

Decision Maker: ENVIRONMENT PDS COMMITTEE

Date: 30th January 2018

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

Title: PARKING SERVICES – CONTRACTOR PERFORMANCE
REVIEW, APCOA

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

Ward: All

1. Reason for report

- 1.1 This report sets out to update Members of the Environment and Community Services PDS Committee on the performance of the Parking Services Contract following the award of contract on the 3rd April 2017 to APCOA Parking (UK) Ltd.
- 1.2 In particular the report highlights a number of issues that arose at the commencement of the contract which led to APCOA failing to meet the standards as set out in the specification and the subsequent management action that has been taken.
- 1.3 The report also sets out a number of areas where APCOA have introduced innovation into the contract which have led to service improvements.

2. **RECOMMENDATION(S)**

- 2.1 **That the Environment PDS Committee note the content of this report and in particular the issues that occurred at the commencement of the contract and the actions that have been taken to rectify these.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Minimal impact, however the parking contract includes school crossing patrols and enforcement of school zig zags, which is aimed to protect children as they move to and from school. The contract also includes Enforcement Agent activity that will take into consideration vulnerable children and adults. Further the contract includes Blue Badge enforcement which assists children and adults with mobility issues.
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Corporate Policy

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

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Parking Contract
 4. Total current budget for this head: £1.94m
 5. Source of funding: Existing revenue budget 2017/18
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Personnel

1. Number of staff (current and additional): 15
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Not Applicable
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Procurement

1. Summary of Procurement Implications: n/a
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Parking Enforcement underpins all services to LB Bromley Parking customers.
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Ward Councillor Views

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

3. COMMENTARY

Award and contract background

- 3.1 The contract is for a fixed term of 10 years with a value of £1.95m pa. The procurement process was a joint one, undertaken between LB Bromley and LB Bexley who also awarded a contract to APCOA for the provision of Parking Services for a period of ten years.
- 3.2 Although both authorities entered into a contract with APCOA, the contracts are separate and distinct from each other and either authority may opt to remove elements of the contract or add additional services. Neither authority is dependent on the other for the continuation of the contract. Executive approved the award to APCOA on 30th November 2017. Formal award took place 15th December 2016, with APCOA being informed on 5th January. The Contract commenced 3rd April 2017.
- 3.3 The contract is managed through the Shared Parking Service and is based on a joint specification and Key Performance Indicators (KPIs).
- 3.4 Mobilisation of this contract in the first two months provided a number of challenges, given:
- (1) the scope of the contract,
 - (2) it was to deliver services for 2 boroughs and
 - (3) a number of tasks traditionally undertaken by the council being handed over on a single date as set out 3.5 below.

Scope of contract

- 3.5 The services being managed / provided by APCOA include:

- Enforcement and Associated Services
- Suspension and Dispensation Management
- Car Park Management, including Cleaning and Maintenance
- Signs and Lines Maintenance
- Pay and Display machine maintenance and monitoring
- Cashless Parking Solution (RingGo)
- Parking IT System
- Permit IT System
- Cash Collection and cash Banking
- Enforcement Agent (Bailiffs) activities and management.
- Business Processing Solution (previously provided in house), including:

- a) Reconciliation of all income streams, including:

- (1) Pay and Display, (Incl. season tickets & debit/credit card sales)
- (2) Cashless parking income,
- (3) Permits
- (4) PCNs

- b) Banking off all cheques and management of BACs payments.

- c) Receipt, Scanning and logging of incoming documentation in relation to PCN appeals.

- d) Printing of all outgoing PCN communications including debt recovery documentation
- e) Processing of Permit applications and day to day management of enquiries, including printing of reminder and renewal letters/emails.

School Crossing Patrols. (SCP)

- 3.7 This service is provided by APCOA. Schools wishing to utilise the service must enter into a direct contract with APCOA. SCP Officers are direct employees of APCOA. The council monitor APCOA in respect of Road Safety issues but do not manage day to day operations.

SERVICE PERFORMANCE
Performance Measures /KPIs

- 3.8 A key element of this contract is the range and robustness of a number of Key Performance Indicators (KPIs). There are a total of 60 headline KPIs with some requiring sub sections. These cover the 10 primary service areas listed in 3.3 above. They range from health and safety matters, through to processing and workforce deployment and reference customer service and operational standards. These KPIs address all key areas of the contract and link through to performance related deductions from the monthly invoice if they are not met. Appendix 1 contains a full list of KPIs.
- 3.9 These KPIs are an improvement on previous contracts and have assisted in ensuring the key service standards are always being focused upon. KPIs are evident in all service areas and have been developed to ensure where there may be a financial loss to the council the deduction of a performance related payment is higher and significant to the contractor. As well as others where service standards are required to be maintained to ensure customers receive excellent service, but without the same financial loss.
- 3.10 Comparing performance management data between former and current contracts.
- a. In the previous parking contract there were only 4 KPIs, including staff retention, staff training, minimum deployment and on street performance. Those that are in some ways similar in nature, are recorded and monitored in such a different way, to elicit meaningful comparisons are not possible.
 - b. The parking service managed a number for other contracts with other suppliers such as RingGo, ICES IT System, Enforcement Agents. Again KPIs or SLAs did exist to achieve service standards but were not linked to defaults or structured in the same way to be comparable.
 - c. The service areas now forming part of the contract but previously undertaken in house now have KPIs. However the were no defaults to ourselves. Parking Services were bound by statutory deadlines in accordance with various Acts. The new KPIs have been set in order to maintain historic service standards achieved by LBB staff and to meet statutory deadlines.

Contract performance April 2017 to December 2017.

(a) Enforcement/Deployment of CEOs.

- 3.11 There are 3 key indicators to ensure satisfactory deployment. These include never

falling below an agreed minimum level. Deploying a pre agreed number of 'shifts' in a month, and the number of 'hours' deployed by all the CEOs in a given month.

- 3.12 Unfortunately APCOA fell below the minimum standards on several occasions in the initial months of the contract. This was due to a number of factors, including a significant number of CEO's who were employed by the previous contractor opting to not transfer to APCOA at the commencement of the contract. This created a knowledge gap and resulted in logistical and operational weakness while APCOA actively sought to employ new managers, supervisors and CEOs to the contract. There was also a period of settling in for supervisors and managers while they become accustomed to the Borough and the new technology implemented on the contract.
- 3.13 In addition the lease for a permanent base was not secured until September 2017, during which time APCOA had moved from a temporary office in Elmfield Road for 3 months, to the Civic centre for a period of 6 weeks before moving into their permanent base.
- 3.14 Officers have in many cases helped fill the knowledge gap by offering advice and instruction on local matters and best operational practices. APCOAs revised deployment plan if followed will help meet the requirements of the contract and deliver a balanced enforcement service. However, Officers will continue to work closely to stabilise and build upon some improvements in recent months to ensure satisfactory geographical coverage, along with deployed hours and shifts and agreed modes of transports, i.e, moped, car, foot.
- 3.15 APCOAs failings in this area of the contract have resulted in a number of significant performance related deductions from monthly contract payments. These KPI have been instrumental in focusing the resources and efforts of APCOA to deliver the required standards.

(b) Cash Collection & Machine management

- 3.16 Under the terms of the contract APCOA are responsible for the collection, counting and banking of all monies. Specific KPIs are in place to ensure the councils money is banked and reconciled in an efficient manner. APCOA submission included the use of a 3rd party company (G4S) to assist with collection and banking of money.
- 3.17 Initial familiarisation of collection schedules and logistics of collecting and transporting cash for payment did result in some machines not being able to take payment from customers. These primary problems took place in April and May 2017.
- 3.18 Also machine repair times in the first two months of the contract were an issue while additional training was being undertaken to manage and repair machines within the boroughs. APCOA completed additional training in May and June provided by Parkeon, Parkcare and Metric respectively (machine manufacturers) to ensure all engineers are capable of repairing the various machines in operation across both Bromley and Bexley estate, and to provide greater resilience. In addition enhanced training has been given to Kiosk Attendants to be able to undertake fixes normally completed by engineers in the Civic Centre and Hill multi story car parks.
- 3.19 APCOA has also improved their service agreement with machine manufacturers to improve the service provided on occasions when local engineers are unable to fix the machine on site. In more recent months APCOA have fundamentally met the KPI in this service area and have greater knowledge and resource to maintain these standards.

(c) Business Processing Unit

- 3.20 APCOA are responsible for scanning and logging of all appeals, printing of official PCN recovery documents, managing email enquiries, processing of Enforcement Agent Warrants (Bailiffs etc). Further the management of the IT system and reconciliation of banked monies etc, is undertaken by this section. Many of these processes were formally undertaken by the Shared Parking Service.
- 3.21 Processes were handed over, but considerable work has been required to fine tune these processes and ensure the full integration of a number of IT systems, resulting on occasion some KPIs not being met. These failures of service standards have in most cases had little direct effect on customers, but given the high volumes of customer contact, small margins in this area have a significant impact and KPI penalties have been applied.
- 3.22 Managerial changes took place at APCOA main office in Uxbridge in the summer which has helped to deliver a much improved service delivery in recent months. Further training of staff, along with staff becoming familiar with existing processes and use of ICT systems, along with a clear focus on KPIs has again resulted in this area of the service being delivered to an acceptable standard in recent months. It is believed with the more experienced workforce and correct management/supervision in place improvements made can be maintained.

(d) Car Park cleaning and maintenance

- 3.23 A range of KPIs were set against this service area to ensure both standards of cleanliness were maintained and repairs and maintenance matters were resolved within pre-defined timescales.
- 3.24 It is clear APCOA underestimated the level of litter which can quickly accumulate and also instances of fly tipping which take place across the borough. APCOA engaged a 3rd party (Nationwide) to provide cleaning services and set them a structured schedule of works. Close monitoring of performance and advice from officers have assisted APCOA in their understanding of local issues and hotspots.
- 3.25 As a result the regularity of visits and schedule had to be increased to meet KPI standards. This did however take a number of weeks to achieve. In addition APCOAs own staff are also now utilised to maintain standards and as a result satisfactory levels of cleanliness have been achieved for a number of months.

Areas of innovation and service delivery

- 3.26 There are also areas where APCOA have delivered the service specification to the standard required in the first 9 months.
These include:

(a) Implementation of a new Permit System

- 3.27 Permit Smarti is a system which has been recently developed to be able to work with the latest web technologies and mobile devices. It allows the customer to manage their account without the need to contact the council. It also offers a number of new functions and allows for greater control of back office functions and reporting. Implementation of this system during February and March was successful delivered on time for an April 2017 go live date.

(b) Implementation of a new customer appeal web interface

- 3.28 The use of the web for self-service solutions continues to place demands on the

service. The implementation of an integrated solution that seamlessly delivers information about a customer's PCN, the likely outcome of an appeal based on automated intelligent data, the submitting of information, with improved customer updates was another significant improvement in August.

Future Service Delivery and Service Improvements

3.29 Fundamental improvements have been made in many service areas, with recent months showing only minor KPI failings. More recently any issues identified are often been addressed quickly and effectively. There are of course day to day matters we must continue to address and develop to ensure greater resilience within the contract.

3.30 The table below shows the percentage retained against the monthly payments for core services. The initial problems in April and May demonstrate the extent of the implementation problems, but also demonstrate a marked improvement from June onwards. In addition the table shows that the issues APCOA have had in respect of deployment of CEO has contributed significantly to the overall delivery of this contract.

KPI deduction.	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
% of PRD against contract price	30%	24%	4%	12%	6%	4%	4%	6%	7%	10.00
Of which CEO deployment KPIs	25%	23%	4%	10%	6%	4%	3%	4%	5%	8%

3.31 CEO deployment remains an area requiring further input from APCOA and their performance to date have attracted significant financial performance related deductions. Specifically the hours deployed and coverage to ensure levels of 'compliance' is achieved. Although improvement has been made in recent months, deployment plans have been presented to officers in January 2018 which will seek to deliver and maintain the required contract standards with regard to deployment levels.

3.32 Personal involvement by Kim Challis Managing Director UK & Ireland at the end of May 2017 facilitated a significant improvement in performance, which has been welcomed. Direct input from a senior manager within APCOA has demonstrated APCOA commitment to making this contract work for all parties. Constant communication has taken place between Officers and APCOA staff of all levels and a number of excellent working relationships have been forged.

Innovation

3.33 In the long term the Council is keen for all aspects of the contract to improve and there is considerable scope for innovation the contract allows for continuous improvement and innovation and as such officers will be considering plans for future innovation and investment moving forward.

3.34 In particular a proposal has been received from APCOA to convert the Civic Centre and Hill multi story car parks into Pay and Display with the option to pay cashless through smart phones or other devices. This would be consistent with all other Car Parks and on street locations. There are a number of potential benefits both financially and operationally which officers are currently reviewing and which will be presented in a separate report.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 Minimal impact, however the parking contract includes school crossing patrols and enforcement of school zig zags, which is aimed to protect children as they move to and from school. The contract also includes Enforcement Agent activity that will take into consideration

vulnerable children and adults. Further the contract includes Blue Badge enforcement which assists children and adults with mobility issues.

5. POLICY IMPLICATIONS

- 5.1 The Parking Enforcement & Associated Services contract will also be fundamental to the delivery of the Council's current Parking Strategy (2011), which sets out Bromley's Parking and Enforcement policies and reflects the views of Members and, more generally, relates to the Mayor's Transport Strategy (see Bromley's Local Implementation Plan, updated October 2013).
- 5.2 The Parking Contract will also help to deliver Bromley's 'Excellent Council' vision of 'ensuring good contract management to ensure value-for-money and quality services' and 'investing in technology to give customers alternative means of accessing our services' as set out in the 2016-18 update of 'Building a Better Bromley', the Council's renewed ambition for the borough.
- 5.3 The Environment Portfolio Plan 2016-19 (the Council's environmental service aims and objectives) sets out an aim of 'providing accessible, affordable, fair and effective parking services' and includes an objective (5.13) of tendering this Parking Enforcement & Associated Services contract during 2016/17. Environment PDS Committee has been kept informed of the tendering process through the Contracts Register report, which is presented at every meeting.

6. FINANCIAL IMPLICATIONS

- 6.1 The 2017/18 budget for the parking contract is £1.939m. The table below sets out the budget and projected spend for the contract for the current year: -

Current budget position for 2017/18	Latest	Projected	
	Budget	Outturn	Variation
	£'000	£'000	£'000
Off Street Parking	511.4	466.3	-45.1
On Street Parking	137.6	97.4	-40.2
Enforcement	1,262.9	1,127.0	-135.9
Permit Parking	27.2	27.2	0.0
	1,939.1	1,717.9	-221.2

- 6.2 The projected underspend is made up from defaults issued to date and additional income relating to Ringo income.

Non-Applicable Sections:	Personnel, Legal and Procurement Implications
Background Documents: (Access via Contact Officer)	