

Decision Maker: Executive and Resources PDS Committee on

Date: 8 January 2014

Decision Type: Non-Urgent Non-Executive Non-Key

Title: SHARED PARKING SERVICE; PROGRESS REPORT

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Chief Officer: Nigel Davies, Executive Director of Environment and Community Services

Ward: All

1. Reason for report

This report aims to inform Members of the progress made following the creation of the shared parking service with LB Bexley, and the issues which have arisen during the first six months of operations. This report was considered by the Parking Working Group of Environment PDS Committee held on the 9th October 2013, and the Environment PDS Committee on 19th November 2013.

The report now also contains a digest of lessons learned from establishing the shared service which may be useful for any future comparable projects.

2. **RECOMMENDATION**

That Members note and comment on the report.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Quality Environment. Vibrant, Thriving Town Centres. Excellent Council.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Parking
 4. Total current budget for this head: £5.226m net income
 5. Source of funding: 2013/14 revenue budget
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Staff

1. Number of staff (current and additional): 32.5 fte (Bromley and Bexley combined)
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Motorists and residents across Bromley and Bexley
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 Approval for the creation of a shared parking service between LB Bromley and Bexley was given by the Executive on 28th November 2013. LB Bromley was agreed as the host borough. The formal Collaboration Agreement between the two boroughs was approved by the Executive on 6th February 2013.
- 3.2 The shared service's objectives are to realise savings in management costs and other overheads without detriment to the delivery of the front-line service, and to develop best practice across both authorities.
- 3.3 Opportunities for further savings and efficiencies are anticipated when the boroughs' existing contracts for parking enforcement expire and can be aligned into a single shared contract. Service contracts will be harmonised and jointly procured during 2016, becoming operative in October 2016.

Governance

- 3.4 At Member level, the service continues to report to the Environment Portfolio Holder (Bromley) and the Cabinet Member for Environment and Public Realm (Bexley). Within LB Bromley, the Environment PDS Committee continues to fulfil the policy development and scrutiny role.
- 3.5 The Stakeholder Board will provide joint oversight of the shared Parking Service. The Members of the Stakeholder Board include Bromley's Environment Portfolio Holder and the equivalent Cabinet Member in LB Bexley.
- 3.6 The Collaboration Agreement between the boroughs sets out the governance protocols which are now in place, including:
- a single, joint management structure, which provides leadership and accountability to both boroughs with the Shared Management Board having delegated responsibility for overseeing the management of the service at officer level including:
 - Preparing the joint Business Plan;
 - Preparing and agreeing a detailed work programme in accordance with the approved joint Business Plan;
 - Preparing the budgets and estimates for approval by both Councils;
 - Overseeing the implementation of the agreed work programme;
 - Overall responsibility for delivery against the approved Business Plan;
 - Identifying the need for specific projects or tasks to be undertaken;
 - Procurement of a shared enforcement and facilities management contract; and
 - Identifying business development opportunities.
 - The responsibility for direct line management of the staff within the service is held by Bromley's Assistant Director Parking and Customer Services
 - Reporting lines to Members are via the respective Deputy Director (Bexley) and Assistant Director (Bromley)
 - At point of delivery, the shared service maintains the necessary local distinctions of the two boroughs.

- 3.7 The governance arrangements set out in the Collaboration Agreement have resulted in efficient and clear operational decision making and reporting processes, with no significant governance or management issues arising. Of course there have been a number of day-to-day operational matters which have been addressed, but with clear lines of communication in place decision-making has not been a problem.

Staffing

- 3.8 Following approval being given by both boroughs for the creation of the shared service, existing staff were assimilated to the new structure. This exercise was successfully completed, and none of the staff wishing to continue working for the boroughs were made redundant. Research was undertaken to determine the staffing level needed to support the authorities' anticipated business requirements and initial indications show this was an accurate assessment. A formal review of the staffing structure will be undertaken in April 2014 following a full year's experience of operations.
- 3.9 A number of staff meetings and workshops took place prior to the commencement of the shared service. These were designed to alleviate staff concerns and provided reassurance. In order to make the best use of existing skills within the shared service, staff were assimilated to similar roles within the shared service to those they had before. This facilitated the implementation of the shared service, with little or no interruption to workflow and projects at the transition point.
- 3.10 There was understandably a steep learning curve in respect of the boroughs' respective procedures and policies, but the experience and knowledge of the staff meant that there was little or no impact on overall service provision.
- 3.11 Six months into the shared service, all staff are able to assist the respective boroughs in providing their services as well as bringing ideas and experience to a range of problems and issues. We have already made a number of minor changes to operational procedures (particularly in Bexley) to seek closer alignment, and we continue to work towards further efficiencies. This has been particularly evident since implementation of the new ICT system began in November.
- 3.12 Parking Services monitor a number of performance indicators, including the activity of the enforcement contractors, Penalty Charge Notice appeal data, self-service and online activity. The implementation of the shared service has not had any negative effect on performance of either authority.

ICT Systems

- 3.13 In November 2012, the Environment Portfolio Holder approved the award of the Parking ICT Contract to Imperial Civil Enforcement Systems, (ICES). This is the system already being used by LB Bexley.
- 3.14 Go-live commenced on 14th October 2013, and has continued in three main phases with final sign off before the end of November 2013. This reflects delays to the go-live date due to a number of data migration and technical problems. However, the new system is cheaper – it will generate a saving of over £300k for LB Bromley over the term of the contract compared to our previous supplier, along with a number of additional services which will benefit customers and users alike. In the interim LB Bromley has had to continue using the existing supplier.

3.15 Access to general ICT systems hosted at each local authority is being achieved. The dedicated network link between the two councils has required further development to achieve greater speed and accessibility. The additional one-off costs during 2012/13 were £20k, and have been shared equally between the two boroughs.

Lessons Learned

3.16 Following the successful creation of the shared service, ‘lessons learned’ during the course of the project were considered. An appendix to this report provides a summary of the key issues identified, which could inform any future shared service initiatives taken forward.

Outsourcing

3.17 There is an outstanding remit for a study to be undertaken into the potential for any further outsourcing of parking services. A paper was discussed at the Parking Working Group on 9th October. This issue is now being taken forward through LB Bromley’s Commissioning process, and options will be reported to Members when they have been developed.

4. POLICY IMPLICATIONS

- 4.1 Three key policy implications were highlighted in the Shared Service report approved by the Executive:
- Parking makes a significant contribution to the Council’s objectives of a Quality Environment and Vibrant, Thriving Town Centres
 - Cost reductions while maintaining service levels and sharing services with other councils is one approach which can contribute to this objective.
 - Bexley and Bromley will continue to have discrete policies with regard to parking where necessary and in order to address Member priorities.
- 4.2 The Environment Portfolio Plan 2013/16 includes the objective “Complete the successful establishment of the new shared parking service with LB Bexley”.

5. FINANCIAL IMPLICATIONS

5.1 The full year savings for LB Bromley were expected to be 94k p.a. Actual savings achieved were £114k p.a. including those savings achieved from the joint Parking ICT contract due to the establishment of a single client. This saving was used to realign the parking income budgets.

Non-Applicable Sections:	Legal and Personnel implications
Background Documents: (Access via Contact Officer)	Parking Shared Service Report (Report to Executive 28 November 2012) Parking Shared Service - Collaboration Agreement (Report to Executive 6 February 2013)

Appendix

Parking Shared Service Project

Lessons Learned – Summary

1. Seek early formal approval to take the project forward
 - Executive approval for an initial business case from all partner authorities is necessary to give a clear direction right from the start
 - Must include comparing the shared service option to other alternative approaches
 - Take account of Bromley structures including the roles of Portfolio Holder, service PDS, Executive, E&R PDS; and GP&L
2. Be clear about what is – and is not – being shared
 - This detail is vital to support financial modelling and budget construction, and to develop service structure
 - More complex services have more potential for being out of alignment
3. Partner relationships are vital
 - Build trust, especially at ‘project executive’ level
 - Balance openness and discretion
 - The enthusiasm has to be there from all partners
4. Make any internal efficiencies that you can first
 - The savings are needed anyway
 - Additional shared savings are fairer to distribute if all partner’s services are efficient
 - Improves organisational alignment
5. Develop insight into the services from the start
 - Helps you decide what is ‘in’ and ‘out’ of scope
 - Accept and manage the involvement of managers and staff directly affected
6. Develop a culture of collaboration
 - Find something to work on together at an early stage
7. Is the objective ‘same for less’ or ‘different-and-better for less’?
 - Partners can aim for a different balance of benefits, as long as these are compatible rather than exclusive

8. Be realistic about what can be achieved, then achieve it
 - Arrive at an estimated saving early, to support the initial business case and provide a target to aim at
 - Don't allow this to go into the budget immediately as an assumption – it may be premature
 - Check again that all relevant budgets have been picked up, including any contribution by support services
 - Learn from those who have gone before
 - Consider taking the short SSA/Christ Church University Course
 - Set a realistic timescale
 - Start work early on the ICT issues, and assume they will finish last
 - Set aside enough time to revise staff JDs and manage assimilation
 - Confirm whether the secondment model is the preferred model
 - Establish clear roles
 - A project executive for each authority, but
 - Only one lead project manager (dedicated if possible), and
 - Only one lead project support officer
 - HR, Finance and Legal reps with shared service expertise
 - Need sufficient commitment of staff time from all partners including the project lead officer for each authority
 - Need to decide what business-as-usual or other project work will have to take second place in the interim
 - Meet internally as well as jointly so that each partner can ensure they are managing their share of the work
9. Things will change for all authorities involved
 - Both for the lead borough and the other partners
 - Acceptance that the service is shared
10. Communicate, communicate, communicate
 - Staff
 - Directors and CEs
 - Shared service project board
 - Finance – departmental and corporate
 - Members
11. Before closing the project line up your new joint management board and governance arrangements
12. Schedule formal reviews after 3 months and after 1 year.
13. A formal Lessons Learned discussion and record is needed; acknowledge and overcome the temptation to skip this