

Part A

Report to: Outsourced Scrutiny Committee

Date of meeting: 20 March 2019

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Title: Parking Service Manager

1.0 Summary

- 1.1 The purpose of this report is to provide members of the outsourced scrutiny committee with an overview of the performance and operational arrangements of the Parking Service since the award of the current enforcement contract to NSL Ltd. in April 2018.
- 1.2 Reference is made to contracts held with other suppliers for the provision of the virtual residents permits (Imperial Civil Enforcement Solutions) and virtual visitor vouchers (Cobalt Technologies) but those contracts are not the focus of this report.
- 1.3 This report should be viewed as supplementary to the Parking Service Annual Report 2017/18 (Appendix 1), which details the core performance areas of the service.

2.0 Risks

2.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
NSL Liquidation	No on-street or front line services	Assurance of NSL financial stability	Tolerate	3
Early Contract Termination	Reduced services and re-tender	Contract governance and partnership building	Tolerate	2
Loss of Accommodation	Temporary impact on service delivery	Inform service of proposed changes	Tolerate	2
ICT Failure	Temporary impact on service delivery	Contract governance and active monitoring	Tolerate	2

3.0 Recommendations

- 3.1 It is requested that the panel note the content of this report.

Report approved by: Nick Fenwick: Deputy Managing Director.

4.0 Background

- 4.1 As agents for Hertfordshire County Council, Watford Council adopted Decriminalised Parking Enforcement powers in October 1997 (now Civil Parking Enforcement) allowing for the enforcement of restrictions previously carried out by the police traffic warden service.
- 4.2 Following public requests and consultation exercises the Controlled Parking Zone scheme was introduced in 1997 with the aim of providing preferential on-street parking opportunities for residents living within the restricted streets.
- 4.3 In 1997 the Council contracted out the provision of front line services, including the enforcement of on and off-street parking contraventions and first point of service office functions, to Sureway Parking Services, who later became Vinci Park Services and Indigo Park Services.
- 4.4 In April 2018, the Council re-tendered the enforcement contract and appointed NSL Ltd. as its preferred enforcement contractor, following approval from Cabinet. The contract period is for 9 years (6 +3) expiring in April 2027.
- 4.5 The partnership with NSL works using the British Parking Association (BPA) model contract. This is a quality based contract, recommended for use by the Secretary of State, paying the contractor a fixed monthly fee (target costs) for the supply of staff, vehicles and equipment etc. and a profit related payment (PRP) upon evidence of achievement of set key performance indicators.
- 4.6 The ICT element of the service was re-tendered separately. Following Cabinet approval, Imperial Civil Enforcement Solutions (ICES) were appointed. The contract period is for 9 years (3+3+3) expiring in April 2027.
- 4.7 During the ICT re-tender process it became evident that the submissions did not suitably address potential equality and diversity concerns relating to the virtual visitor voucher element because the solutions proposed operated solely as a web based service. Following a separate tender process and approval from Cabinet, Cobalt Technologies (RingGo) were appointed. The contract is being finalised via Legal Services.
- 4.8 Between December 2018 and January 2019 the Shared Internal Audit Service (SIAS) audited the governance arrangements of the Watford/NSL contract and provided

“satisfactory” assurance. The contract had been in operation for 8 months at the commencement of the audit and the first 2 months allowed for establishment of the contract so was not subject to KPI and related profit payment monitoring.

4.9 Key Contract Changes

4.10 The new enforcement contract with NSL brought about a number of significant changes to the working practices and arrangements of the service, aimed at both improving efficiency and reducing costs. These can be highlighted as follows:

- Extended core hours of enforcement coverage from 8am – 6.30pm, Mon – Sat, (1 late night until 10pm and 1 in 3 Sundays) to 8am – 10pm, 7 days a week.
- Civil Enforcement Officers reduced from 19 to 15 (-20%)
- 5 back-office Notice Processing staff reduced to 2.5
- Introduction of intelligence led enforcement with flexible and dynamic deployment plan (Data used to focus on areas of high/low compliance, hot spots/priority areas, areas of special enforcement and customer focus)
- Contracted minimum number of CBT riders (mopeds) at all times
- Beat deployment via push bike, moped and cars
- Civil Enforcement Officers kitted out with more efficient and adaptable devices (Galaxy S7's) allowing for faster PCN issue and ANPR integration
- On-street Civil Enforcement monitoring Compliance Officers
- Dedicated pool of reserve support staff to cover any instances of longer term absence
- Employment of local staff and payment above national living wage
- Strategic board to review and monitor continuous improvement and development of the contract

4.11 NSL Contract Outcomes

4.12 Efficiency of the contract is primarily demonstrated by the increased volume of Penalty Charge Notices issued (+16%) with a reduced number of on-street enforcement staff (-20%):

- 22,241 PCN's issued between April 2017 – February 2018 (Indigo contract)
- 25,818 PCN's issued between April 2018 – February 2018 (NSL contract)*
**(PCN issue commenced 2nd week of April 2018)*
- 16% increase on same period (3,577 additional PCN's)

4.13 The increased PCN issue rate is the result of more intelligence led targeted enforcement and beat deployment plans, better choice of modes of transport to beats providing better coverage, faster and more interactive enforcement devices allowing issuing processes to be completed faster.

4.14 It is expected that the PCN issue rate will begin to decline over the next few years as motorists and residents become used to the restrictions and the regular presence of enforcement staff, meeting the objectives of the Traffic Management Act 2004 to increase compliance and reduce PCN issue. 22 -23,000 PCN's have been issued yearly since 2013/14.

4.15 An associated increase in income has resulted from the increased PCN issue rate:

- £590,758 PCN payments between 1 April 2017 – 28 February 2018 (Indigo contract)
- £696,298 PCN payments between 1 April 2018 – 28 February 2019 (NSL contract)*
**(PCN issue commenced 2nd week of April 2018)*
- 18% increase on same period (£105,540 additional income)

4.16 **Future Services in Partnership with NSL & Social Value**

4.17 NSL and the Council are committed to working in partnership to deliver a digitally enabled parking environment for the residents and motorists visiting Watford, which aligns with the corporate objectives of the Watford 2020 project. Collaborative working plans include:

- Roll out of virtual permits in CPZ (in operation since April 2018)
- Virtual visitor vouchers in CPZ
- Consolidation and reconfiguration of the P&D infrastructure to introduce contactless/cashless payment options and/or move to a ticketless (digital) environment, including the removal of unnecessary machines
- Introduce an ANPR (automatic number plate recognition) solution to efficiently patrol and enforce the digital parking environment and provide efficiencies in the deployment plan (ANPR enforcement in operation since April 2018)

4.18 To tackle the level of persistent evaders actively avoiding payment of Penalty Charge Notices we will be establishing a removal service operating 1-day per month dedicated to identifying these vehicles and taking them to an NSL pound. The service is intended to further lower the level of outstanding Penalty Charge Notices written-off and raise awareness that repeated non-payment is not without consequence. For information, the Traffic Management Act 2004 limits the circumstances under which vehicles can be removed and the level of outstanding payment that can be recovered. This service will supplement the recovery operations of appointed Enforcement Agents (bailiffs).

4.19 The Parking Service already operates:

- Online and automated telephone payment systems operating 24/7 and 365 days
- An online Penalty Charge Notice system allowing motorists to submit challenges, representations and view case status
- An online fast track tribunal appeals process

- A match day hotline for updated fixture information in addition to over 80 date plates at entry points to affected CPZ zones

4.20 NSL propose and operate a number of social value initiatives for Watford:

- Actively promotes local employment including the offer of flexible working arrangements
- Recruitment from under-represented groups
- Non-employee training sponsorship – for up to 6 residents with no qualifications to achieve a recognised qualification
- Opportunities for school leavers – training with NSL for career, including work experience placements
- Preparing for work and apprenticeship schemes
- Use of local providers – supporting small and medium enterprises
- School enforcement initiatives, competitions and sponsorship programs
- Annual charity donation to organisation/group of Council's choice

4.21 **Council Services & Virtual Permits**

4.22 Parking Service ICT requirements were brought in-house in April 2018 and aligned with other Council services. A specialist parking ICT notice processing system was tendered for to commence at the same time and this was awarded to Imperial Civil Enforcement Solutions, which included the provision of virtual permits and vouchers. The voucher element was later removed due to it being solely web based and requiring all residents to use a PC for registration and ongoing use of the service. Upon re-tender, the contract for virtual vouchers was awarded to Cobalt Technologies, who operate RingGo cashless parking, enabling access to the service via PC, dedicated app or telephone, including land lines.

4.23 The virtual permit system has been in operation since April 2018 and works as a self-service module enabling residents to apply for, renew or change their own vehicle details. The rules of the CPZ scheme have not changed in relation to entitlement and qualification but the requirement to display a physical paper permit has been removed.

4.24 Residents are required to create an account using an email address and a password of their choice before uploading the required proof of residency, vehicle ownership and making payment. The data is uploaded to the enforcement devices of the Civil Enforcement Officers in real-time allowing them to immediately determine if a vehicle holds a valid permit and when that permit expires. Officers can make these checks by entering the registration into their device or by scanning the VRM i.e. automatic number plate recognition (ANPR).

4.25 Back-office NSL and/or Council staff check, approve and query received applications, requesting additional information, where necessary.

- 4.26 Since the introduction of the virtual permit system in April 2018:
- 5,478 permits have been issued (up to end February 2019)
 - 164 (3%) have required Council staff support to set up an account
- 4.27 Upon introduction of the system there were a small number of teething issues relating to some addresses not appearing on the database, the link to the system not being updated on the Council website and residents entering the letter “O” as the number “0” and vice versa, leading to their permits not showing on the enforcement devices. The technical problems were swiftly resolved and the web service updated to inform motorists of the numbering and lettering requirements. A total of 3 formal complaints were received in relation to the system, all concerning the above and were resolved. Any resulting Penalty Charge Notices were cancelled as a matter of course.
- 4.28 Configuration and wording of the parking pages is being concluded in relation to the release of the virtual voucher system, which is expected to go live in late spring/early summer of 2019, following the release of communication and publication. The system will require residents to set up an initial account, which can be done in the back-office by parking staff if the user does not have PC access, and then all parking sessions can be booked for visiting vehicles using a PC, dedicated app or telephone, including land lines. Current annual voucher allowances will not be changed and any paper vouchers held by a resident will remain valid for use indefinitely.

Statutory PCN Process

- 4.29 The Penalty Charge Notice process is prescribed by the Traffic Management Act 2004 and is binding upon both the motorist and the Council. This legislation stipulates what wording must be contained on a penalty and all following statutory notices, as well as the time-frames for service of documentation, responses and payment from issue through to court registration and warrants issued to enforcement agents (bailiffs).
- 4.30 The Traffic Management Act 2004 must be read in conjunction with the accompanying statutory guidance and this states that formal representations made against the issue of a penalty MUST be carried out by Council employed staff trained in the requirements of the legislation. Watford Council staff handle all correspondence at all stages of the process.
- 4.31 Appendix 2 is an illustration of the PCN statutory cycle, which is summarised as follows:
- PCN issued (either £50 or £70)
 - 28 days to pay full amount, or discounted by 50% (£25/£35) if paid within 14 days

- Motorists can submit an “informal challenge” during same periods
If no payment or challenge:

- Notice to Owner (after obtaining DVLA keeper details)
 - 28 days to pay full amount, or make “formal representations” against the issue of the penalty
- Traffic Penalty Tribunal
 - If formal representations are rejected, the motorist may refer their case to the Traffic Penalty Tribunal for an independent adjudicator to make a final binding decision (*appeals of these decisions can only be made to the High Court for judicial review*)

If no payment or challenge is made to the Notice to Owner:

- Charge Certificate
 - Increases the outstanding sum by 50% (£75 or £105) to be paid within 14 days
 - No further right of appeal/challenge
- Order for Recovery/Witness Statement
 - Case registered as a debt with Northampton County Court known as the Traffic Enforcement Centre (TEC) who register all parking cases across England & Wales
 - Motorist provided 21 days to pay the full outstanding debt, plus the additional £7 court registration fee (£82 or £112) or the same period to file a witness statement, on one of the available 4 grounds only (i.e. request for right of appeal to be reinstated and case reversed to earlier stage)
If no payment or witness statement filed:
- Warrant of Control
 - The Council applies to TEC for authorisation to issue a warrant to our enforcement agents for recovery of the full penalty sum owed only (Other enforcement agent fees will apply but these are also outlined by legislation and capped)

- 4.32 Our enforcement agent contract is shared with the Council’s revenues and benefits department for the recovery of outstanding debt. This contract was re-tendered in December 2018, for a 3 year period, and two companies were selected (re-selected) to recover parking debt; Marston and Newlyn Plc. The recovery processes of parking and revenues & benefits are entirely separate and follow different legislative paths.
- 4.33 The generally accepted recovery rate at this stage of this the process is approximately 30% of cases referred. Both agents have an annual average collection rate of 35%. Further detail is available within the Parking Annual Report 2017/18 (Appendix 1).

5.0 Implications

5.1 Financial

- 5.1.1 The Shared Director of Finance comments that the report is agreed subject to later clarification of the financials.

5.2 Legal Issues (Monitoring Officer)

- 5.2.1 The Head of Democracy and Governance comments that there are no legal implications in this report.

5.3 Equalities, Human Rights and Data Protection

- 5.3.1 Having had regard to the council's obligations under s149 and under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

Appendices

- Appendix 1 – Parking Service Annual Report 2017/18
- Appendix 2 - PCN Statutory Cycle Diagram

Background papers

No papers were used in the preparation of this report.