

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 9th JANUARY 2024
REPORT OF EXECUTIVE DIRECTOR (PLACE)

PARKING ENFORCEMENT

1 Executive Summary

- 1.1 The Council is part of a consortium of three Local Authorities (East Herts District Council, Stevenage Borough Council and Welwyn Hatfield Borough Council) delivering parking enforcement services. The current arrangements end in January 2026 and this report considers future service delivery options.

2 Recommendation(s)

- 2.1 That the Council enters into a new agreement for a period of 6 years (with the option to extend for a further 3 years) with East Herts District Council to provide parking enforcement services from 17 January 2026.

3 Explanation

- 3.1 The Council is currently part of a consortium to provide on street and car parking enforcement services with the lead authority being East Herts District Council, with Stevenage Borough Council the third member.
- 3.2 East Herts have a contract with an external contractor (APCOA) to deliver on street and car park enforcement for the three councils. Welwyn Hatfield Call off this contract.
- 3.3 East Herts deliver the back-office services directly to the three councils. The back-office services include the processing of penalty notices and the work is undertaken by directly employed staff.
- 3.4 There are separate SLA's between East Herts and Welwyn Hatfield and East Herts and Stevenage to deliver the services. An extension option was agreed by Cabinet on 11th July 2023, so that the current SLA now expires on 16th January 2026. At the same time, Cabinet asked Officers to appraise the options for how the service could be delivered when the extension expires.
- 3.5 A benchmarking exercise has been undertaken with three options considered:
- Option 1 – Continue with Current Service
 - Option 2 – Deliver Services directly (insource)
 - Option 3 – Join another Local Authority that delivers the services directly.
- 3.6 Option 3 was discounted at an early stage as following communications with other Hertfordshire councils, there was no appetite to consider this route.

- 3.7 The benefits / disadvantages and estimated costs for options 1 and 2 are included in Appendix 1.
- 3.8 It is considered that the benefits and costs of continuing with the current arrangements (Option 1) is the best option for the council, blending external resources with a local authority directly delivered service. The sharing of costs amongst three Councils delivers efficiencies that delivering the service in-house would not be able to match, as well as providing greater resilience. The use of SLA's also enables us to retain significant control through the current arrangement.
- 3.9 A decision is required now, to allow enough time for a thorough recruitment process to be undertaken on behalf of the consortium.

Implications

4 Legal Implication(s)

- 4.1 The recommendations within this report are in accordance with the Public Contracts Regulations 2015, especially Regulation 12 (Award of contracts to controlled persons) and Regulation 38 (Occasional Joint Procurement).
- 4.2 If the recommendation is agreed, the Council will enter into a Service Level Agreement with East Herts District Council. East Herts District Council will also enter into a contract with the enforcement contractor.

5 Financial Implication(s)

- 5.1 The estimated costs of the two options are shown in Appendix 1.

6 Risk Management Implications

- 6.1 The risks of both the options are shown in Appendix 1

7 Security and Terrorism Implication(s)

- 7.1 There are not considered to be any additional Security and Terrorism implications as a result of this recommendation.

8 Procurement Implication(s)

- 8.1 Both options are compliant with the Councils Contract Procedure Rules.

9 Climate Change Implication(s)

- 9.1 There are not considered to be any additional Climate Change implications as a result of this recommendation, however climate change benefits could be delivered by both options.

10 Human Resources Implication(s)

- 10.1 There are not considered to be any Human Resources Implications directly associated with this recommendation.

10.2 If Option 2 were to be considered then there would be the need to transfer staff and the likelihood of recruitment as the staffing complement would be increased.

11 Health and Wellbeing Implication(s)

11.1 There are not considered to be any additional Health and Wellbeing Implications as a result of this recommendation.

12 Communication and Engagement Implication(s)

12.1 There are not considered to be any additional Communication and Engagement implications as a result of this recommendation as it is effectively a continuation of the status quo.

If Option 2 were selected there would be a need for additional communication with residents. There would also need to be communication with Stevenage Borough Council and East Herts District Council as the decision to withdraw may result in increased costs for them

13 Link to Corporate Priorities

13.1 The subject of this report is linked to the Council's recently agreed Corporate Priority "Run an effective Council", by ensuring the best use of funds and maximising efficiency through the proposed option.

14 Equality and Diversity

14.1 An EqIA was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

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Date	20 th December 2023

Appendix A – Options appraisal

Option 1 – Continue with Current Service

Costs of current service (annual)

Expected cost of continuing with the consortium as of 1st January 2024.

Service	Explanation	Cost
Management Fee & Parking Enforcement		£353,276.28
Admin Fee- Proportion of direct costs		£151,559.04
Admin Fee- Proportion of Indirect costs		£62,063.52
CDER Group	Variable, dependent on the value of debt recovered	£6,376.20
TEC (Debt reg) Enforcement Centre	Variable and dependent on the number of PCNs that needs to be registered with TEC	£2,160.00
Patrol (PCN Charge)	Variable, depended on the number of PCNs issued	£13,046.40
TOTAL at 31/3/2023		£588,481.44
2023/2024 Increase (Employee +CPI) : estimated at 6%		£623,790.33

Current enforcement and back-office resources

9 dedicated Civil Enforcement Officers

2 dedicated Senior Enforcement Officers

1 dedicated Civil Enforcement Supervisor

5 shared Notice Processing Officers (shared across all 3 authorities)

6 shared Senior/Managerial staff (shared across all 3 authorities)

Current Performance

The current contract's performance is measured by the following KPIs:

KPI 1 – Minimum deployed hours (75% in 2022)

KPI 2 – Schedule of Patrols (97% in 2022)

KPI 3 – Response to Enforcement Requests (100% in 2022)

KPI 4 – Complaints (no complaints received in 2022)

KPI 5 – PCNs cancelled as a result of CEO/Contractor error (10 errors in 2022)

Advantages of current service

- 1. Resilience** – Whilst the enforcement officers are generally allocated to a council there is the ability to move them between councils in the times of increased demand or absence.
- 2. Back office resources** – There are only five staff employed by East Herts to operate the back office systems (shared across all 3 authorities). If this council ran the services directly it would have to employ three staff as cover would need to be in place for planned and unplanned absence
- 3. Shared IT systems** – The cost of the IT systems can be spread across the three authorities. If the service was insourced then the council would need to invest in its own software.
- 4. Direction of staff** – Whilst East Herts are responsible for directing resources, this council is able to influence the resource allocation and request extra resources when required.

Risks

Operational – too much reliance on third parties to deliver the service.

Operational Maybe slower to make changes to the services

Option 2 – Deliver Services directly (insource)

Estimated Cost (annual)

Service	Cost
Staff	£569,628.00
Notice processing software for back office and hand held computers	£50,000.00
PCN payment provider	£5,000.00
CDER Group (debt recovery)	£6,376.20
TEC (Debt Reg) Enforcement Charge	£2,160.00
Patrol (PCN Charge)	£13,046.40
Printing	£10,000.00
Vehicle running costs	£10,000.00
Pension revaluation costs	£67,000.00
Total Revenue	£733,210.60
CPI Increase for 2023/24	£777,203.24
Estimated Capital purchases/Set up costs	
Hand held computers £6,000 (one off)	
Enforcement vehicle £40,000 (one off)	
Mobilisation manager: £50,000 (one off)	

Process

All staff that are attached to the contract related to Welwyn Hatfield Borough Council's portion of the service will have the opportunity to transfer to the council. This includes the staff employed by East Herts as well as APCOA.

Mobilisation

Mobilisation of a contract of this nature would be a large project and would need to include:

- Transfer of staff to the Council
- Recruitment of any new staff
- Provision of accommodation
- Procurement of vehicles, equipment and IT
- Implementation of IT systems
- Training

Advantages

- Direct control of all aspects of the services
- Ability to change services at short notice

Risks

Financial – The Council would take all risk on costs. At the moment the majority of the cost risk is the responsibility of the Contractor.

Recruitment – currently recruitment is very difficult and likely to be difficult for the foreseeable future. Failure to recruit could lead to reduction in service, or increase in costs if agency staff were employed.

Resilience – adequate staff would need to be employed to cover holidays, sickness etc. The risk of not having enough staff would mean that service would reduce.