is considered to be cost effective. The potential savings are approximately £7,500 p.a. and this could be taken into account as part of the 2010/2011 budget exercise.
- 6.4 Retaining the existing enforcement contractor will ensure the continuation of the Partnership Plus SLA between the City Council, NSL Services Ltd and Lancashire Constabulary Northern Division. This has been a successful partnership aimed at reducing crime and the fear of crime and contributes to the Lancaster District Local Strategic Partnership's Safety Priorities and Objectives.
- 6.5 The preferred option builds on the success of the current operational arrangements with the advantages as outlined above and requires minimal project implementation resources. It can be delivered within the budget framework and has limited potential for any additional costs. This option is more risk averse and provides a sound basis in terms of business continuity for the off-street parking service.
- 6.6 The Team Lancashire option has a number of inherent risks including likely TUPE transfers between contractors, the uncertainty over the outcome of another procurement exercise and further risks associated with establishing a new back office notice processing centre by September. The existing enforcement contractor and Legion Services agree that TUPE will apply and based on the provisional additional costs associated with this the County Council option is also the least expensive.

RELATIONSHIP TO POLICY FRAMEWORK

Off-street parking contributes to the Corporate Plan's Vision for the district and links to the Medium Term Objectives of working in partnership to ensure a strategic approach to economic development and regeneration and contributing towards making our district an even safer place by reducing crime and the fear of crime and anti-social behaviour.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Although the City Council will only be responsible for off-street parking enforcement under the new arrangements this still has community safety impacts on road safety and vehicle and personal security.

FINANCIAL IMPLICATIONS

As outlined in the report a full operational and financial appraisal of each option has been undertaken encompassing the tender prices that have been received. This has allowed the financial implications of all the options to be considered and compared with the assumptions

built into the 2009/10 budget process.

Should all options be delivered at the tender prices received, the following table outlines the financial impact over a one year period :-

	Budget 2009/10	Lancs County Council	Team Lancs	Team Lancs (TUPE)	In House
	£'000	£'000	£'000	£'000	£'000
<u>Expenditure</u>					
Enforcement	77	91	76	84	105
Back-Office	87	85	73	73	86
Cash in Transit	83	56	73	80	71
TOTAL EXPENDITURE	247	232	222	237	262
<u>Income</u>					
PCN Income *	152	145	145	145	145
TOTAL INCOME	152	145	145	145	145
NET EXPENDITURE	95	87	77	92	117

* PCN Income has been reduced to take account of the outturn position which has been heavily influenced by the new TMA arrangements which introduced lower penalty charges for off-street parking contraventions.

An analysis has been undertaken for the Lancashire County Council and Team Lancashire options based on the following risks and assumptions outlined within the options and options analysis section of this report :-

- Enforcement costs within Team Lancashire option subject to potential TUPE implications between NSL and Legion, therefore increasing costs;
- Back office notice processing costs within both options are subject to increase depending on the number of Districts choosing their services;
- Back office notice processing costs within Team Lancashire option are viewed to be at greater risk due to the establishment of a new notice processing centre and potential TUPE implications between Lancashire County Council and Chipside;
- Income levels within Team Lancashire option are viewed to be at greater risk due to newly appointed contractor with limited knowledge of the area.

The Lancashire County Council option is the more risk averse option as there is only one area of cost which is subject to change. To work within the current budget restraints these costs can increase by no more than 20% but it is hoped that savings will be made within this option. Should the target costs be met, savings of £40,000 can be achieved over the 5 year period. There are no TUPE implications attached to this option.

The Team Lancashire option is of a more risk taking nature and should the TUPE implications arise then the financial impact is altered (as also shown in the table). Should the target costs be met, savings of £90,000 can be achieved over the 5 year period. However, with the increased likelihood of TUPE implications, the costs could rise to that in excess of the County option and this is likely in context of the risks identified. Further instability occurs when considering the back-office costs as this is at high financial risk as outlined in the options and options appraisal section of this report.

The in-house solution is deemed operationally inflexible, difficult to implement in the timescale provided and cannot be delivered within the current budget framework.

In summation, Team Lancashire potentially offer greater financial savings but this is at a significantly higher risk than that of Lancashire County Council, who in partnership with, can deliver the scheme within the current budget and potentially savings are more likely to be realised.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no comments to add.

LEGAL IMPLICATIONS

There are no legal implications directly arising from this report. In the event of option 1 being approved Legal Services will be required to complete any documentation to comply with the arrangements proposed by the County Council.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Report to Cabinet 2nd September 2008 and various reports to Lancashire Leaders, LCFOs and CPE Project Board. Team Lancashire reports and County proposals and prices.

Contact Officer:

David Hopwood

Telephone: 01524 582817

E-mail: dhopwood@lancaster.gov.uk

Ref:

Cabinet Briefing Note on Civil Parking Enforcement

1.0 Introduction

- 1.1 The current Parkwise Agency Agreement with Lancashire County Council expires in September 2009 and arrangements for local parking enforcement are due to change. This briefing note outlines the changes and the procurement options that have been investigated. These options have been investigated by the County Council and Team Lancashire and this briefing note provides background information on the current position. Both procurement options are reaching a critical point in terms of the amount of time that is required to implement them to ensure effective arrangements are in place by September.

2.0 Background Information

- 2.1 Civil Parking Enforcement (CPE), formally known as DPE, has been operating within the Lancaster district since 2004 under the countywide Parkwise agency agreement arrangements. The on-street enforcement is carried out on behalf of the County Council as highway authority and the off-street car park enforcement is carried out for the City Council.
- 2.2 Cabinet considered a report last September about the future operational arrangements for CPE and approved Option 1b subject to its operation being within the budget framework and entering into an agreement with the County Council (Minute No.53). Option 1b effectively maintained the current operational arrangements but required the majority of the Lancashire districts to sign up to capping arrangements that would limit the cost of providing the on-street element of the parking enforcement service.
- 2.3 Lancashire Chief Finance Officers (LCFOs) subsequently considered the proposals for Option 1b and were asked to provide the County Council with an 'in principle' agreement to the capping arrangements. In view of concerns regarding transferring the financial risk for undertaking the on-street element onto the districts, responses from district councils indicated that at least three districts were unlikely to commit to Option 1b. For the remaining districts whilst there was a stated 'in principle' agreement, they had continuing concerns around financial risk and in a number of cases their agreement was therefore subject to a number of conditions reflecting those concerns.
- 2.4 The County Council faced with increasing difficulties in proceeding with Option 1b and concerns over tender deadlines for the procurement of enforcement and back office IT systems, reconsidered its position in terms of delivering a model that would be operationally and financially viable. Given the constraints and practical considerations involved with the tendering process, and after further discussions with their Cabinet Member, an alternative option known as Option 2 was approved to ensure an efficient and effective parking enforcement service would be in place by September 2009.
- 2.5 Option 2 is where the County Council undertake the on-street parking enforcement and the districts undertake their off-street enforcement in their own car parks. Under this option the County Council would procure an

enforcement contractor, maintain a central notice processing office and a back office software system to process Penalty Charge Notices (PCNs). The districts would then have the option to buy into these services for their off-street car park enforcement.

3.0 Current Position

3.1 County Council Procurement Arrangements

- 3.2 The County Council has been evaluating tenders for the provision of a combined enforcement and back office notice processing IT system. The County's procurement timetable has been delayed and at the time of preparing this briefing note the County's Chief Executive has approved the preferred contractor but details have not been released to the district councils. When confirmation of the contractor is communicated to the districts further detailed information on the proposed arrangements will also be provided including the costs of providing the various services for off-street parking enforcement and Cash in Transit (CIT).

3.3 Team Lancashire Procurement Arrangements

- 3.4 The district councils operating within the current partnership arrangements expressed concern about County's decision to undertake the on-street element of local parking enforcement particularly as the existing partnership arrangements have been successful from an operational point of view. In view of this concern the central Lancashire cluster of Preston, South Ribble, Chorley and West Lancs along with Lancaster agreed to work together to see if there was scope for sharing services for off-street parking enforcement and income collection through the other procurement measures. This work has been undertaken under the Team Lancashire approach where the partnership is founded on a common vision set out in the concordat "Working Better Together"; which is a shared understanding to deliver solutions to problems facing the Lancashire authorities. All 12 districts within the existing partnership have now expressed an interest in considering these other procurement options.

Team Lancashire has undertaken an options appraisal and has invited tenders for the provision of off-street parking enforcement including CIT and the provision of a parking management information system and related services. The tenders were invited on the basis that the interested companies must comply with existing approved procurement frameworks. Where possible the tenders have been provided in a similar format to the County's proposals to assist with assessing their suitability. These tenders have been evaluated by representatives from Team Lancashire and a panel from the district councils. A preferred option has been selected and Team Lancashire is currently inviting comments from the districts.

3.5 In-House Enforcement and Back Office Option

- 3.6 One of the main benefits that has been achieved with the current outsourced enforcement arrangements is the ability to increase or decrease the amount of CEO deployment at 6 weeks notice. This has allowed the City Council to respond to changing requirements and better compliance with parking restrictions. Civil Enforcement Officers (CEOs) are also supplied fully trained

and equipped and the Contractor is paid per deployed hour. This flexibility on a reduced off-street operation will still be an advantage as the City Council looks at the strategic management of its car parks in line with the parking strategy and as part of potential redevelopment opportunities in the district. An in-house enforcement team would be paid on an employed hourly basis along with all the other establishment and on-costs. In addition the CEOs would need to be equipped and trained using other service providers. The ability to increase or decrease the levels of deployment under this option would be more difficult.

For back office notice processing arrangements many authorities are using either hosted services provided by software suppliers or through centralised notice processing offices. This allows all payment options to be offered, electronic transfer of data with the DVLA and the Traffic Enforcement Centre and the provision of bureau services for the bulk handling of statutory correspondence. This enables authorities to take advantage of economies of scale and to provide these services more cost effectively.

The cost of providing an in-house enforcement service and an independent back office is being estimated as part of the operational and financial assessment of the other options. However, it is likely that this option will be less effective and more expensive and would be difficult to achieve within the limited timescales.

3.7 Cash In Transit

- 3.8 The collection and counting of revenue from the City Council's car parks is an element of the service provided by the existing contractor and the costs are accounted for in the Off-Street Car Parks parking account. The reconciliation and banking element is currently undertaken by staff in the parking team and a separate contractor is used to transport the money to the cash handling centre used by the City Council's bank. This service is an integral part of the off-street parking function and is logistically very important in terms of income generation and business continuity. The cost of providing this service will be evaluated under the above potential options.

3.9 Form of Agreement and Contracts

- 3.10 The City Council will be expected to sign a contract with the County's successful contractor if the enforcement service is to be provided under this option. It is unclear at this stage whether a Service Level Agreement (SLA) with the County Council for the provision of back office services will be prepared but districts will be raising this issue. A number of contracts or SLAs with the Team Lancashire service providers is envisaged but again further information is not available at this stage. When the situation becomes clearer these issues will be discussed with the Head of Legal and Human Resources.

4.0 Transfer of Undertakings (Protection of Employment) Regulations 2006

- 4.1 The transfer of on-street parking enforcement to the County Council from September 2009 means that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) has to be considered. Discussions have taken place with the County Council's legal and HR representatives and

the City Council's HR representatives and it has been confirmed that two members of the parking team will transfer to the County Council.

5.0 Details of Consultation

- 5.1 The County Council's approach to on-street parking enforcement has been discussed on several occasions at Lancashire Leaders' and LCFOs meetings. The Parkwise Managers' meetings have discussed the arrangements for September 2009 onwards and copies of the County Council's ITT document have been provided to the relevant district directors and senior managers.

The Team Lancashire initiative has been discussed at its Shared Services Board. A network of Parking Managers discussed the expressions of interest with a panel of district representatives evaluating the final submissions. Team Lancashire and district Procurement Managers have also been involved in the process. The preferred option is likely to be the subject of a report to the Shared Services Board and/or the relevant Chief Executives.

6.0 Conclusion

- 6.1 It has not been possible to prepare a detailed Cabinet report within the normal meeting timescales in view of the County's information being delayed and the alternative proposals being investigated by Team Lancashire only recently being concluded. When the detailed operational and financial implications of all the options has been provided officers can fully evaluate these and recommend a preferred option for the provision of these off-street parking services for the City Council.
- 6.2 It is likely that a decision will need to be made around the end of June and outside the normal cycle of Cabinet meetings. This is to ensure that service providers have sufficient time to implement their solutions by September. An Urgent Business Report is therefore likely to be required and if this is the case the Chairman of Overview and Scrutiny may need to be consulted with a view to waiving the call in.

For further information please contact:

David Hopwood 01524 582817
Graham Cox 01524 582504

Urgent Business Procedure:
Gill Noall 01524 582060

Parking Enforcement – New Arrangements for September 2009

As you are aware, the current parking enforcement arrangements operated under the ParkWise partnership is coming to an end on 5th September 2009. The new arrangements applicable from September 2009 were approved by the County Council's previous Cabinet Member for Sustainable Development in November 2008. Under the new arrangements, the County Council will undertake enforcement of on-street parking across the County with the District Councils enforcing off-street parking in their area. The County Council will continue to procure enforcement and notice processing system and provide a back office service and the District Councils will have the option of utilising these services.

We have concluded our procurement exercise and I can inform you that NSL have won the enforcement contract with SPUR providing the notice processing system as part of the same contract. We are now in a position to offer these facilities to your Authority at the rates set out below.

Enforcement

The enforcement costs consist of an hourly rate, a fixed cost element and cost of accommodation.

The hourly CEO rate is £13.06 rising to £13.52 if any CEOs TUPE over to the contractor. These costs include vehicle costs and all PCN rolls and carries, printers, cameras, HHC and training. This rate applies to any day including bank holidays, Sundays and at any time.

The cost for districts employing their own CEOs will be £1.69 per hour deployed, which includes uniform, HHC, printers, cameras and PCN rolls.

The fixed cost element of the contract can be distributed based on the number of PCN's issued. However, the County Council is prepared to take on the full fixed costs for the contract. This will reduce the costs to Districts by £101,000 per annum.

The County Council is also prepared to fund the full cost of accommodation provided the District Councils can identify suitable accommodation at advantageous rates for the four bases needed by the contractor. This represents further savings to the Districts of approximately £34,000 per annum.

Back Office

The proposed cost for the back office is £5.47 per PCN, this excludes the 60p TPT charge (which district pay direct) and also any TEC charges which will be charged separately. These costs are based on the assumption that all districts will be using this facility.

Cash Collection

Cash collection can be provided through the enforcement contract at a rate of £80 per machine per month. This rate is based on three collections per week.

BACKGROUND

1. From 6th September 2009 the parking landscape in Lancashire will change. Currently an integrated on and off street service is provided by a single contractor across the county with LCC operating a back office facility supporting the administration and payment of all penalty charge notices. Under the new arrangements, district council's in Lancashire will be responsible for delivering an off street parking service, whilst Lancashire County Council will deliver the on-street service across the county.
2. LCC have undertaken a procurement exercise which included the off street enforcement requirements of the district council's and should districts take up the option of using the LCC preferred enforcement contractor they will be required to utilise the LCC back office service on a cost per pcn basis, similar to the existing arrangement through Parkwise.
3. The districts have taken this opportunity to look at how they might work together to deliver a more efficient and cost effective off street service and through a project funded and facilitated by Team Lancashire have investigated the alternative delivery models to the solution provided through LCC. Initially this exercise was intended to be a pilot looking at the 5 mid-lancs districts however during the programme of work 11 of the 12 districts became involved. The cost assessment in this paper is therefore based on 11 participating districts. The only outstanding district has very recently asked to be involved which can be accommodated, however it was too late to include them in the financial analysis.
4. It was felt important at district level that this exercise was undertaken so that value for money could be properly demonstrated by being able to compare a number of alternative options. Districts were mindful of the tight timeframes on this project and so concentration has been focused on identifying solutions, which could be sourced without the need to undertake a full procurement exercise in compliance with OJEU regulations. Additionally there were potential operational considerations to take into account should one contractor be providing a service across two distinct service areas where responsibility for delivery would be with LCC for on-street and the districts for off street.

WORK UNDERTAKEN

5. Facilitated by Team Lancashire the following options have been explored
 - a) back office, hosted and fully managed service through an existing ESPO framework contract. 3 companies submitted bids through a mini-tender exercise.
 - b) full parking solution encompassing enforcement, back office processing and cash collection, through a framework contract facilitated by the Essex Procurement Hub. This is a sole supplier framework and the nominated company has submitted a bid.
 - c) possible options through Legion Services for Enforcement and cash collection and for a full parking solution provided by Capita Symonds and Blackburn council in a partnership arrangement with the district council's.

OUTCOMES

Bids through the ESPO Framework

6. The submissions through the ESPO framework for the provision of a fully managed, hosted back office solution have been received and the evaluation exercise was concluded on Friday 15th June. The evaluation criteria assessed the bids on a 60/40 quality/price ratio based on a cost per pcn basis over the 5-year contract period for 39,000 pcn's per annum. The results were as follows;

Company A - £3.07 per pcn

Company B - £8.30 per pcn

Company C - £6.28 per pcn

7. Nb for comparison purposes these figures exclude commercial charges, dvla enquiries and the Appeals process charges. The commercial charges figures are immaterial in terms of this evaluation.
8. The £3.07 figure covers all costs associated with the project, however there would be initial start up costs in the first year, which could be capitalized? This would then result in a lower ongoing charge per pcn. The fairest way of apportioning the £72,530 would be based on the number of pcn's issued in each district during 2008/9. Table1 below indicates the split of year 1 up-front costs across the districts.

Table 1 Proposed sharing of set up costs

COUNCIL	OFF STREET NOTICES PROCESSED 2008/09	£ initial year1 start-up costs	%
BURNLEY	5194	9598	13.23
ROSSENDALE	2792	5160	7.11
PENDLE	2604	4812	6.63
CHORLEY	5159	9534	13.14
SOUTH RIBBLE	1122	2073	2.86
PRESTON	3076	5684	7.84
LANCASTER	6378	11786	16.25
WEST LANCS	3384	6254	8.62
WYRE	6150	11365	15.67
FYLDE	3318	6132	8.45
HYNDBURN	71	131	0.18
TOTAL	39248	72530.00	100.00

9. The cost per pcn issued over the 5-year contract period would reduce to £2.70 when the £75,230 is deducted from the overall cost.

Bids through the Essex Framework

10. The bid received from Vinci Park under the Essex Framework for a complete solution offering an enforcement, cash collection and notice-processing service has been evaluated. As this is a sole supplier framework the focus has been on price, given that the supplier had gone through a robust quality assessment to win the initial tender and become established on the framework to provide a parking service to other UK council's. The costs associated with this submission are as follows:

Enforcement and cash collection – cost per hour £21.05
Notice Processing - £12.08

11. The company has also requested a 15% performance payment in line with the British Parking Association conditions of contract, which would need to be negotiated and factored into the cost. If the full 15% were to be agreed the costs would increase as follows:

Enforcement and cash collection – cost per hour £24.20
Notice Processing - £13.89

Other possible solutions

12. Council's could elect to deliver the enforcement service using in-house staff as some districts already do and that may offer flexibility opportunities by integrating parking enforcement with other areas of enforcement such as litter picking and dog fouling enforcement areas.
13. Additionally there have been approaches made by 2 other organisations, which are covered below
14. As part of the Options Appraisal process the team also had dialogue with Legion Services and Capita Symonds. We were unable to find a shortened procurement route, which would enable these organisations to submit a bid on a 5 year contract basis to include all 11 council's however both organisations saw fit to submit bids for consideration.
15. Legion services have submitted an offer of a maximum of £10.11 per hour for enforcement (excluding transportation).
16. Capita Symonds has also submitted a proposal, which would involve this company who currently provide the parking service to Blackburn council working in partnership with the 11 districts. They believe that an arrangement could be put in place through a shared service model, which would satisfy procurement and legal requirements. The prices offered in their submission are as follows:

Back office processing £6.40- £7.68
Enforcement Hourly rate £ 12.59 - £13.84 (excluding transport)

No submission was made by Capita Symonds for cash collection.

Table 2 identifies comparisons with Chorley's enforcement hours, hourly rate and cash collections costs from 2008/09.

	Chorley 2008/2009 rates	Legion	Essex Framework	Capita Symonds
	£	£	£	£
Enforcement	49,234	37,590	Within total	51,817
Cash collection	34,410	21,827	Within total	
Total	83,644	59,417	90,633	51,817

Legion
Cash collection rate is £5 per box plus 25 pence per £100 per box.
Cash collection rate includes for use of a vehicle.

Essex Framework
Hourly rate covers both enforcement and cash collection.
Included within total of £90,633 is £11,822 re 15% negotiable performance payment.
Not known at this stage if vehicle costs are included within the hourly rate.

Capita Symonds
Hourly rate is for enforcement only

17. As mentioned above the districts cannot procure as a group through Legion on a 5 year contract basis, however the company have indicated a willingness to provide the service on a shorter term to any individual districts who might be interested and that would then allow the Lancashire Procurement Hub the opportunity to undertake a formal procurement process in the longer term. The solution offered by Capita Symonds does not offer the same financial benefits as the proposal; received from Legion Services
18. A further option for districts for delivering the enforcement service would be to employ their own staff. If we assume SCP 14 at £15570 x 15% on cost this equates to an hourly rate of £10.29. The potential advantages here are that it enables council's to provide a more flexible enforcement service, perhaps merged with other enforcement services, however there are disadvantages in employing, training and managing staff which cannot be underestimated particularly when enforcement hours requirements do not neatly match with FTE's. If the in-house route were chosen there would also need to be either an integrated or separate cash collection and counting service, which again might create operational issues.
19. In terms of any local agreement with the Legion, they have asked if participating authorities could supply a small amount of office space for their enforcement operatives and Preston CC have indicated that they are willing to also provide a facility for cash counting. It is assumed that each authority will accommodate this request at their own cost, which should be negligible.
20. The appendices attached compares the current arrangements with LCC alongside the LCC rates and the alternative options .

21. Points for information are as follows:

- **To receive the prices quoted by the lowest bidders the majority of the districts will have to choose the same service provider otherwise, the prices will need renegotiating**
- LCC offer includes transport and accommodation costs
- Legion offer includes transport for cash collection only and assumes staff will be accommodated within the district they are working at
- Legion Enforcement offer does not include transport costs
- Individual Districts will have to determine what impact the above 2 points will have on their comparative pricing
- The cost per PCN for the notice processing by company A may increase should a number of districts decide to use a different supplier. Clarification from Company A is required on this issue.

22. The County Council have indicated they would very much like to work in partnership with the Districts on this new parking venture. They appreciate that we have had difficulties in the past with the Parkwise arrangements but we do need to move on from this. The County Council believe they have a workable solution which is as competitively priced as possible and, despite the progression of time, they remain confident that we can be fully operational by September.

23. The County Council is strongly committed to developing a positive and productive partnership between the County Council and Districts and if this can be achieved the new arrangements for parking enforcement could significantly benefit all parties and bode well for progressing less obviously difficult areas for joint working.

24. Given the present economic climate a joint approach on parking enforcement could also help achieve a better public image. It would be unfortunate if separate enterprises were to be perceived by the press and public as inefficient.

25. The County Council hope Districts can favorably consider this approach and feel able to join the new arrangements for parking enforcement and have requested that they are informed of each Council's decision by 30th June 2009.

TIMESCALES

26. From a district perspective it is felt that the decision deadline date on the way forward needs to be no later than 30th June 2009. This should enable a notice processing, enforcement and cash collection solution to be in place on 6th September should the district council elect to arrange and manage the service themselves or as a group. The 30th June has been put to districts as the deadline and it is hoped that all will be able to go through their internal approval procedures to meet this date.



TUPE

27. There are potentially TUPE issues associated with this project. Should the districts elect to provide their own back office rather than through LCC there may be staff eligible for transfer to the new supplier. This could impact on the prices quoted by Company A through the ESPO framework for the back office but it is not anticipated that this would present significant barriers to doing business with this company. Similarly there may be staff transfer issues if the off street enforcement service is not delivered through the LCC preferred bidder but again it is not felt that this would present insurmountable issues and would be between the incumbent contractor and whoever the districts choose to deliver their enforcement service. A present LCC have not indicated if any TUPE issues exist.

LCC POSITION

Parking Enforcement – New Arrangements for September 2009

28. The new arrangements applicable from September 2009 were approved by the County Council's previous Cabinet Member for Sustainable Development in November 2008. Under the new arrangements, the County Council will undertake enforcement of on-street parking across the County with the District Councils enforcing off-street parking in their area. The County Council will continue to procure enforcement and notice processing system and provide a back office service and the District Councils will have the option of utilising these services.
29. LCC have concluded a procurement exercise and have awarded NSL the enforcement contract with SPUR providing the notice processing system as part of the same contract. They are therefore now in a position to offer these facilities to other Authorities at the rates set out below.

Enforcement

30. The enforcement costs consist of an hourly rate, a fixed cost element and cost of accommodation.
31. The hourly CEO rate is £13.06 rising to £13.52 if any CEOs TUPE over to the contractor. These costs include vehicle costs and all PCN rolls and carries, printers, cameras, HHC and training. This rate applies to any day including bank holidays, Sundays and at any time. The cost for districts employing their own CEOs will be £1.69 per hour deployed, which includes uniform, HHC, printers, cameras and PCN rolls.
32. The fixed cost element of the contract can be distributed based on the number of PCN's issued. However, the County Council is prepared to take on the full fixed costs for the contract. This will reduce the costs to Districts by £101,000 per annum.
33. The County Council is also prepared to fund the full cost of accommodation provided the District Councils can identify suitable accommodation at advantageous rates for the four bases needed by the contractor. This represents further savings to the Districts of approximately £34,000 per annum.

Back Office

34. The proposed cost for the back office is £5.47 per PCN, this excludes the 60p TPT charge (which district pay direct) and also any TEC charges which will be charged separately. **These costs are based on the assumption that all districts will be using this facility.**

Cash Collection

35. Cash collection can be provided through the enforcement contract at a rate of £80 per machine per month. This rate is based on three collections per week.
36. The above costs have now been exemplified in the cost model shown the appendices to this report

MANAGING THE OFF-STREET SERVICE

37. The review has not yet looked how individual authorities may manage the 'client' side of any off-street solution. Individual authorities will need to determine whether they can absorb the workload within their current establishment or not given that many of the current parking managers will transfer to the County Council under the TUPE regulations. Once this is decided further work can be done to establish if any cluster working is required or not as the case may be. This can only be determined once the enforcement and notice processing arrangements are established.

RECOMMENDATIONS

The recommendations made below are based purely on the financial appraisal which shows that least cost option is for the Districts to procure their own enforcement, back office processing and cash collection services. The recommendation takes no account of the potential benefits of a joint solution in terms of the public interface or the intangible goodwill that could be created. It will be for individual Districts to form their own view in this respect.

38. That the 12 Lancashire Districts contract Company A to deliver a hosted and fully managed back office system for their off street parking enforcement operations
39. That the districts who require an external enforcement contractor and cash collection services engage individually with Legion Services to negotiate a short term arrangement for the delivery of this service. Despite there being some further analysis required on transportation costs for those districts requiring vehicles for enforcement this would narrow the gap between the LCC offer and the cheapest bid but not eradicate the difference.
40. That the Lancashire Procurement Hub be engaged to undertake a formal procurement exercise in association with the 12 district councils for an enforcement and cash collection service.
41. If the decision by a significant number of Councils were to support the recommendation in this report, it would make sense to appoint a lead Authority to arrange the contract for enforcement,



back office and cash collection if appropriate. Some further discussion is also required regarding the implementation of an alternative solution and how this is resourced to ensure a successful implementation.

GARY HALL
ASSISTANT CHIEF EXECUTIVE
CHORLEY COUNCIL
15TH JUNE 2009

SUMMARY

District	2008/2009 Rates from LCC £	LCC rates from the 6th Sept 09 £	Alternative Rates From the 6th Sept 09 £
Burnley	99,799	101,105	74,276
Rosendale	49,274	51,127	35,277
Pendle	40,841	42,365	28,940
Chorley	110,425	102,184	75,255
South Ribble	23,863	28,392	15,832
Preston	110,458	148,415	121,926
Lancaster	160,839	167,111	131,624
West Lancs	80,167	85,484	62,018
Wyre - employ own CEO'S	69,795	65,631	37,419
Fylde	81,003	95,502	63,450
Hyndburn	133	137	77
	826,596	887,453	646,092

LCC at 2008/2009 Rates

District	PCN's issued 2008/2009	Weekly Off St Enforcement		NO of weekly box collections i.e. no of boxes multiplied by frequency	Notice Processing at £5.30	Enforcement of £13.00 per hour		Cash Collection	Total
		Hours	£			£	£		
Burnley	5,193	72	27,523	69	48,672	23,604	99,799		
Rosendale	2,792	51	14,798	0	34,476	0	49,274		
Pendle	2,604	40	13,801	0	27,040	0	40,841		
Chorley	5,159	72	27,343	73	48,672	34,410	110,425		
South Ribble	1,122	18	5,947	10	12,168	5,748	23,863		
Preston	3,076	78	16,303	240	52,728	41,427	110,458		
Lancaster	6,378	88	33,803	220	59,488	67,548	160,839		
West Lancs	3,378	68	17,903	54	45,968	16,296	80,167		
Wyre - employ own CEOs	6,150	80	32,595	62	0	37,200	69,795		
Fylde	3,316	80	17,575	37.5	54,080	9,348	81,003		
Hyndburn	25		133	0	0	0	133		
	39,193	647	207,723	765.5	383,292	235,581	826,596		

Alternative Rates From The 6th September 2009

District	PCN's issued 2008/2009	Weekly Off St		NO of weekly box collections i.e. no of boxes multiplied by frequency	Notice Processing at £3.07	Enforcement at		Cash Collection at £5.75 per box	Total
		Enforcement Hours	£			£10.04 - £10.11 per hour	£		
Burnley	5,193	72		69	15,943	37,702	20,631	74,276	
Rossendale	2,792	51		0	8,571	26,706	0	35,277	
Pendle	2,604	40		0	7,994	20,946	0	28,940	
Chorley	5,159	72		73	15,838	37,590	21,827	75,255	
South Ribble	1,122	18		10	3,445	9,397	2,990	15,832	
Preston	3,076	78		240	9,443	40,722	71,760	121,926	
Lancaster	6,378	88		220	19,580	46,263	65,780	131,624	
West Lancs	3,378	68		54	10,370	35,501	16,146	62,018	
Wyre - employ own CEO'S	6,150	80		62	18,881	0	18,538	37,419	
Fylde	3,316	80		37.5	10,180	42,058	11,213	63,450	
Hyndburn	25			0	77	0	0	77	
	39,193	647		765.5	120,323	296,885	228,885	646,092	

LCC Rates From The 6th September 2009

District	PCN's issued 2008/2009	Weekly Off St Enforcement Hours	NO of weekly box collections i.e. no of boxes multiplied by frequency	Notice Processing at £5.47	Enforcement at £13.52 per hour	Cash Collection	Total
				£	£	£	£
Burnley	5,193	72	69	28,406	50,619	22,080	101,105
Rosendale	2,792	51	0	15,272	35,855	0	51,127
Pendle	2,604	40	0	14,244	28,122	0	42,365
Chorley	5,159	72	73	28,220	50,619	23,345	102,184
South Ribble	1,122	18	10	6,137	12,655	9,600	28,392
Preston	3,076	78	240	16,826	54,837	76,752	148,415
Lancaster	6,378	88	220	34,888	61,868	70,356	167,111
West Lancs	3,378	68	54	18,478	47,807	19,200	85,484
Wyre - employ own CEO'S	6,150	80	62	33,641	7,030	24,960	65,631
Fylde	3,316	80	37.5	18,139	56,243	21,120	95,502
Hyndburn	25		0	137	0	0	137
	39,193	647	765.5	214,386	405,654	267,413	887,453