

Decision Maker: PUBLIC PROTECTION AND ENFORCEMENT PDS COMMITTEE
ENVIRONMENT AND COMMUNITY SERVICES PDS
COMMITTEE

Date: 30th January 2019 and 5th February 2019

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

Title: PARKING SERVICES – CONTRACTOR PERFORMANCE
REVIEW, APCOA PARKING, YEAR 2.

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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 on the performance of the Parking Services Contract. This contract is responsible for the enforcement of all parking restrictions within the Borough, the maintenance of the car parks, all pay and display machines maintenance and back office functions.
- 1.2 In particular, this report highlights the continual efforts to ensure adequate deployment of Civil Enforcement Officers and that the Parking Contractor is achieving compliance.
- 1.3 The contract is approaching the end of the second year and overall, the contractor is performing to a satisfactory level.
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2. **RECOMMENDATION(S)**

- 2.1 That the PDS Committees note the content of this report and in particular the on-going work to ensure that adequate deployment and compliance is taking place around the Borough.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Minimal impact, however the parking contract includes enforcement around all schools within the Borough as well as the School Crossing Patrol Officers, which is aimed to protect children as they go to and from school. The contract also includes the use of enforcement agents who will take into consideration vulnerable adults and children when they are enforcing.
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Quality Environment 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: £1.9m
 5. Source of funding: Existing budget for 2018/19
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Personnel

1. Number of staff (current and additional): 14.5FTEs
 2. If from existing staff resources, number of staff hours:
-

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): All road users
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

Award and contract background

- 3.1 The contract is for a fixed term of 10 years with a value of £1.9m 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.
- 3.2 Although both authorities entered into a contract with APCOA, the contracts are separate and distinct from each other. Neither authority is dependent on the other for the continuation of the contract. Executive approved the award to APCOA on the 30th November 2016. Formal award took place on the 15th December 2016 and the Contract commenced on the 3rd April 2017.
- 3.3 This contract is managed through the Shared Parking Service and is based on a joint specification and Key Performance Indicators (KPIs).
- 3.4 The contract will be entering year 3 of the 10 years in April 2019.

Scope of Contract

- 3.5 The Services being managed /provided by APCOA include but are not limited to the following:
- Enforcement and Associated Services
 - Suspensions and Dispensation Management
 - Car Park Management, including Cleaning and Maintenance
 - Signs and Lines maintenance
 - Pay and Display machine maintenance and monitoring
 - Cashless Parking Solution (Ringo)
 - Parking and Permits IT system
 - Cash collection and counting
 - Enforcement Agents (Bailiffs)
 - Business Processing Solutions, i.e. printing and sending of correspondence
 - Reconciliation of all income streams, PCN, P&D, Ringo and permits
 - School Crossing Patrols
- 3.6 As detailed in report ES18007 that went to committee on the 30th January 2018, APCOA had a number of challenges within year one of the contract, which APCOA were not equipped to deal with.
- 3.7 Year two of the contract has seen a general overall improvement in all service areas, however a close working relationship needs to be maintained between the parking Contractor and the Authority to ensure the service is as efficient as possible.
- 3.8 It should be noted that in the previous contract there were only four KPIs, including staff retention, staff training, minimum deployment and on street performance. Those that are in some way similar in nature in the current contract are recorded and monitored in such a different way that to elicit meaningful comparisons are not possible.

SERVICE PERFORMANCE

- 3.9 This contract covers all aspects of Parking Services and therefore the specification has been separated into 18 service areas. Each service area is monitored monthly using Key Performance Indicators.

ENFORCEMENT

- 3.10 The table below provides a breakdown of all PCNs that were issued by a CEO (Civil Enforcement Officer), Bus Lanes CCTV cameras and school zigzag CCTV cameras, over the last five years.
- 3.11 It should be noted that as of the 1st April 2015, changes in legalisation meant local authorities could no longer enforce as many parking restrictions via CCTV, which is reflected in the 14% reduction in CCTV PCNs in 2015/2016.
- 3.12 In the same year, the Bus Lane cameras were replaced with automated Bus Lane cameras in the Borough, which explains the increase of Bus Lane PCNs from 2015/2016.

	CEO	CCTV (bus lanes)	CCTV (school zigzag contraventions)	Total PCNs issued
	Total	Total	Total	Total
01/04/13- 31/03/14	71,720	4,439	16,760	92,919
01/04/14- 31/03/15	69,816	4,539	15,572	89,927
01/04/15- 31/03/16	70,994	12,150	2,399	85,543
01/04/16- 31/03/17	69,351	18,068	1,766	89,185
01/04/17- 31/03/18	60,118	19,264	1,113	80,495

The table below shows the predicted PCNs for 2018 /2019.

	CEO	CCTV (bus Lanes)	CCTV(school zigzag contraventions)	Predicted Total PCNs Issued
	Predicted Total	Predicted Total	Predicted Total	Predicted Total
01/04/18- 31/03/19	55,378	18,358	940	74,676

- 3.13 The prediction highlights that there will be a further decrease of 4,740 PCNs issued by CEOs and an overall decrease of 5,819 PCNs when compared to 2017/18. This represents an 8% decrease for CEO issued PCNs compared to 2017/18 and a 20% decrease of CEO PCNs compared to the last year of the previous Contractor in 2016/17.
- 3.14 It should be noted that it was formally recorded in September 2018 that whilst a review of Bromley Town Centre was being undertaken, enforcement of the shared use bays in seven roads, between 18:30 – 20:00 would be stopped, as the signage was causing confusion for drivers. Further details of this review will be submitted to the Environment Committee in April 2019.

3.15 APCOA were issuing an average of 423.25 PCNs in these seven roads per month, therefore if APCOA could have continued to enforce these bays since September, they could have potentially issued 1,693 more tickets, bringing the total issue rate for CEOs on street to 61,811 and the overall total to 76,369.

3.16 The Council and APCOA are looking at the below factors to ensure that the decrease in the PCNs issue rate is due to more vehicles observing the parking regulations and it is not due to poor deployment by the Parking Contractor:

- **Enforcement Requests:** This online service has become very popular, increasing by 132% in the last 3 years; however, only 29% of requests this year have resulted in an actual parking contravention being committed resulting in a PCN being issued.

APCOA will make every effort to respond to all requests, however whilst this service does result in positive enforcement, these visits can take CEOs away from other busier areas of the Borough where enforcement is of a higher priority.

Work is being undertaken with APCOA to make certain that the balance against responding to Ad-Hoc requests does not deter from enforcing busier parts of the Borough, such as town centres and car parks.

There is currently a KPI for all Enforcement requests being responded to within a set time depending on the time of day, this is currently being reviewed to see whether a more targeted approach can be adopted rather than responding in an adhoc manner.

Parking Services will also review the information on the website around enforcement requests to ensure that it is more informative for customers and to prevent any unnecessary reports being logged. Where no contravention has taken place, Parking Services may contact the complainant to inform them of the outcome and to educate them as to why the “offending” vehicle had not committed a parking contravention.

- **Beat Sheets:** APCOA are currently reviewing their deployment beat sheets with the help of the Council to ensure there is adequate enforcement around the Borough and ensuring that the deployment is intelligently led. The local Borough knowledge of the officers within Parking Services is crucial to these beat sheets being successful.
- **ANPR Vehicle:** Since October 2018 APCOA have been trialling an ANPR vehicle in the permit zones around the Borough. The vehicle is updated twice a day with all permit information, the vehicle will then drive around the roads within the Controlled Parking Zones allowing the ANPR camera to check all parked vehicles. If the ANPR vehicle detects a vehicle parked without a valid permit, the CEO will pull over to check if the vehicle is in contravention and then if necessary, issue a PCN by using their handheld device.

The trial has only been operating for 4 months, however the data provided to date, seems to show that the use of the vehicle has been successful. On average the vehicle will drive around 300 roads per day, some of these roads being visited more than once, checking all the parked vehicles. The use of the ANPR vehicle allows the Controlled Parking Zones to be covered more efficiently, allowing APCOA to reallocate their resources of CEOs to other busier parts of the Borough.

Once a full analysis of the trial is complete, the Authority will review all reports and assess whether it would be worthwhile investing in more ANPR vehicles to help with the deployment and enforcement around the Borough.

- **Virtual Briefings:** APCOA are looking at the possibility of virtual briefings being introduced in some parts of the Borough. This will allow the CEO to go straight to their beat, instead of going to APCOA's main office in the morning. This should decrease the CEOs travelling time and allow more time to be concentrated on enforcement.
- **Retention of staff:** The role of a CEO is challenging, therefore APCOA have experienced a high level of staff turnover, including the Enforcement Contract Manager. Unfortunately this is very common in this line of work, however APCOA are trying to stabilise their workforce by looking at the CEOs wage and ensuring the staff feel valued in the workplace. A new Contract Manager will be starting in February 2019 and will be meeting with the Parking Services Management Team to discuss the requirements of this contract.
- It has been agreed that from February 2019 a joint review of compliance around the Borough will take place. Monthly reports will be produced by APCOA to analyse what roads have not been visited as much as previous years or where there has been a big decrease in PCNs being issued. This will ensure that the whole Borough is being enforced as efficiently as possible.

3.17 73.75% of the defaults that have been applied so far this year have been around the enforcement section of the contract and cover the following: -

PCNs being uploaded onto the parking system within 24 hours;

CEOs wearing Body Worn Videos;

PCNs that have had to be cancelled due to an error being made by the CEO;

The amount of hours the CEOs are on street each day;

The number of CEOs that are on street each day;

The CEO responding to the public enforcement request.

CAR PARKS

- 3.18 APCOA are responsible for the maintenance of all the car parks in the Borough, this includes litter, fly tipping, reporting pot holes and the maintenance of the pay and display machines and Pay on Foot machines.
- 3.19 There has been a gradual decrease in the usage of car parks across the Borough and this is something that Parking Services are currently investigating further. The analysis of the usage of the car parks will be compared to other non-Council run car parks in the local area.
- 3.20 Parking Services are also considering a proposal from APCOA to improve the customer experience of the Civic Offices Car Park, if the business case looks viable, the details will be brought back for Members to consider in April 2019.
- 3.21 For a number of years there has been a general decline in 'paid for' car parking in the Borough. The introduction of new on-street parking schemes and restricted zones has prevented the reduction from being even greater. Although new schemes will continue to be implemented to meet localised traffic and parking needs, there is no reason to suspect that the downward trend will be reversed, particularly in regard to off-street parking. Again this puts greater pressure on the service to meet its financial obligations. In the changing economic climate it is difficult to make reliable estimates of parking demand in the short to medium term, or forecast the longer term effects on parking behaviour.

3.22 3.77% of the defaults that have been applied so far this year have been related to car park maintenance, Pay and Display machine maintenance and the cleaning of the car parks.

OTHER SERVICE AREAS

3.23 APCOA are responsible for other parking service areas, not just enforcement and car park maintenance. Every Service area is monitored both operationally and with any KPIs linked to that service area.

3.24 The table below shows the percentage breakdown of the KPIs that have been applied against the all the service areas so far this year, it should be noted that not all sections of the contract have triggered defaults.

Parking Contract Service Areas	% of Defaults Issued
Enforcement	73.75%
Business Processing	17.24%
Parking Suspension Maintenance	2.92%
P & D Machine Maintenance	1.82%
Cleaning of Car Parks	1.70%
Signs & Lines Maintenance	1.22%
General KPIs	1.09%
Car Park Maintenance	0.24%

3.25 The service area with the highest defaults triggered is Enforcement at 73.75% follow by the business processing section at 17.24%.

3.26 The Business Processing Section are responsible for all of the administration around the PCNs, such as ensuring appeals are logged on the system within a set time, banking any cheque payments, answering emails to the public on general enquiries, printing of all formal documents and registering the cases with the Traffic Enforcement Centre and Enforcement Agents (Bailiffs).

3.27 This section is also responsible for all the permit processing. In the last financial year 7,009 resident permits and 428 business permits were applied for, the majority of these would have been applied for online and APCOA staff would have needed to verify the evidence before approving the application. They also sold 2,446 visitor vouchers in the same period.

3.28 Whilst these KPIs have been applied, they are not fundamental to the service. The Council have set a high level of Customer Service requirement from APCOA around this service area, which sometimes they have failed to meet.

MANAGEMENT

3.29 There is a good working relationship between the Contractor and the Client. Regular operational meetings are held, as well as there being daily contact via emails and phone calls. Personal involvement by Kim Challis Managing Director UK & Ireland since the end of May 2017 has seen a positive impact on the contract and it's performance.

3.30 Weekly and Monthly operational meetings are held for all service areas with the relevant managers from both the Client and Contractor.

- 3.31 APCOA have had difficulties in retaining an Enforcement Contract Manager on this contract, the fourth Contract Manager is due to start on the contract in February 2019. There have been various reasons as to why the managers have left this position, however both the Authority and the Contractor will work with the new Manager to make sure they fully understand the service that they need to be delivering to the Borough.
- 3.32 The Shared Service Parking management team will be reviewing all KPIs within the contract and where necessary they may be amended, added to or removed. This review is intended to take place every two years so that the Contract and service delivery is adapted to meet any changes within the parking service.

REVIEW OF CONTRACT PURPOSE

- 3.33 There is a continual ongoing need to review all areas of this Contract, however aspects of the service have changed since the Contract went live. Change Control Notices have recorded this.
- 3.34 A recent internal audit demonstrated the need to record the contract documentation differently and for some documentation to be updated in line with Change Control Notices that have been processed. This is something that Parking Services are currently working on with support from the Performance Management and Business Support section, in order to apply the Council's Contract Monitoring Framework (CMF) and the ECS Contract Filing System (CFS).

4. SERVICE PROFILE / DATA ANALYSIS

- 4.1 Appendix 1 has a list of all the KPIs against this contract.
- 4.2 A Key element of this contract are the 60 Key Performance Indicators (KPIs) covering the 18 sections of the contract. These KPIs range from ensuring that all notices are sent to the customer, to ensuring the correct amount of monitoring of the (CEOs) takes place.
- 4.3 Every month, all 60 KPIs are reviewed and where necessary a default has been charged against the Contractor. The KPIs are enforced so that where a financial loss has occurred to the Council, some of this loss can be recovered. The KPI monitoring is also a positive approach to continually ensure that the Council are receiving the service that they are paying for.
- 4.4 In 2017/18, the first year of the contract, 12% of the overall contract price was paid back by APCOA in performance related reductions. The table below shows a breakdown of this by each month.

KPI Deduction	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
% of defaults against contract price	30%	23%	4%	12%	7%	5%	4%	6%	7%	3%	5%	34%*	12%

** this represents an annual default applied at the end of the contract year.*

- 4.5 As detailed in report ES18007 that went to the Environment PDS Committee in January 2018, the first couple of months of the contract were challenging for APCOA and as a result a high level of Performance Related Reductions were triggered, however the table above shows an improvement in their monthly development as the year went on.

- 4.6 In 2018/19, the second year of the contract, from April to November, 2% of the overall contract price has been paid by APCOA in performance related reductions. The table above shows a breakdown of this by each month.

KPI Deduction	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Total
% of defaults against contract price	3%	2%	2%	3%	5%	3%	5%	3%	2%

- 4.7 All but one of the KPIs are monitored monthly, the other KPI is monitored annually. When this default is triggered it will be paid after the end of the contract year.
- 4.8 This annual default was triggered in year one of the contract, and was of a substantial value and this is reflected in the high percentage of 34% for that month.
- 4.9 Should the Parking Contractor continue to perform at the same standards as they have been throughout the year, it is anticipated that APCOA will have to pay a default for the annual performance KPI for year 2 of the contract, although it will be considerably lower than in year 1.
- 4.10 A review will be undertaken of all KPIs to ensure that the KPIs are still relevant to the contract and the service delivery. The revised KPIs will apply from year 3 of the Contract.

PLANS FOR ONGOING IMPROVEMENTS IN VALUE FOR MONEY

- 4.11 In the long term the Council is keen for all aspects of the contract to improve and there is considerable scope for this. Officers will be considering plans for future innovation and investment moving forward.
- 4.12 A proposal has been received from APCOA to potentially convert the running of the Civic Centre car park to improve the customers' experience. There are a number of potential benefits operationally which officers are currently reviewing and if it is a viable option, the details will be presented in a future report for the Environment and Community Services Portfolio Holder to consider.

IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.13 There is minimal impact on vulnerable adults and children, 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. Furthermore the contract includes Blue Badge enforcement which assists children and adults with mobility issues.

5. POLICY IMPLICATIONS

- 5.1 The Parking Contract is fundamental to the delivery of the Parking Strategy (2011) which sets out Bromley's parking and enforcement policies.

6. FINANCIAL IMPLICATIONS

6.1 The 2018/19 budget for the parking contract is £1.9m. The table below sets out the budget and projected spend for the contract for the current year: -

Current Budget Position for 2018/19	Latest Budget	Projected Outturn	Variation
	£'000	£'000	£'000
Off Street Parking	497.4	488.7	-8.7
On Street Parking	78.5	66.7	-11.8
Enforcement	1,289.3	1,236.6	-52.7
Permit Parking	33.3	35.5	2.2
	<u>1,898.5</u>	<u>1,827.5</u>	<u>-71.0</u>

6.2 The projected underspend is made up from performance deductions and additional income relating to parking charges paid through Ringo.

6.3 The annual default applied at the end of the Contract year for 2017/18 was not finalised and agreed with the Contractor until after the accounts were closed. The additional defaults totalling £50k are reported as a variance in the budget monitoring.

6.4 Members should note that the reduction in the annual numbers of PCNs of just under 14,000, from 69,351 in 2016/17 to the predicted number for 2018/19, equates to approximately £550k using the average ticket price of £39.60 for PCNs issued by CEOS's.

7. PERSONNEL IMPLICATIONS

There may be a review of the structure of the Shared Parking Services as a result of the changes this contract has brought to the team.

8. LEGAL IMPLICATIONS

The Council as an Enforcement Authority have the legal power under the Traffic Management Act 2004 to operate Civil Parking Enforcement and to enter into a services contract with the provider for the provision of the services as identified in this report and the contract. The report does not appear to raise any particular legal issues at this point. However should officers require advice on the law and any interpretation of the contract in relation to performance and default then legal advice should be requested.

9. PROCUREMENT IMPLICATIONS

The Contract Procedure Rules note in 23.2 - For all *Contracts* with a value higher than **£500,000**, or which are *High Risk*, an annual report must be submitted to the *Portfolio Holder*, the responsible *Officers* having submitted for consideration a formal *Gateway Review*, covering, as appropriate, the matters identified in the Council's standard *Gateway Review* Template for consideration as part of Contract Monitoring/Management requirements.

Non-Applicable Sections:	Procurement Implications
Background Documents: (Access via Contact Officer)	