

**Decision Maker:** EXECUTIVE

After pre-decision scrutiny by

**ENVIRONMENT AND COMMUNITY SERVICES PORTFOLIO  
HOLDER**

For Pre-Decision Scrutiny by the Environment & Community Services  
PDS Committee on:

**Date:** Thursday 11 March 2021

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

**Title:** **PROCUREMENT OF MOVING TRAFFIC CONTRAVENTIONS  
CAMERAS**

**Contact Officer:** Chloe Wenbourne, Head of Shared Parking Services  
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**Chief Officer:** Director of Environment and Public Protection

**Ward:** (All Wards);

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1. Reason for report

This report is a follow on from report number ES20035, Moving Traffic Contraventions (MTCs) from September 2020 to seek approval of the best procurement route to purchase the cameras and software required to enforce MTCs.

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2. **RECOMMENDATION(S)**

The Portfolio Holder for Environment and Community Services recommend that the Executive:

1. Agrees that the 13 new MTC cameras are procured by the incumbent provider for civil traffic and parking enforcement, (including CCTV), to APCOA Parking who will then sub-contract this service to TES Ltd (Traffic Environment Systems) at a cost of £232,773.

2. Agrees that a full procurement exercise is undertaken to ensure best value for money is achieved for all CCTV cameras for Bus Lane, School Keep Clear and MTC enforcement within 5 years for those currently procured by both APCOA and Videalert.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: A contravention issued to a driver who holds a disabled badge would not be exempted from a Penalty Charge Notice (PCN) issued to their vehicle.
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### Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Quality Environment Safe Bromley Vibrant, Thriving Town Centres
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### Financial

1. Cost of proposal:: £233k plus additional one-off costs of £47k
  2. Ongoing costs:: £258k p.a.
  3. Budget head/performance centre: New budget head for Moving Traffic Contraventions
  4. Total budget for this head: Cr £1.173m (2021/22)
  5. Source of funding: Increased revenue income budget for PCNs 2021/22
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### Personnel

1. Number of staff (current and additional): 1 FTE
  2. If from existing staff resources, number of staff hours: 36 hours
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### Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
  2. Call-in: Applicable
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### Procurement

1. Summary of Procurement Implications:
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All drivers within town centres as delays will be reduced and streets made safer.
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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 In September 2020, officers presented a report to this committee to seek approval to adopt the powers from the Metropolitan Police Service to enforce Moving Traffic Contraventions (MTCs) in the London Borough Bromley, this executive decision was approved by the Leader on the 24th September 2020.
- 3.2 It was agreed that 13 cameras would be installed at 12 sites as listed below, unless unexpected constraints are discovered at any site, with cameras being rotated when compliance is achieved at a location. In regard to box junction contraventions, a PCN will be issued to any vehicle that stops with two wheels in the box junction for a minimum of 3 seconds.
- 3.3 Once compliance at a location is achieved, officers will arrange for the camera to be moved to another site within the Borough where enforcement is required.
- 3.4 In the original report the table below detailed the 12 locations where the surveys were carried out and recommended where the first cameras should be installed, however High Street, Bromley South has two box junctions in close proximity to each other which may not have been clear. On the back of this, officers have arranged quotes for all 12 locations, covering 13 restrictions and therefore 13 cameras are required.

Location	Area	Restriction
Croydon Rd 1	Elmers End	Boxed Area
Westmoreland Rd	Bromley	Boxed Area
Bromley Rd	Bromley/Shortlands	Boxed Area
High St Bromley South x 2	Bromley	Boxed Area 2 sites
Cray Avenue/Station	Orpington	Boxed Area
Beckenham Rd /High St/Kent Hse	Penge	Boxed Area
Beckenham Rd/Churchfields Rd	Beckenham	Boxed Area
Crofton Rd	Locksbottom	Boxed Area
Croydon Rd 2	Elmers End	Boxed Area
Cray Ave/Cray Valley Rd	Orpington	Boxed Area
Church Rd	Bromley	Left Turn Only
Crystal Palace Parade 1	Crystal Palace	Boxed Area

- 3.5 Since the executive approval, officers have submitted the application to adopt the powers to enforce MTCs at any location within the Borough and not just those named above. This application has been approved by London Councils and as part of this application process the Metropolitan Police have been informed.
- 3.6 As part of the process to be able to enforce MTCs, a Public Notice needs to be advertised in the local papers to advertise that the Council intends to adopt these powers, this needs to be advertised for a minimum of 3 months prior to the adoption of the necessary enforcement powers, this is currently being advertised in the Newshopper and Gazette and the 3 months expires at the beginning of April 2021.
- 3.7 Officers are working with the Council's Communications team to further advertise the new enforcement around the Borough, this will be advertised via press releases, social media the Council's web pages.
- 3.8 As detailed in the previous committee report, there will be a minimum of 14 days of warning notices, (zero charge PCNs), issued to any vehicle that contravenes these restrictions once enforcement commences.

#### 4. Procurement of Cameras

- 4.1 One of the conditions of this approval was for officers to investigate which service provider offers the best value for money for the Council, given the possible need to replace the Council's existing bus lane and school keep clear enforcement cameras within the next 18 months.
- 4.2 Officers approached the incumbent provider, Videalert, who provide the cameras for the Bus Lane and school keep clear enforcement and asked for a quote for the extra 13 cameras.
- 4.3 The current civil traffic and parking enforcement contractor APCOA was also approached and asked to provide a quote for the cameras via a sub-contractor, APCOA approached 2 other sub-contractors and provided the Council with a quote from the cheapest of the two sub-contractors.
- 4.4 From the quotes sought, the incumbent provider APCOA, via a sub-contract with TES has provided a more competitive quote at a cost of £232,773, this quote includes purchasing the 13 cameras and associated equipment as well as installing them. A contingency allowance has been made in the event there are additional costs once the full surveys have been completed, for example if trees need cutting back, however, as per the above if the site becomes too expensive to install, officers can look at another location.
- 4.5 APCOA are currently responsible for the back-office ICT system for all PCN processing such as sending registration enquiries to the DVLA for the registered keeper addresses, sending all recovery documents, processing payments of the PCNs and other processing functions. An additional price for this ICT module and additional cases has been received and is within the estimate of the original committee report.
- 4.6 If the recommendation is approved, there will be an original investment cost of £278,891 to purchase the 13 cameras and the ICT system to support this, the sub-contractor TES are a well-known company within the industry, however officers will have further operational meetings with both APCOA and TES before confirming the order to ensure that the Councils requirements are met. There will also be additional running costs of £257,713 p/a for the maintenance of the cameras and other on-going costs to process the PCNs. These costs are significantly less than what was projected originally by officers in September 2020, however since that report officers have sought quotes from the contractors on the basis of 62,899 PCNs being processed annually.

<b>One off Set up Costs</b>	<b>£</b>
Total Cost of Cameras and Installation	232,773
ICT MTC module added to existing system	7,000
ICT set up costs including storage costs.	13,618
Additional signage	5,500
Contingency Costs	20,000
<b>Total one off Set up Costs</b>	<b>278,891</b>

<b>Annual Running Costs on projected</b>	<b>Year One Projected on 62,899 PCNs £</b>	<b>Year Two Projected on 62,899 PCNs £</b>
Imperial ICT Licence cost	1,400	1,400
Maintenance cost of cameras Y2 onwards		55,365
Vehicle Data Look up	5,000	5,000

1 Fte BR6 LBB Support Appeals Officers	47,000	47,000
<u>APCOA Contracts Costs</u>		
CCTV CEO Payroll as per SOR	26,264	26,264
First class Postage	46,935	46,935
DVLA lookups	12,202	12,202
Printing of PCNs and other statutory documents	6,410	6,410
FTE scanning and associated admin costs	21,940	21,940
WEB/IVR payment charges	35,197	35,197
<b>Total Annual Costs</b>	<b>202,348</b>	<b>257,713</b>
<b>Estimated Income</b>	<b>3,475,000</b>	<b>3,475,000</b>
<b>Total Net Income</b>	<b>2,993,761</b>	<b>3,217,287</b>

- 4.9 Once the order is confirmed, the proposed weeks to install all the cameras, therefore officers are proposing a go live date of the 1<sup>st</sup> July 21, however there may be the possibility that it could be implemented earlier.
- 4.10 The compliance surveys were completed before the Covid-19 pandemic started, it has not been possible to repeat the surveys to adjust the compliance levels for pandemic performance rates. It should therefore be noted that as a result of current lockdown restrictions in place the levels of traffic have not returned to pre-pandemic levels and should this remain the case post go live this will impact on the number of PCNs issued as the rate of non-compliance is related to the rate of traffic using the public highway. For comparison purposes our neighbouring borough, the London Borough of Bexley has seen a decrease in MTCs by approximately 50%.
- 4.11 In September 2020 when officers first approached this committee about issuing MTCs officers had started to see traffic levels improve and therefore projected that 62,899 PCNs would be issued a year. It should be noted that even when restrictions are lifted, this may change the motorist behaviour making these projections incorrect. Officers will closely monitor the issue rate and will return to the committee if the projected income is not achievable.

## 5. IMPACT ON VULNERABLE ADULTS AND CHILDREN

Disabled blue badge holders are not exempt from moving traffic contraventions and display of a blue badge will not prevent a PCN being sent to them through the post.

## 6. POLICY IMPLICATIONS

n/a

## 7. FINANCIAL IMPLICATIONS

- 7.1 The recommended contract award to ACPOA will result in a one-off cost of £232,773 for the purchase and installation of 13 cameras. The annual cost of maintaining these cameras after one year will be £55,365.
- 7.2 There will be additional implementation costs of £46,118, including contingency allowance of £20,000, giving a total initial investment cost of £278,891.

- 7.3 Annual running costs are now estimated to be £151,761 in the first year then increasing to £257,713 after one full year of operation.
- 7.4 Therefore, the total additional value of this contract award to ACPOA, including all additional set-up and running costs payments, is estimated at £1.2m over 5 years and consequently will require referral to the Executive for approval.
- 7.5 Assuming annual PCN's issued of 62,899 with 15% cancelled or written off, the additional income generated is estimated at £3.475m a year.
- 7.6 As installation is planned to commence early in the next financial year, set-up costs will be met from the additional income generated in year. This is summarised in the table below which assumes enforcement begins on 1st July 2021, although that may be achieved sooner.

#### Summary of Annual Costs and Income

	2021/22	2022/23	Full
	£'000	£'000	Year
			£'000
Initial investment costs	278	-	-
Additional running costs	152	244	258
Estimated income	-2,606	-3,475	-3,475
Net additional income	-2,176	-3,231	-3,217

- 7.7 As the revised running costs are lower than estimated in the original report, projected net income is now higher than previously estimated and subsequent included in the revenue budget for 2021/22 and subsequent years.
- 7.8 However, actual net income will depend on a number of variable factors. For example, in projecting income from enforcement, parking officers have used a set of assumptions, drawing on the experience of other London boroughs, including Bexley. As such, these estimates will be subject to refinement as the schemes progress; for example, levels of compliance may vary from that assumed. The projections take a prudent view that compliance will be 85% from day one, whereas there may be an initial period when actual compliance is lower and therefore income from PCN's higher. Equally, compliance over time may increase and future years' income lower than projected. To illustrate the impact that variation in compliance may have, a 90% level of compliance would result in a reduction in annual forecast income of over £1m.
- 7.9 The current situation with Covid-19 affecting levels of economic activity within the Borough also affects traffic volumes and flows. As the survey data used for projecting future income is from September 2018, it remains to be seen whether traffic volumes and therefore potential moving traffic contraventions will return to those pre-pandemic levels. This could have a significant impact on estimated future income.
- 7.10 Therefore, the impact of implementation of these cameras and enforcement levels will be closely monitored and any variations to budget assumptions reported as part of the budget monitoring process.
- 7.11 The replacement of the Council's existing enforcement cameras will be the subject of a future report to Members.

## 8. PERSONNEL IMPLICATIONS

n/a

## 9. LEGAL IMPLICATIONS

- 9.1 The Council has the legal power under the London Local Authorities and Transport for London Act 2003 to apply for the decriminalisation of the enforcement of Moving Traffic Contraventions in the Borough. This report provides an update on the application process. The Council therefore has the legal power to purchase and maintain the cameras including the processing of the contraventions through a contract(s) for supplies and services.
- 9.2 The supply of the cameras and their on-going maintenance and processing is a mixed public contract(s) of supplies and services under the Public Contracts Regulation 2015 (the Regulations). As the value of the contract(s) is above the supplies and services threshold (£189,330) the Regulations would require the Council to carry out a full procurement exercise in accordance with the Regulations. Actual values to supply and maintain the cameras and processing of the contraventions are stated elsewhere in this report.
- 9.3 Officers have undertaken a market intelligence exercise and, in the process, have secure reliable quotes which has in turn informed the best solution for the Council as explained elsewhere in this report.
- 9.4 The report is seeking authority to award a contract for the supplies and services and to process the contraventions to the APCOA under their existing contract with the Council by using a contract variation.
- 9.5 As an exception to the requirement to carry out a full procurement exercise as mentioned above, Regulation 72 permits modification of contracts during their term in certain cases. Regulation 72 (1) (c) where i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen, ii) the modification does not alter the overall nature of the contract and iii) an increase in price does not exceed 50% of the original contract .
- 9.6 There is also the additional cost to process the contravention which is approximately £258k per annum. The report confirms that this task should be undertaken and accommodated within APOCA's existing contract also by way if a variation. Regulation 72 (1) (b) provides a further exemption from carrying out a procurement in circumstances where additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement and where a change of contractor i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment ,services or installations procured under the initial procurement and ii) would cause significant inconvenience or substantial duplication of costs of the contracting authority provided that any increase of the value does not exceed 50% of the original contract.
- 9.7 Officers consider that in order to consolidate future decisions with regard to Cameras in the Borough it would be sensible to agree with the current Provider of certain cameras (Videalert) to extend their contract for a further 2 years. The contract is essentially now dealing with the maintenance of the installed cameras by Videalert .Officers have advised that the contract has provided the Council with the right to extend for a further 2 years (1+1) . Regulation 72 (1)(a) would permit such a modification as it is clearly provided for within the contract in unequivocal terms and its use has not been designed to circumvent the Regulations.

- 9.8 Officers have confirmed that the cases set out above under Regulation 72 (1) (a) (b) and (c) are met. Regulation 72 (3) places an obligation on the Council to send a notice to confirm use of Regulation 72 (1) (b) and (c) cases.
- 9.9 The value of the proposed variations to the APOCA contract is above £1M. The Councils Contract Procedure Rules (CPR's) gives authority to the Executive in agreement with the Chief Officer ,delegated budget holder, Director Finance, Director of Corporate Services , the Assistant Director of Contracts and Governance and the Portfolio holder ,to authorise an exemption of CPR's to go out to tender and to make the award of contract by way of a contractual variation under CPR 's 13.1 and 23.7.4.
- 9.10 Given the circumstances described in this report actions by officers to formulate a procurement strategy can also be endorsed by the recommendations in this report being agreed. It is also expedient for the Executive to deal with the approval to extend the Videalert contract within this report
- 9.11 The report explains at paragraph 4.6 that the award will be subject satisfactory mobilisation and implementation stages.
- 9.12 Variations must be evidenced by way of a written agreement and any Change Control Process followed under the APOCA Contract and under the Videalert Contract

## 10. PROCUREMENT IMPLICATIONS

- 10.1 This report seeks to purchase 13 new MTC cameras via a variation of the contract with APCOA Parking who will then sub-contract this service to TES. The overall cost of this variation to ACPOA, including all additional set-up and running costs payments, is estimated to be £1.2m over 5 years.
- 10.2 This was originally procured as an above-threshold contract following a competitive tendering process. The variation stated above can be completed in compliance with Regulation 72 of the Public Contract Regulations.
- 10.3 The Council's requirements for authorising a variation are covered in CPR 23.7 and 13.1. For a contract of this value, the Approval of the Executive following Agreement by the Portfolio Holder, Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 10.4 A Notice of modification of a contract during its term will need to be published in OJEU.
- 10.5 Following Approval, the variation must be applied via a suitable Change Control Notice, or similar, agreed with the Provider.
- 10.6 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

<b>Non-Applicable Sections:</b>	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	[Title of document and date]