WARWICK DISTRICT COUNCIL	**Overview & Scrutiny Committee** **8th May 2013**	**Agenda Item No. 8**

Title	Implications on WDC of WCC proposals to outsource on-street parking enforcement.
For further information about this report please contact	Ian Coker Gary Charlton
Wards of the District directly affected	ALL
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	
Background Papers	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes 486
Equality & Sustainability Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	**Date**	**Name**
Chief Executive/Deputy Chief Executive	20th April	Chris Elliott
Head of Service	17th April	Ian Coker
CMT		
Section 151 Officer		
Monitoring Officer		
Finance	17th April	Mike Snow
Portfolio Holder(s)	22nd April	Dave Shilton

Consultation & Community Engagement	
Meetings with all three Town Centre Initiatives and two Town Councils have taken place to establish if they are happy with the parking enforcement service being delivered and if that quality needs to be included in the WCC tender.	
Final Decision?	No
Suggested next steps – to continue in discussion with WCC and Districts / Boroughs so as to keep all options identified in the report open until July 2013 when a final decision needs to be made	

1. SUMMARY

1.1 Warwickshire County Council (WCC) is considering outsourcing the enforcement of on-street parking which is likely to have a significant impact on the way this Council delivers off-street enforcement service which in turn will have an impact on the Medium Term Financial Strategy(MTFS) and the shape of the organisation.

1.2 If this proposal is agreed by WCC Cabinet then this Council is faced with a number of options as how to react. A presentation to the O&S committee is planned which together with the report seek to explain the options open to the Council and the impact of those on the way the off-street parking enforcement is delivered and the impact on the MTFS.

2. RECOMMENDATION

2.1 For members to consider the presentation made to the O&S committee which sets out the way on and off-street enforcement is currently being delivered in Warwick District and the quality standards we operate. The presentation is still being finalised so will not be available before the presentation takes place.

2.2 For members of O&S toagree what information / feedback they want to be communicated to the WCC member Task and Finish Group.

2.3 To note the various options open to the District Council as a result of WCC proposal to outsource the enforcement of on-street parking regulations as set out in 6.2 – 6.5.

2.4 Given that a final decision is not required until later in the year officers will keep in communication with WCC and the other Districts/ Boroughs in order that all the options identified in 6.2 – 6.5 are kept open although currently the option to include off-street enforcement in the new tender is the favoured option.

3. REASONS FOR THE RECOMMENDATION

3.1 A parking enforcement intervention has taken place which reviewed the way the on and off-street service was being delivered, identified more efficient ways of workingwhich are now being implemented and identified the standards and quality that we operate against.

3.2 As a result of concerns expressed at WCC O&S Committee prior to the matter being considered by WCC Cabinet a WCC Member Working Group has now been set up that will be consulting with various partners regarding WCC proposalto outsource the enforcement of on-street parking regulations.

WDC needs to establish what information / feedback it wishes to feed into that consultation process and it is therefore important for O&S to be aware of how the service is currently being delivered.

3.3 As a result of WCCconsidering outsourcing the enforcement of on-street parking regulations the Council is faced with a number of options. The report sets out in 6.2 – 6.5 those options in order to help O&S to establish which of those options is the best options for the Council.

3.4 A final decision on how to proceed is not required until July. Whilst the Council needs to keep all its options open until then it does need to agree what it wishes to communicate to the WCC member working group when established.

4. POLICY FRAMEWORK

4.1 **Policy Framework**– currently the WDC Car Park Strategy seeks to operate a joined up on and off-street parking policy. This was established when DPE was introduced in June 2007. If we were to end up with two different organisations delivering on and off-street enforcement then that would undermine a joined up parking policy.

4.2 **Fit for the Future** – under FFF the council seeks to maintain and where possible improve the service being delivered. In order to maintain the quality of the parking service in the new tender then quality needs to be allocated a significant % of the tender score. Officers would favour a 60% cost / 40% quality split.

5. BUDGETARY FRAMEWORK

5.1 The most recent WCC report identifies a saving to WCC of £300k a year as a result of moving to competitive tendering for on-street enforcement.

5.2 It should be noted that if on and off-street enforcement was to be operated separately then the additional cost to the District Council of operating just off-street enforcement is estimated to be £210k. This is because many of the cost of delivering the joined up service which currently form part of the shared costs would fall solely on the District Council.

5.3 If WDC was to include our off-street parking in the on-street tender then we would expect to reduce the £210k impact on the parking budget. At the moment it is impossible to estimate by how much of a "saving" that would deliver and members would need to take account of the possible impact on quality that such a move would have if the standards we currently operate are not included in the tender.

5.4 The Districts / Boroughs have identified that if they were no longer to deliver on-street enforcement the additional cost to them of continuing to enforce their own off-street car parks would be £400k (£200k WDC, £160k Stratford, £40k Rugby). As a result the council tax payer will not benefit from this change in enforcement policy but WCC have stated they are only concerned with the impact on their element of the council tax bill.

6. OPTIONS CONSIDERED

6.1 As a result of WCC plan to externalise on-street enforcement WDC is considering four options and these are set out belowin 6.1.1 – 6.1.4.Further information relating to each of those options are set out in 6.2 – 6.5.

6.1.1 To work alongside other Districts and Boroughs in order to bid for the contract that WCC puts out to tender.

6.1.2 To include the enforcement of all WDC off-street P&D car parks in the WCC tender.

6.1.3 Not to tender for the on-street enforcement across the County but instead enforce our off-street car parks.

6.1.4 To get heavily involved to make sure the quality of the service being currently delivered is included in the specification / tender document.

6.2 To work alongside other Districts and Boroughs in order to bid for the contract that WCC puts out to tender.

6.2.1 This would require the districts / boroughs to work closely together to come up with a joint bid from Districts or Boroughs or individual bids to operate all the on-street enforcement across the County.

6.2.2 It is anticipated that financial savings can be achieved for the County by merging the appeals teams across the districts / boroughs and reducing the number of parking managers responsible for on-street enforcement.

6.2.3 However the Districts / Boroughs would be faced with an increase in their costs by having to pay for their own parking manager (currently WCC pay 20% of those costs) or making the decision not to operate with their own parking manager.

6.2.4 A bid would need to have the full political support from the Districts / Boroughs to be successful and come from just one organisation although some working agreement between the Districts / Boroughs could be entered into.Options as how that could be made to work are currently under consideration and an update will be made to the O&S committee meeting.

6.2.5 If a tender bid was to put together on behalf of the Districts / Boroughs it is expected to cost in the region of £30k and the outcome is likely to be problematic as private sector organisation pay around 25% less than the districts / boroughs pay in salaries.

6.3 To include the enforcement of all WDC off-street P&D car parks in the WCC tender.

6.3.1 By WDC including our off-street car parks in the tender we would expect to maintain a joined up parking service across Warwick District with just one "enforcement team" operating across on and off-street locations.

6.3.2 There is no certainty that this approach would be mirrored in other Districts / Boroughs elsewhere but there would clearly be a salary saving if on and off-street parking was being enforced by the same organisation.

6.3.3 In order for the District to include our off-street enforcement in the tender we would want a guarantee that the "quality" of the service being delivered is in line with the quality we currently deliver. Discussions are taking place to establish what quality of service WCC is looking for before we could agree to include our off-street enforcement with on-street enforcement.

6.3.4 If WDC was prepared to include the enforcement of our off-street car parks in the tender then it would preclude WDC from being able to tender for the on-street enforcement.

6.4 Not to tender for the on-street enforcement across the County but instead focus on just enforcing our off-street car parks.

6.4.1 This would result in two teams enforcing on and off-street parking and is considered to make it confusing to the customer.

6.4.2 Currently most of the costs of operating on and off-street enforcement are included in the "shared account" which is paid for on the basis of the % of Penalty Charge Notice (PCN) income received by each authority. Currently WCC pays around 80% of the shared costs but if we were to split on and off-street enforcement it has been calculated that the cost to WDC of operating just our off-street enforcement would increase by £200k.

6.4.3 If parking services was to continue to enforce the off-street regulations across the District it would allow us to specify the quality of service to be delivered. There has been concern expressed by TCMI and Town Councils regarding the quality of service that might be introduced on-street.

6.4.4 It is possible that WCC will only allow off-street enforcement to be included in the on-street tender if the same quality of service is delivered across the tender. We are currently trying to establish what quality of service WCC is intending to include in the tender so we can establish if that quality is in line with what is currently being delivered or not.

6.4.5 That does introduce the option of the local District / Borough councils working up a joint scheme to deliver our own off-street enforcement across the County.

6.5 For WDC officers to become heavily involved in the setting of the tender to make sure the quality of the service being currently delivered is included in the specification / tender document.

6.5.1 As a result of undertaking the parking enforcement intervention in 2012 we have a significant amount of data as how we operate enforcement in all on and off-street locations across the District. In addition we have developed quality standards for dealing with the many associated pieces of work that are required in order to manage on-street enforcement.

6.5.2 Both of these pieces of work would be important information that we would expect to be included in the tender if the tender is going to make quality a factor in determining how the service is going to be delivered.

6.5.3 If WCC were to allow this level of detail in the specification being required then it would prevent WDC from tendering for the contract as we would be at a competitive advantage over other bidders.

6.5.4 It is however possible that WCC would want their "specification" for on-street enforcement to be the specification across the whole contract which could adversely impact on what is delivered for off-street enforcement.

6.5.5 If that was the case then WDC would need to reconsider if it wishes to include off-street enforcement with on-street enforcement, deliver off-street enforcement itself or work in partnership with other District and Borough Councils to deliver off-street enforcement across the County.

7. BACKGROUND

7.1 In June 2007 the County Council introduced Decriminalised Parking Enforcement (DPE) later to become Civil Parking Enforcement (CPE).

7.2 WDC entered into a partnership agreement with WCC to deliver the on-street enforcement on their behalf and we have been delivering that service ever since. Stratford District Council and Rugby Borough Council deliver on-street enforcement in Stratford, Rugby and Nuneaton.

7.3 Whilst WCC have always indicated they are happy with the service WDC have been delivering they informed us in September 2012 that they had undertaken a feasibility study which concluded that if they externalised the service they anticipated they could make savings across the County in the region of £300k.

7.4 Officers questioned the data used by WCC in their feasibility study and set up meetings themselves to consider WCC proposals in more details. An on-going dialogue with WCC has taken place and in December WCC produced another paper to their Corporate Board which proposed an operating model which "will not only result in cost savings but will also provide WCC with greater understanding and control of the service".

7.5 Locally WDC officers set up meetings withmembers of the three Town Centre Management Initiatives and visited Warwick and Kenilworth Town Councils to keep partners informed on the County Council proposals.

7.6 Those meetings all concluded that whilst "compliance" with the parking regulations was an important element of the work undertaken be CEO's the data that has been collected confirms that there are a number of other just as important factors which CEO's perform and which need to be factored into the tender the County will be putting together.

7.7 In the meetings highlighted the need for the parking offer to support town centres, the need for resident parking areas to be adequately enforced and the need to be able to react to local issues and support local events and activities were as important as the issue of PCN's in regard to managing compliance.

7.8 Over 75% of the on-street income generated in Warwick District is generated from P&D machines and the issue of resident parking permits. The remainder is generated from PCN's. As a result the main focus of CEO's is to make sure P&D machines are operating and that enforcement in resident parking areas is adequate.

7.9 WCC officers had initially identified the higher cost to issue PCN's across the County as being the reason why a different approach to the deliver on-street enforcement was required.However that assumes "compliance" is the major

factor for delivering parking enforcement and all the evidence we have identified suggests other factors are as or more important.

7.10 In February 2013 a report was considered by WCC Cabinet which set out proposals to go to externalise on-street parking enforcement. However as a result of comments made at the WCC O&S Committee it was agreed that a WCC member Task and Finish group be established after the County Council Election in May to consult further with District and Boroughs.

7.11 Officers at WCC are continuing to work up proposals to go out to competitive tendering and the plan is to issue OJEU notice in April. This suggests that WCC are determined to go out to competitive tender in line with their published timetable which sets October 2014 as being the time when the new delivery arrangements will come into place.

7.12 If the Districts were not to bid for the on-street enforcement work or be unsuccessful in any bid then all the enforcement staffs who are currently employed by WDC would be subject to TUPE to the new contractor. We are seeking clarification with regard the appeals staff as it could be that service is delivered from outside the County and TUPE might not be appropriate and redundancy would be the other option.

7.13 Currently on balance officers believe that given the financial implications of the Counties proposal on the Council it would be prudent to include our off-street enforcement in the tender so long as WCC is willing to allow "quality" to be taken into account. That would preclude WDC from tendering for the on-street enforcement across the County which would be both costly and problematic.

7.14 If as is possible WCC do not allow WDC to influence the quality element of the tender then the Council would be better served by operating our own off-street enforcement to the quality currently delivered although that would be at the highest negative cost to the organisation.