

Report No:
ES20926

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Pre-Decision Scrutiny by the Environment & Community Services Policy Development & Scrutiny Committee (12 June 2024)

Date: 10 JULY 2024

Decision Type: Non-Urgent Executive Key

Title: **PARKING SERVICES: COLLABORATION AGREEMENT AND CONTRACT PROCUREMENT STRATEGY**

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

Ward: (All Wards);

1. Reason for decision/report and options

- 1.1 The contract for Parking Services ends in March 2027 with no options to extend. A Shared Services Collaboration Agreement with the London Borough of Bexley has been in place since 2013 through which the respective Parking Services contracts for each borough have been jointly procured with both contracts managed through a shared services client unit, with Bromley acting as the host borough.
- 1.2 This report seeks in principle approval to procure the Bromley Parking Services contract through continuation of the joint procurement and shared services client unit arrangement with the London Borough of Bexley, for a new contract to commence from April 2027.
- 1.3 To support this, the report seeks formal approval to renew the Shared Services Collaboration Agreement with the London Borough of Bexley for the remaining period of the current contract term and for the contract term of the new Parking Services contract once that is known.

2. RECOMMENDATION(S)

- 2.1 The Environment & Community Services Policy Development & Scrutiny Committee is asked to note and comment on the report.
- 2.2 Executive is recommended to:

- i) Approve renewal of the Shared Services Collaboration Agreement for Parking Services with the London Borough of Bexley for the remaining term of the Parking Services contract and the term of the new Parking Services contract procured through those arrangements.
- ii) Approve, in principle, to proceed to procurement through the Shared Services Collaboration Agreement for a new Parking Services contract to commence from April 2027, noting that a further Gateway report on the detailed commissioning and procurement strategy for Parking Services will be presented for Executive approval prior to commencement of tender.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Parking Enforcement provides parking facilities for Disabled Badge Holders, as well as enforcing any misuse of disabled badges
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Transformation Policy

1. Policy Status: Parking Strategy
 2. Making Bromley Even Better Priority:
To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: £200k p/a as per the 24-25 Parking Shared Services Statement
 2. Ongoing costs: Estimated savings from joint tendering of the Parking Contract (was £500k savings for Bromley for the existing contract over the full contract term)
 3. Budget head/performance centre: Parking Services, includes R64200 Parking Shared Services
 4. Total current budget for this head: £9.5m
 5. Source of funding: Controllable Revenue budgets in Parking
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Personnel

1. Number of staff (*current and additional*): 10
 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: Applicable
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Procurement

1. Summary of Procurement Implications: This report seeks in principle approval to proceed to procurement through the shared services arrangement with London Borough of Bexley. A further Gateway report will set out the detailed procurement strategy.
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Property

1. Summary of Property Implications: N/A
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Consideration for more electric vehicles to be used for enforcement.
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Impact on the Local Economy

1. Summary of Local Economy Implications: This service provides parking facilities to help support the local residents and local businesses.
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Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: n/a
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Customer Impact

1. Estimated number of users or customers: All motorists parking within the Borough.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments?
 - The Portfolio Holder for Transport, Highways & Road Safety supports this approach.
2. Summary of Ward Councillors comments:
 - N/A

3. COMMENTARY

- 3.1 The Shared Parking Service was formed on the 3 April 2013 between the London Boroughs of Bromley and Bexley. The arrangement saw the two separate Parking Services form one team, to manage and operate the services for both Boroughs but with a joint workforce.
- 3.2 The host Borough within the arrangement was named as Bromley, therefore all staff are based at the Bromley Civic Offices, recently moving to Churchill Court as early movers.
- 3.3 All staff within the arrangement remain employed by the Borough who originally employed them, and all their HR terms and conditions remain that of that same Borough.
- 3.4 All staff within the Shared Service work on behalf of both Boroughs, however the services remain separate to the Boroughs with separate contracts and enforcement officers. Officers within the Shared Service will liaise separately with the relevant teams, such as Finance, Traffic Services, Highways etc on matters relating to that Borough.
- 3.5 The arrangement has allowed for both Boroughs to share the staff expertise so that they can benefit from this shared experience to maximise the efficiencies and savings to both Councils, as well as offering a joint approach to working to improve the service provided to the customer.

The Collaboration Agreement

- 3.6 The Shared Services agreement was first approved in the Environment PDS committee on the 20 November 2012 and at the Executive and Resources PDS committee on the 21 November 2012. As part of the recommendations, it was agreed that a Shared Services Collaboration Agreement would be drafted, sealed and signed by both Boroughs.
- 3.7 The collaboration agreement acts as a governance for both Boroughs and formalises the arrangement, detailing the partnership in full as well as all financial details.
- 3.8 All expenditure associated with the running of the Services is the responsibility of the individual Boroughs, this is a separate process that is not included within the Shared Parking Services. These expenditures include but are not limited to:
 - Parking Contract
 - Enforcement - both Civil Enforcement Officers and CCTV cameras
 - Processing Parking Permits, Suspensions and dispensations
 - Printing of statutory Documents
 - DVLA enquiries
 - RingGo merchant fees
 - Business rates of car parks
 - Maintenance costs for car parks
 - Parking ICT software
- 3.9 Similar to the above, all income generated from the service is reconciled by Parking Services with the support of the individual finance colleagues, this process is not included in the financials of this agreement.
- 3.10 The Collaboration Agreement covers how the two Borough share the split resource with the majority of staff having their time and salary split 50:50 between the two Boroughs, whereas the Parking Support Officers who are responsible for investigating and responding to the

representation received against PCNs, time is split dependent on the number of Penalty Charge Notices issued, the current split is 58.5% Bromley and 41.5% Bexley.

- 3.11 Under the current level of Penalty Charge Notices (PCNs) issued and the current split in Bromley and Bexley employed staff, London Borough of Bexley currently pay an annual fee of £150,000 to LB Bromley, this has potential to change depending on the percentage split of the PCNs issued and any changes in staff.
- 3.12 The agreement also sees LB Bexley paying LB Bromley for the ICT equipment provided plus rent for accommodation costs.
- 3.13 A quarterly invoice is reconciled and raised by Bromley to Bexley, a calculation of the staff time is provided as well as other agreed costs such as ICT, HR, finance costs etc.
- 3.14 The initial period of the Collaboration Agreement was from the 3 April 2013 to the 30 September 2016. Formal renewal should have been sought at the point of contract award for the new Parking Services contract in 2016 but this aspect was overlooked, albeit implied in the contract award decision. Although the formal Collaboration Agreement has expired, the service has continued to be managed as a Shared Service. This report seeks to address this oversight and seeks approval to formally renew the Shared Services Collaboration Agreement under the same terms and conditions. The renewal will be for the remaining lifetime of the current contract, backdated as appropriate from the commencement of the contract. The authorisation for renewal will also cover the period of the contract term for the new Parking Services contract, once this period has been established through the retendering process.

Parking Contract Retender

- 3.15 One of the many benefits of the Shared Service Agreement was the procurement and management of the current Parking Services contract with APCOA which commenced in April 2017 for a ten year period.
- 3.16 The two Boroughs jointly procured the service for two separate contracts for each borough but with a joint specification, highlighting sections that were only for the respective Boroughs. This allowed for both Boroughs to maximise on savings by procuring a joint discount for a joint award of contract.
- 3.17 During the procurement process, the two Boroughs created a joint Contract Board which had representatives from both Boroughs from Legal, Finance, Procurement and of course the Parking team.
- 3.18 The APCOA Contracts have worked well for both Boroughs, reducing the price for the joint partnership, providing savings for both Boroughs, and operationally the team can share the same ICT system, have joint contract meetings as well as share the staff for the enforcement and operational matters.
- 3.19 The existing contract will expire in March 2027 and will need to be retendered or commissioned in a different way. The following options are listed for consideration.
- 3.20 The 3 options for retendering are as follows:
 - Option 1 – Look at in-house provision of services.
 - Option 2 – Retender the contract for LB Bromley / LB Bexley only.
 - Option 3 – Retender the contract encouraging a joint working relationship with LB Bromley and Bexley.

- 3.21 Bringing services in-house will bring new challenges for officers, such as capital and revenue costs that would not otherwise be incurred such as sourcing a base for the CEOs to deploy from, sourcing / managing transportation and managing a high turnover of staff. Therefore, officers do not recommend this option.
- 3.22 LB Bromley and LB Bexley could tender separately, however this would reduce the benefit of the shared client unit services and is likely to lead to operational problems for the Council team as they would have to manage and operate under two potentially dissimilar contracts, as well as potentially different contractors and ICT systems.
- 3.23 Retendering jointly will facilitate best value through the tender process due to the scope of the contract and the reduction of duplicate provider resources across the two boroughs. It will allow officers to be more efficient in managing one specification, although legally they will remain 2 contracts and therefore two sets of KPIs will be reviewed and invoices paid. Continuation of the shared services client unit arrangement will reduce duplication of resource across both boroughs and more effective contract management.
- 3.24 Officers recommend that a joint Contract Board would be created to project manage the retendering of the Parking Contract.
- 3.25 A proposed outline timetable for the procurement of the contract is below.

Task	Duration	Start Date	End Date
Specification and contract module work commence including Market Research.	18 months	1 st April 24	31 st March 25
Create a Contract board with members of key services from both Bromley and Bexley.	On-going	1st April 25	-
Specification contract module work / approval by the board.	6 months	1st April 25	31st October 25
Formal Proceed to Procurement decision (Executive)	2 months	1 September 25	31st October 25
Invitation to tender	4 months	1 st November 25	27 th Feb 26
Tenders returned	-	28 th Feb 26	28 th Feb 26
Evaluation of method Statement, schedule of rates etc	4 months	1 st March 26	30 th June 26
Award of contract (Executive)	2 months	1 July 2026	30 August 2026
Implementation set up	9 months	1 st July 26	31 st March 27
Go Live.	-	1 st April 27	-

- 3.26 Within the existing contract, both councils procured a discount for awarding a 10 year straight contract and a further 5% discount for procuring together as a joint service, equating to more than £500k saving over the contract term.

- 3.27 The new contract will look at further transformation ideas that may be able to improve the service moving forward, as well as exploring any potential savings or efficiencies to the service.
- 3.28 Officers within the parking team have already started to think about the positives and negatives of the existing contract so that a robust and precise specification can be drafted that really allows for the service to be managed to a high standard. Discussions have started to what level of performance indicators are needed to protect the council to when there may be any failings by the contractor, without risking the contract price being increased.
- 3.29 The current responsibilities of the existing contract are listed below; this demonstrates the extensive work that is required by the team over the next 18 months:
- Enforcement of PCNs, both on and off street.
 - Enforcement of CCTV PCNs for bus lanes, school keep clear markings and moving traffic contraventions.
 - Suspensions and dispensations
 - Car park management, including cleaning and maintenance.
 - Parking related signs and lines maintenance (replacement only)
 - Cashless parking solutions (RingGo)
 - Parking and permit IT systems
 - Cash collection and counting – Civic Car Park only.
 - Enforcement agents (bailiffs)
 - Business processing solutions. printing and sending correspondence.
 - Reconciliation of all income streams, including PCNs, on and off street parking places and permits.
 - CEO enforcement of Blue Badge misuse
 - School crossing patrols
- 3.30 As per 3.24, a contract board will be formed with representatives from both Bromley and Bexley's key services, such as Legal, Procurement and Finance so that the team can ensure that all points have been considered thoroughly.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

Parking Enforcement provides parking facilities for Disabled Badge Holders, as well as enforcing any misuse of disabled Badges.

5. TRANSFORMATION/POLICY IMPLICATIONS

The new contract will encourage transformation ideas to the service.

6. FINANCIAL IMPLICATION

- 6.1 The report is seeking approval to renew the Shared Service Collaboration Agreement between the London Borough of Bromley and the London Borough of Bexley for Parking Services until 31st of March 2029 and then extend it further to match the length of the new contract. The Collaboration Agreement covers how the Boroughs share their resources, majority of staff have their time and salaries split 50:50 between the two Boroughs. The Parking Support Officers who work with Penalty Charge Notices split their time based on the number of received PCNs (currently 58.5% Bromley and 41.5% Bexley). Currently, the LB.. of Bexley pays £150,000 per year to the LB.. of Bromley based on the current level of Penalty Charge Notices (PCNs) issued

and the current % split of the two Boroughs' employees. The LB.. of Bexley pays a quarterly invoice to the LB.. of Bromley based on the calculated staff time, ICT costs, HR, finance costs, accommodation costs.

- 6.2 The report is seeking permission to extend the Parking Services Contract that expires in March 2027 alongside The London Borough of Bexley, procuring separate contracts but with a joint tender exercise.
- 6.3 There are 3 options to procure a new Parking Services Contract, this report is recommending Option 3, to retender the contract encouraging a joint working relationship with LB Bromley and Bexley.
- 6.4 All costs for the renewal of the Shared Service Collaboration Agreement and the procurement of a new Parking Services Contract will be funded from the controllable revenue budgets in Parking. The new contract will seek to achieve savings over the contract's term for the service. The current contract has achieved over £500k in savings over 10 years as the two authorities procured it as a joint service.

7. LEGAL IMPLICATIONS

- 7.1 This report seeks in principle decision to proceed to procurement for a new Parking Services contract to commence from April 2027. It is proposed to jointly procure the contract with London Borough of Bexley via a Shared Services Collaboration Agreement. Although jointly procured, separate contracts will be placed between the proposed supplier and the London Borough of Bromley and London Borough of Bexley respectively. Authority is also sought to approve renewal of the Shared Services Collaboration Agreement for Parking Services with the London Borough of Bexley for the remaining term of the Parking Services contract and the term of the new Parking Services contract procured through those arrangements, noting that this approval is in part retrospective.
- 7.2 There are a number of powers that allow:-
 - (i) local authorities to provide services to each other – Local Government Goods and Services Act 1970
 - (ii) To place staff at the disposal of another local authority – Local Government Act 1972 s.113
 - (iii) To exercise functions jointly or to make arrangements for the discharge of their functions by another local authority – Local Government Act 2000 s.9 and Local Government Act 1972 s.101(5)
 - (iv) To do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions – Local Government Act 1972 s.111
- 7.3 As outlined in the Procurement Implications, due to the value of the contract and the proposed timetable, the procurement will need to be carried out in accordance with the Procurement Act 2023 (due to come in to force on 28th October 2024) and any associated secondary legislation or regulations issued under the Act. The Procurement Implications also outline the necessary approvals required under the Council's Contract Procedure Rules (CPRs) for proceeding to procurement under CPR 1.3.
- 7.4 The Collaboration Agreement provides that the shared parking services arrangements would continue until 30th September 2016 (the Initial Term) and that the Councils could by unanimous agreement of the Stakeholder Board in writing extend the Initial Term for a further specified term or terms.

7.5 Although the main substantive terms of the Collaboration Agreement will remain the same it would seem prudent to take the opportunity at this stage to review and update the agreement, particularly in light of any legislative changes that have occurred since it was put in place in 2013. The data protection provisions do not make reference to provisions of the Data Protection Act 2018 and UK GDPR.

8. PROCUREMENT IMPLICATIONS

- 8.1 This report seeks in principle decision to proceed to procurement for a new Parking Services contract to commence from April 2027. It is proposed to jointly procure the contract with London Borough of Bexley via a Shared Services Collaboration Agreement, for which renewal is sought. Although jointly procured, separate contracts will be placed with London Borough of Bromley and London Borough of Bexley respectively. Bromley will act as the host borough for the Shared Services client unit arrangement.
- 8.2 A detailed Gateway Proceed to Procurement will be submitted for Executive decision in due course, setting out further detail on the proposed procurement strategy prior to commencement of tender. At this time, detail on the proposed procurement route, detailed timetable, proposed contract term and estimated value of contract is still to be determined through the proposed Contract Board for this contract. The purpose of this initial report is the in-principle decision to procure through continuation of the Shared Services Collaboration Agreement.
- 8.3 Based on the current contract and the classification of the contract as a supplies contract, the procurement process shall comply with the relevant Public Procurement Regulations for an above threshold procurement process. It is to be noted that the procurement is likely to commence following the 'go live' date of the new Procurement Act 2023 Regulations and should be designed in accordance with those Regulations.
- 8.4 The Council's specific requirements for authorising in principle proceeding to procurement are covered in 1.3 of the Contract Procedure Rules with the need to obtain the formal Approval of the Executive following the Agreement of the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a procurement of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 8.5 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.

Non-Applicable Headings:	
Background Documents: (Access via Contact Officer)	Parking Shared Service – November 2012