

## EXECUTIVE

### 13<sup>th</sup> October 2022

<b>Report Title</b>	<b>Parking and Bus Lane Enforcement Service Options</b>
<b>Report Author</b>	George Candler, Executive Director of Place and Economy <a href="mailto:george.candler@northnorthants.gov.uk">george.candler@northnorthants.gov.uk</a>
<b>Lead Member</b>	Cllr Graham Lawman, Executive Member for Highways, Travel and Assets

<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972</b>	

#### List of Appendices

#### Appendix A – Parking Enforcement Financial Summary of Options

#### 1. Purpose of Report

---

1.1. Following from the decision by Shared Services Joint Committee to disaggregate the Highways and Transport service, the purpose of this report is to present a recommended operational model for the operation of a North Northamptonshire Council Civil Parking and Bus Lane Enforcement service that meets the needs of the Council to deliver the service in a safe, legal and efficient way from April 1<sup>st</sup> 2023, in a way that meets the requirements of the Traffic Management Act (TMA) 2004, summarised as follows:

- managing the traffic network to ensure expeditious movement of traffic, (including pedestrians and cyclists), as required under section 16 of the TMA, Network Management Duty.
- improving road safety.
- improving the local environment.
- improving the quality and accessibility of public transport.

- meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car.
  - managing and reconciling the competing demands for kerb space.
- 1.2. The report recommends a preferred way forward for service delivery and seeks permission to establish the associated budget and commence the associated recruitment and procurement exercises required to establish the enforcement service.

## **2. Executive Summary**

---

- 2.1. The Parking and Bus Lane Enforcement Service in Northamptonshire (excluding Kettering) is currently provided by the Highways and Transport service which is a hosted service provided by West Northamptonshire Council (WNC). The Highways and Transport service was disaggregated in September 2022. On 13<sup>th</sup> July 2022, the Shared Services Joint Committee approved a revised disaggregation date for the Parking and Bus Lane Enforcement service element, of 1<sup>st</sup> April 2023. This was to provide the time needed to establish a new way of operating the service by the Council and to ensure current contractual obligations are honoured.
- 2.2. This report explores the following models for the operational delivery of a Civil Parking and Bus Lane Enforcement service for North Northamptonshire that meets the deadline of 1<sup>st</sup> April 2023:
- Option 1 - In-house enforcement and in-house penalty notice processing
  - Option 2 – In-house enforcement with external penalty notice processing
- 2.3. Detailed financial modelling was undertaken to identify costs, income and risks involved using the best information available to identify the preferred option. Option 2 is proposed as it provides the lowest risk options for ensuring service delivery by April 2023, whilst presenting a cost neutral budget model, and ensuring the Council retains control over the deployment of its enforcement resources.

## **3. Recommendations**

---

- 3.1. It is recommended that the Executive:
- a) Approves the Parking enforcement service model, as per Option 2: Delivery of enforcement services via an in-house enforcement team with external processing of penalty notices
  - b) Approves the amendment of budgets for 2022/23 and 2023/24, per the business case, to establish a net nil budget for the Parking

Enforcement service, noting that in year start-up costs will create a pressure.

- c) Delegate Authority to the Executive Member Highways, Travel & Assets, in consultation with the Assistant Director Assets & Environment, to enter into the contractual arrangements for the back-office processing of Parking Charge Notices.

### 3.2. Reasons for Recommendations:

The recommended course of action is considered the lowest risk and the most cost-effective, within the disaggregation deadline provided, for the following reasons:

- A detailed financial modelling exercise has been undertaken demonstrating that Option 2 (Delivery of enforcement services via an in-house enforcement team with external processing of penalty notices) is the most cost-effective option for delivery of the parking and bus lane enforcement system. It carries start-up costs that are estimated to be £42,000 lower than Option 1 because it requires the induction and training of the fewest staff.
- It is also estimated that the service can be provided under Option 2 on a cost neutral basis, with the ongoing revenue costs funded from the income generated largely by Penalty Charge Notices (PCNs), which, as detailed in the finance section of this report is income that can only be used in accordance with section 55 (as amended) of the Road Traffic Regulation Act 1984. Option 1 is estimated to cost around £14,000 a year more to operate than Option 2.
- Option 2 minimises recruitment risks: Based on the experiences of WNC, there are likely to be challenges to recruiting and training the back-office staff required for processing PCNs, who require specialist training to operate specialist systems in a complex area of law, often subject to challenge. In addition, the job market is currently challenging across all sectors, especially in specialist areas such as this.
- Option 2 enables the council to have full control over the Civil Enforcement Officers, directing them to areas of need, both with regards to enforcement, but also to other duties in the event of unforeseen emergencies.

### 3.3. Alternative Options Considered:

- Option 1 - Establishing an in-house Penalty Charge Notices (PCN) processing team was considered and rejected on the grounds that it is expected to carry both higher start-up cost and higher annual operation costs. This option also carries significant risk of failing to recruit sufficient qualified back-office staff for processing PCNs. The use of a specialist contractor for this function provides better value for money and minimises the staff recruitment, training, and retention risks.

- The option of a fully outsourced model (for both enforcement and processing) was considered but rejected on the grounds of that it could not be delivered within the required deadline and on the basis that it did not give the Council direct control over targeting enforcement.

#### **4. Report Background**

---

- 4.1. The Parking and Bus Lane Enforcement Service in Northamptonshire (excluding Kettering) is currently provided by the Highways and Transport service which is a hosted service provided by West Northamptonshire Council (WNC) which went live on Monday 12<sup>th</sup> September 2022. In July 2022, the Shared Service Joint Committee approved a change request to amend the timeline for the disaggregation of the Parking and Bus Lane Enforcement Service element to 31<sup>st</sup> March 2023. This was to provide the time needed to establish a new way of operating the service in North Northants and to ensure current contractual obligations are honoured.
- 4.2. Currently WNC provides the parking and enforcement service across the whole of Northamptonshire, except for Kettering which operates its own enforcement service provided by North Northamptonshire Council (NNC), although back-office support is provided by WNC in relation to the processing of Parking Charge Notice (PCN).
- 4.3. The WNC operational model employs in-house staff to provide some of the back office and management tasks involved in the processing of PCNs, including correspondence, appeals, referrals to Adjudicator and bailiffs. The IT and business systems required to process PCN's are provided for WNC by Imperial Civil Enforcement Solutions Ltd (Imperial), under a contract originally established by Northamptonshire County Council (NCC). Imperial are one of the UK's largest and most experienced providers of parking, environmental and traffic management systems. The WNC model commissions external Civil Enforcement Officers (CEO) to conduct the enforcement on the ground: This function is provided by NSL Services, under contract arrangements established by the former NCC. NSL are part of Marston Holdings Ltd who provide on-street parking services on behalf of local and central government, airports and the private sector across the UK.
- 4.4. WNC currently recharges the Council a cost per PCN for providing this service, with the current year's charges currently under review.
- 4.5. The disaggregation of the parking and bus lane service requires the Council to establish new systems for both on and off-street parking and bus lane enforcement as well as for processing the PCNs generated by the civil enforcement officers, by 1<sup>st</sup> April 2023. This deadline is challenging with regards both recruitment and procuring and/or continuing/varying the PCN processing services provided under the current legacy NCC contract. To ensure the service is operational by 1<sup>st</sup> April 2023, it is critical to begin the required contract variations and procurements as soon as possible. The recruitment process will need to start in December 2022, with the aim of inducting and training new staff ready for 1<sup>st</sup> April 2023.

- 4.6. Establishing the new service in the Council will also entail integrating with the parking enforcement services already provided by the Council in the Kettering area.

## **5. Issues and Choices**

---

- 5.1. Two options were considered in detail:

- Option 1 - In-house enforcement and in-house penalty charge notice processing.
- Option 2 – In-house enforcement with external penalty charge notice processing.

The option of a fully outsourced service (for both enforcement and processing) was considered but rejected on the grounds of deliverability within the required deadline, given a lengthy procurement would need to be undertaken and on the basis that this solution would not provide the Council with direct control over enforcement.

- 5.2. Under Option 1, in addition to the direct employment of the CEOs, the back-office staff processing PCNs would also be delivered by officers directly employed by the Council. Under Option 2, the enforcement CEOs would be directly employed by the Council, but the processing of PCNs would be undertaken via a contract with a company specialising in this field.
- 5.3. Option 2 presents start-up cost estimated to be £42,000 lower than Option 1 and annual operational cost £14,000 lower than Option 1. This is principally due to the reduced cost of employing staff before April 2023. Further detail on start-up costs is provided under the finance section at 7.1.2.
- 5.4. Option 1 presents higher risks associated with recruiting the number of specialist staff required to undertake the processing of PCNs. No staff are due to transfer under TUPE from WNC as the relevant Processing Officer posts are vacant. This means there will be no experienced staff, familiar with the processing systems transferring to the Council. Under Option 2 this risk is minimised as this function would be largely contracted to a specialist company with only one in house processing officer required for correspondence, appeals, referrals to Adjudicator and bailiffs. It will also mean staff employed by the Council can focus on the deployment of on the ground enforcement, rather than back-office processing.
- 5.5. The number of staff required to provide a reasonable enforcement and processing service was informed by evaluating the input currently provided by WNC/NSL, as well as using the judgement and experience of operating the Kettering Warden team. The proposed team structure for Option 2 would be as follows:
- 2 X Senior CEOs

- 10 X CEOs
- 1 X Processing Officer

The above structure represents the basis on which the financial modelling is based. Given the current highly competitive job market it may take time to build up to the full contingent. The structure will also need to be reviewed once it has been operating over a number of months to evaluate the assessment of forecast income and the sufficiency of the resources to provide a robust enforcement service.

- 5.6. The management of the new service would be incorporated under that of the current Kettering Warden service, pending the completion of the wider Assets & Environment restructure, which will be undertaken over the next 12 months.

## **6. Next Steps**

---

- 6.1. Mobilise for the establishment of the new service including:

- Establishing a cost centre and budget, based on the business case undertaken.
- Establishing the new posts in the system and permissions to recruit
- Advertise posts from December 2022.
- Procure back-office systems, equipment and support services such as fleet vehicles that have longer lead-in times.
- Appoint new team circa February 2023 for induction and training

## **7. Implications (including financial implications)**

---

### **7.1. Resources, Financial and Transformation**

- 7.1.1. Finance colleagues were involved in the evaluation of the financial models, as detailed in **Appendix A**.

- 7.1.2. There are revenue implications, notably in relation to the start-up costs of the service. There are estimated to be 'one off' start-up costs in the region of £124,000 that would need to be accommodated in the 2022-23 financial year, assuming the team is fully recruited to in February 2023. This will constitute an in-year revenue pressure arising largely from the cost of employing staff in February 2023 in advance of the service receiving income through PCNs from 1<sup>st</sup> April 2023. Based on an evaluation of risk, it is estimated that two months would be reasonable to enable the induction and training of the new team; the establishment of new working practices and new rotas; familiarisation of staff with a large operational area; the operation and troubleshooting of new and specialised back-office systems and software. The remainder of the pressure is from the purchase of equipment and setting up the necessary IT systems. Opportunities to capitalise the latter spend will be explored.

- 7.1.3. The on-going operational cost of the best value Option 2 is estimated at around £633,000/p.a. and it is estimated that this cost will be met from income derived from the reasonable enforcement of penalty charges and bus gate income, making it a revenue cost neutral service. This will need to be monitored as it is based on current data that each new CEO is likely to issue the same number of PCNs as happens under the current arrangement with NSL under the hosted arrangement with WNC. The income also includes PCN income forecast to be received from the Wellingborough Bus Gate. Close monitoring of the income and service impact will need to be undertaken in the first year of operation to ensure budgets are managed carefully.
- 7.1.4. Section 55 (as amended) of the Road Traffic Regulation Act 1984 (the Act) governs the way designated Authorities administer Parking Penalties. The purpose of penalty charges is to dissuade motorists from breaking parking restrictions. Parking charges and penalty charges should be proportionate, so authorities should not set them at unreasonable levels.
- 7.1.5. The income from on-street charging and any penalty charge payments received (whether for on-street or off-street enforcement) must be used in accordance with the Act. These controls are to prevent parking enforcement services becoming income generating initiatives for Local Authorities. The purposes for which the authority may lawfully incur expenditure include:
- The making good to the general fund of any amount charged to that fund (for provision of the service) in the 4 years immediately preceding the financial year in question
  - Meeting all or any part of the cost of the provision and maintenance by the local authority of off-street parking accommodation, whether in the open or under cover.
  - The making to other local authorities, or to other persons, of contributions towards the cost of the provision and maintenance by them, in the area of the local authority or elsewhere, of off-street parking accommodation, whether in the open or under cover.

If it appears to the local authority that the provision in their area of further off-street parking accommodation is unnecessary or undesirable, the following purposes:

- Meeting costs incurred, whether by the local authority or by some other person, in the provision or operation of, or of facilities for, public passenger transport services,
- The purposes of a highway or road improvement project in the local authority's area,
- The purposes of environmental improvement in the local authority's area,

The Statutory guidance for local authorities in England on civil enforcement of parking contraventions (Updated 26<sup>th</sup> August 2022) specifies that the objective of civil parking enforcement should be for 100% compliance, with no penalty charges. Should penalty charges fall below business plan levels the council would need to rationalise the enforcement workforce accordingly.

7.1.6. Transforming the service will mean the staff for the new enforcement service will be employed on new job descriptions and grades. These will differ to the job descriptions and grades of the existing NNC Warden staff enforcing parking in the Kettering area; however, members of the existing Kettering team will have the opportunity to apply for roles in the new team should they wish to do so. Any subsequent changes to the Kettering service will be considered as part of the Assets & Environment restructure.

## 7.2. Legal and Governance

7.2.1. The specific Acts relevant to the provision of a civil parking enforcement service are:

- The Road Traffic Regulation Act 1984
- The Traffic Management Act 2004

7.2.2 NNC already conducts civil parking enforcement in the Kettering area under authorisation from the Department for Transport under powers adopted from the former legacy authority of Kettering Borough Council. WNC enforce under an Inter-Agency Agreement within the remainder of North Northants. There is authorisation from the Department for Transport for this activity to take place in these locations.

7.2.3 Statutory guidance published by the Secretary of State for Transport under section 87 of The Traffic Management Act 2004 states the following:

The objectives of civil parking enforcement that civil parking enforcement should contribute to the authority's transport objectives. A good civil parking enforcement regime is one that uses quality-based standards that the public understands, and which are enforced fairly, accurately and expeditiously. Enforcement authorities should aim to increase compliance with parking restrictions through clear, well-designed, legal and enforced parking controls. Civil parking enforcement provides a means by which an authority can effectively deliver wider transport strategies and objectives. Enforcement authorities should not view it in isolation or as a way of raising revenue. Local authorities should ensure that parking in town centres and other shopping areas is convenient, safe and secure, including appropriate provision for motorcycles and deliveries. Parking policies, including enforcement, should be proportionate and should not undermine the vitality of town centres. Enforcement authorities should design their parking policies with particular regard to:

- managing the traffic network to ensure expeditious movement of traffic, (including pedestrians and cyclists), as required under section 16 of the TMA, Network Management Duty
- improving road safety
- improving the local environment
- improving the quality and accessibility of public transport
- meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car



- managing and reconciling the competing demands for kerb space

7.2.5 As described in the Finance section above, Section 55 (as amended) of the Road Traffic Regulation Act 1984 (the Act) governs the way designated Authorities administer Parking Penalties. The purpose of penalty charges is to dissuade motorists from breaking parking restrictions. Parking charges and penalty charges should be proportionate, so authorities should not set them at unreasonable levels.

7.2.6 The income from on-street charging and any penalty charge payments received (whether for on-street or off-street enforcement) must be used in accordance with the Act.

7.2.7 The current legal requirement to enforce is provided by Traffic Regulation Orders (TRO). These are currently in place for Day 1 enforcement. There will be a subsequent review to consolidate some of these Orders in due course. The Country Parks Order is currently being discussed with the TRO Team.

7.2.8 With regards to Procurement and contractual matters, support has been obtained from the council's Procurement and Legal Officers, particularly to help evaluate the procurement and contract options in relation to processing PCNs. Subject to Legal and procurement advice the Council would engage the specialist provider who is currently providing PCN processing support for WNC. The options being considered to ensure compliance include the use of a procurement framework for either a direct award, a waiver, or a tendering process.

### 7.3. **Relevant Policies and Plans**

7.3.1. The proposals will assist the Council in meeting its commitments, in the Corporate Plan to help achieve safe and thriving places and to provide modern public services

7.3.2 The Joint Committee (Shared Services) Highways and Transport service disaggregation process is a key driver of the need to establish a new NNC enforcement service.

### 7.4. **Risk**

7.4.1. The risk of not making the recommended decision would be potentially incurring higher start-up and ongoing operational costs and/or a delay resulting in no enforcement of civil parking or bus lanes in North Northamptonshire until an operational model is decided upon and mobilised. A delay would include 'writing off' on Day 1, any PCNs that have been referred at Court, for bailiff action.

7.4.2. Specific risks in relation to the options presented are primarily financial and recruitment related, summarised as follows:

- 7.4.3 The first key financial assumption is based on anticipating the likely income raised through the issuing of PCNs. The business plan estimates the new NNC enforcement officers are likely to issue a similar number of PCN notices/year/officer by operating in a reasonable manner and in accordance with the law. Whilst this model is greater than those issued by the Kettering Wardens, it is less than the overall figure issued by WNC/NSL officers across the whole of Northamptonshire. The circa 4.4 FTE NSL officers currently contracted by WNC to deliver enforcement in North Northamptonshire issue on average around 950 PCNs per officer across the county and this is the figure used for the financial modelling. The mixed role of the Kettering Wardens means the level of enforcement can vary depending on their working day
- 7.4.4 The second key financial assumption is that the income resulting from bus lane enforcement in Wellingborough has stabilised and continues as a consistent pattern. The introduction of a new bus lane enforcement system would show an increased level of PCNs being issued at go live. This decreases over time as customer behaviours change and recent data would indicate this being the case. The bus lane enforcement system in Market Street, Wellingborough was introduced in February 2021; the monthly number of penalty notices started to stabilise at a reasonably consistent level from February 2022 and the current levels have been used for future projections.
- 7.4.5 For the financial modelling, the salaries of the new Civil Enforcement and Processing Officer posts have been estimated by benchmarking against similar WNC posts. The new posts are currently undergoing a pay/grading evaluation within NNC and there is a risk that they could be higher or lower than the estimate. To mitigate assumptions and other unexpected costs involved in establishing the new service, a contingency of 5% has been included in the financial model's operational costs. Other mitigation of financial risks includes obtaining information from WNC parking managers and informally 'sense checking' assumptions with WNC as well as taking a low to mid-range estimate in relation to the two key financial assumptions.
- 7.4.6 There are risks and uncertainties regarding recruiting sufficient and suitable staff for the 13 new posts required to deliver the service. The jobs market is already challenging with low levels of unemployment and inflation influencing the attractiveness of some jobs. Mitigation of this risk will include working with HR on delivering a strong targeted advertising campaign, profiling the roles and the benefits of working for NNC. It has been budgeted on the assumption of recruiting a full team and will build up towards this. The implications of not recruiting a full complement of staff will be a reduced level of enforcement until capacity is obtained.
- 7.4.7 There are risks associated with the lengths of time associated with different procurement options for a back office PCN processing function. A requirement to pursue a full tender process is unlikely to enable the new system to be operational by 1<sup>st</sup> April 2023. An inability to process PCNs is likely to cost the council around £53,000/month in lost income. In mitigation of this we are currently working with Procurement and Legal officers on the options for a call off from a current purchasing framework using the current provider. If this is not

suitable, a waiver may need to be requested to enable the system to be operational by 1<sup>st</sup> April 2023.

## **7.5. Consultation**

7.5.1. Public consultation on the enforcement delivery model is not required.

7.5.2 Statutory consultation on the amendments to parking orders will be undertaken in accordance with the relevant legislation by the TRO Team to ensure a legal basis for enforcement across all areas within the Council.

7.5.3 The trade unions have been informed of the proposal by a verbal update to the Directorate Consultation Forum on Wednesday 7<sup>th</sup> September 2022. A formal update is to follow on 2nd November 2022.

## **7.6. Consideration by Executive Advisory Panel**

7.6.1. This report is eligible to be considered by the Executive Advisory Panel Service Delivery, Performance, and Customers should they wish to do so.

## **7.7. Consideration by Scrutiny**

7.7.1. The report and the future operation of the service is eligible to be considered to the Scrutiny Commission, as part of their work plan.

## **7.8. Equality Implications**

7.8.1. An Equality Screening Assessment has been completed in consultation with the Equalities Team and no negative equality impacts have been identified.

## **7.9. Climate and Environment Impact**

- 7.9.1. There should be a positive benefit for climate impact resulting from:
- Managing the traffic network to ensure expeditious movement of traffic and aiming to reduce congestion and emissions in built up areas.
  - A good level of parking enforcement also discourages anti-social parking which may be detrimental the environment.
  - Parking enforcement can also play a part in drivers to switch to greener transport methods, as it discourages parking of cars on street in built up areas and prioritising the competing demands for kerb space.

## **7.10. Community Impact**

7.10.1. There should be a positive benefit as a result of:

- managing the traffic network to ensure expeditious movement of traffic, (including pedestrians and cyclists), as required under section 16 of the TMA, Network Management Duty
- improving road safety
- improving the local environment
- improving the quality and accessibility of public transport
- meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car
- managing and reconciling the competing demands for kerb space

## 7.11. **Crime and Disorder Impact**

7.11.1. There should be a positive benefit as a result of:

- managing the traffic network to ensure expeditious movement of traffic, (including pedestrians and cyclists), as required under section 16 of the TMA, Network Management Duty
- improving road safety
- improving the local environment
- improving the quality and accessibility of public transport
- meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car
- managing and reconciling the competing demands for kerb space
- meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car
- managing and reconciling the competing demands for kerb space

## 8. **Background Papers**

---

- 8.1. Shared Service Joint Committee: Parking and Bus Lane Enforcement Disaggregation – Change to Timeline report:  
<https://westnorthants.moderngov.co.uk/documents/s6962/Parking%20and%20Bus%20Lane%20Enforcement%20Disaggregation%20Change%20to%20Timeline.pdf>