

Decision Maker: Environment Portfolio Holder

For Pre-Decision Scrutiny by the Environment PDS Committee on

Date: 15th January 2013

Decision Type: Non-Urgent Executive Non-Key

Title: PARKING BAILIFF AND DEBT COLLECTION SERVICE

Contact Officer: Ben Stephens, Head of Parking Services
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Chief Officer: Nigel Davies, Director of Environmental Services

Ward: All

1. Reason for report

The report seeks approval for a postponement of the procurement process for parking bailiff and debt recovery services, to allow for further market testing and the introduction of a revised framework agreement.

2. **RECOMMENDATION(S)**

That the Environmental Portfolio Holder:

- 2.1 Approves the postponement of the tendering process for Parking bailiff and debt recovery services until the updated ESPO framework agreement is available for use.
- 2.2 Approves the retention of JBW and Swift Credit Services to provide parking bailiff services until the tendering process is complete, for a maximum of 12 months until 31st March 2014.
- 2.3 Approves the continued use of Liberata's bailiff and debt collection partners, Chandlers and Phoenix, on a trial basis for a maximum of 12 months up to 31st March 2014.

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council Quality Environment
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Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Estimated income of £200-250k p.a. secured via bailiffs
 3. Budget head/performance centre: Parking Enforcement
 4. Total current budget for this head: Anticipated £4.119m income from PCNs.
 5. Source of funding: Revenue budget 2013/14
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Staff

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours: 1 fte
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Call in is applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 12,000 debtors per year are potentially subject to action from parking bailiffs.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The Council's Parking Service is responsible for providing the following services – residential and business permits, visitor vouchers, blue badge applications, parking dispensations and suspensions, as well as the issuing of Penalty Charge Notices (PCNs) and associated appeals, and the collection of non-payment of PCNs. An efficient debt collection process is essential to ensure outstanding PCN fines are collected.
- 3.2 The Environment Portfolio Holder agreed a Gateway report (ES11109) following Environment PDS Committee on 4th October 2011. This gave approval for the use of a European Union compliant procurement framework – the Eastern Shires Purchasing Organisation (ESPO) Bailiff Services Contract 984CC. This framework came into being on 1st January 2009 and at the time of the report was nearing its expiration date.
- 3.3 The intention was to have completed the tendering process and appointed bailiffs by March 2013, which would have allowed sufficient time to complete the process in advance of the expiry of existing contracts with service suppliers JBW and Swift. During 2012 ESPO reviewed and updated their framework agreement and has now informed us it will not be available for use until April 2014 at the earliest; ESPO are still in the process of consulting with stakeholders. The revised agreement has been written in collaboration with other purchasing organisations, which are known as the 'PRO 5'. This will add greater benefit in terms of purchasing power and increase the number of potential suppliers that may be interested to be part of the agreement.
- 3.4 Since the Gateway report the collection rates warrants issued to JBW and Swift have remained in excess of 20%, with the level of service remaining acceptable. It is too early to assess the performance of Liberata's bailiffs Phoenix and Chandlers given the limited amount of numbers of warrants that have so far been sent; close monitoring of their performance will continue. When all London traffic authorities were last surveyed, LB Bromley had the best performance in recovering PCN debt. There is no evidence that this position has changed.
- 3.5 Another key factor for recommending a delay in the tendering process at this point is the number of projects currently being implemented by Parking Services. Specifically, these are the Shared Service project and the implementation of a new ICT system, both of which Members are aware of. Both of these projects are being taken forward in the first half of 2013.
- 3.6 The contract in place with our current bailiffs JBW and Swift Credit Services is due to expire on 31st March 2013. Legal advice has been sought and confirms it is permissible to extend these contracts by mutual agreement. This will allow for continued stability of the debt collection activity, and robust contractual arrangements will therefore be in place while Shared Services and a new ICT system are being implemented.
- 3.7 The existing arrangement with Liberata's bailiff/debt recovery companies, Phoenix and Chandlers, could also be extended, as our existing contract allows for such services to be used. The extension of this trial will allow for a lengthier performance assessment. The current agreement commenced in October 2013 and is due to expire on 31st March 2013. Officers recommend a minimum period of at least an additional 6 months for an accurate assessment and comparison of the performance of Phoenix and Chandlers with JBW and Swift.
- 3.8 Primary legislation affecting bailiff services, referred to in the report dated 4th October 2011, is still going through Parliament, and a number of significant changes may result from the new legislation. The process has been delayed for a number of reasons and a date for implementation of any changes is currently not known, but is expected to be in Autumn 2013.

- 3.9 The recommended delay in the tender process allows for a better understanding of the implications of the new legislation to be achieved, so that the final specification and contract can incorporate any necessary or desirable changes.
- 3.10 Parking Services are due to report to this Committee in October/November 2013. The report will include an assessment of the first 6 months of the Shared Service with LB Bexley, and an analysis of any opportunities for further outsourcing. Options for the debt recovery function would therefore be included in the same report.

4. POLICY IMPLICATIONS

- 4.1 Providing excellent service and performance underpins the delivery of the objectives of “Building a Better Bromley”. In particular, the effective management of parking supports the Council’s transport policies, its aim of ensuring a Quality Environment, and the Environment Portfolio Plan aim of promoting safe and secure parking provision.

5. FINANCIAL IMPLICATIONS

- 5.1 This report refers to the Parking bailiff and debt collection service which supports income recovery of between £200k and £250k per year which otherwise would have to be written off.
- 5.2 The report recommends that the current bailiff companies are retained for an additional year until 31st March 2014, and that the bailiff companies used by Liberata also continue to be used for at least the first six months of this period.
- 5.3 Since the Gateway report the collection rates warrants issued to JBW and Swift have remained in excess of 20%, with the level of service remaining most acceptable. It is too early to assess the performance of Liberata’s bailiffs Phoenix and Chandlers given the limited amount of numbers of warrants that have so far been sent, close monitoring of their performance will continue.

6. LEGAL IMPLICATIONS

- 6.1 Our existing arrangements with the suppliers of bailiff services do not contain explicit extension clauses. The arrangements can however be extended by mutual consent, subject to approval by the Environment Portfolio Holder.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	<p>Report ES1109, 4th October 2011 ‘Parking Bailiff and Debt Collection Services: Gateway’</p> <p>http://cde.bromley.gov.uk/documents/s10138/ENV%20PDS%20041011%20item%207d%20Parking%20Bailiff%20a.pdf</p>