

Committee: ENVIRONMENT

Agenda Item

Date: November 18, 2008

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Title: JOINT PARKING SERVICE

Author: Diane Burrige, Director of Operations, 01799 510580 Item for decision

Summary

1. This report seeks approval to proceed with the establishment of a joint Parking Service for Braintree, Colchester and Uttlesford Councils, hosted by Colchester BC and overseen by a Joint Committee. The target for introducing the joint service will be 1 April 2009.

Recommendations

2. To approve the formation of a Joint Committee to oversee the provision of parking services on behalf of the three authorities, delivered by a joint service hosted within Colchester Borough Council.
3. That members approve establishment of a Joint Parking Partnership and permit Uttlesford to join with Braintree and Colchester in a service hosted by Colchester and,
4. delegate authority to the Director of Operations in consultation with Leader of the Council and Chair of Environment Committee to further develop the arrangements with the partner authorities and agree the Agreement that specifies the scope of joint arrangements, responsibilities and financial implications for the three authorities.

Background Papers

5. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Report to Environment Committee 16 September 2008, Parking Partnership proposal.

Impact

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Communication/Consultation	Press releases have commenced, further releases will be developed in conjunction with proposed partner authorities.
Community Safety	Enhanced enforcement will help to reduce problems of dangerous parking and the

	misuse of disabled parking facilities.
Equalities	None
Finance	Budget savings and prospects for future efficiency gains. One off costs will be incurred.
Human Rights	None
Legal implications	Attached is the proposed agreement for a Joint Committee 2008 to 2014. Each Council will remain accountable for the delivery of their responsibilities under the agency agreements with Essex County Council for on-street parking enforcement. The Joint Committee will take over dealing with cases from their districts going to the Traffic Penalty Tribunal.
Sustainability	None
Ward-specific impacts	All with parking restrictions.
Workforce/Workplace	Staff have been updated as the project has been developed. Formal consultation commences late November.

Situation

7. There is a need for change to ensure that parking services in the three authorities are effective and financially viable. Both Braintree and Uttlesford councils are currently operating interim arrangements that are not sustainable. All three are constrained in their current capacity to develop the services and tackle deficits in on-street parking.
8. An options appraisal concluded that creating a joint service would be the best solution. It would meet all the councils' objectives, including improved quality of service and on-going financial savings (£60k in the first year). It has modest one-off investment costs and provides rapid pay-back within one or a few years.
9. It would not be necessary to create a separate entity to deliver the joint parking service. A partnership arrangement based on a Joint Committee, similar to many examples elsewhere, would provide appropriate governance, and is preferable to the alternative options.

10. This issue was considered at meetings of the joint Braintree/Colchester Programme Board on 16 July and 27 August and at UDC's Environment Committee on 16 September. The recommendation to proceed with the creation of a joint service was agreed in principle, based on a detailed Options Appraisal Report.

Alternative Options

11. The alternative of continuing with existing stand-alone arrangements is not sustainable. For all three parking services to be viable as separate operations would require substantial additional investment and it represents a last resort that would not be appropriate unless all other options were unacceptable.
12. Letting a contract for provision of a service by one authority to the others would have some advantages, including removal of the need for an additional external audit, and the costs of the Joint Committee. However, it would entail an EU procurement exercise and would give less flexibility for all three authorities to jointly guide strategy.
13. Combinations of two, rather than three authorities' services could meet some, but not all objectives, and benefits would be smaller than for the full joint service. Nevertheless, if one authority decides not to participate, it would be sensible to consider creating a joint service initially between the other two, with the possibility of expanding later.

Background

14. All three councils operate a number of urban car-parks, and are responsible for off-street and on-street parking enforcement (the latter on behalf of Essex County Council under an agency agreement). This involves teams of Parking Attendants ('Civil Enforcement Officers') and staff involved in the operation of car-parks, as well as office-based staff dealing with parking-charge case management, permits, customer information, performance etc. The scale of the operations varies considerably, according to the nature of the districts, the provision of parking spaces and the extent of local parking restrictions.
15. Colchester BC (CBC) has recently reviewed and re-organised its parking service, which is designed to be scaled up for additional work if required. CBC is currently providing a parking service on behalf of Forest Heath DC. The other two Councils are operating under interim arrangements. Braintree DC (BDC) has made temporary adjustments in response to the recent departure of the BDC Parking Manager, pending a conclusion to the present joint study. Uttlesford DC (UDC) has also lost a Parking Manager, and is currently receiving part-time management support from BDC. Until these are resolved, they cannot develop the services nor plan investments (e.g. in order to help reduce deficits for on-street enforcement).
16. In recognition of these issues, various options were evaluated by a joint team of officers. The common objectives are: to resolve **short-term financial and resilience issues**; to make **improvements in performance and efficiency**;

and to advance a **long-term vision** for a wider Parking Service. This resulted in a preferred option that was approved in principle by the Braintree/Colchester Joint Programme Board and by UDC's Environment Committee.

17. The County Council has also indicated that it is in favour of joint service partnerships, seeing them as a positive step towards elimination of the need for deficit support, which they provide through the agency agreement. The partnership would also allow acquisition of new technology that will help to clarify the resources required to operate Decriminalised Parking Enforcement.

Proposal

18. The preferred option is for a joint service for all three councils, hosted by one authority and overseen by a Joint Committee. It would be run from a central office, with front-line staff based locally in each area. Each council would retain responsibility for car-park assets, and make decisions on policy and strategy issues. The main features are as follows.
19. **Management arrangements.** All the staff involved in parking activities in the three authorities would come under a single management structure. Given the relative size of the three councils' teams, and the location of current management expertise, the joint service would be hosted by CBC, with its headquarters in Colchester. It is proposed that all posts involved in parking in BDC and UDC would transfer under TUPE to CBC.
20. **Back-office operations.** The staff involved in these functions would be amalgamated into a single team based in Colchester, flexibly undertaking work generated in all three districts.
21. **Parking attendant teams.** These staff would continue to be based locally, with on-site supervision and remote management by a co-ordination team in Colchester. They would generally cover the areas where they currently deal with enforcement, although cross-boundary working could be undertaken if appropriate.
22. **Car-park management.** Local arrangements for managing and operating town car parks (e.g. servicing ticket machines; providing information for the public) would also fall under the joint service. However, the ownership and stewardship of each council's assets would remain as separate responsibilities, including maintenance and upgrading of facilities.
23. **Strategy and policy.** Each council would retain responsibility for decision-making on policy issues such as car-park charges and opening hours. This would be supported by information and advice from the joint service, including an overall strategic framework, modelling of car-parking charges and usage, and analyses of performance for all three councils.
24. **Systems and processes.** Present arrangements include independent back-office systems, separate contracts for the hand-held computers used by

Parking Attendants, and three different approaches to cash collection from ticket machines. These and other processes would be merged to allow work for all three councils to be handled efficiently together, yet still distinguished when necessary (e.g. for reporting numbers of cases by District, and allocating income).

25. **Governance.** Proposed arrangements for the Joint Committee, and client-side responsibilities within each council are specified in the draft Agreement (Annex 1). This would include an annual meeting to approve the Business Plan prepared by the joint service, and the individual authorities would take decisions on their financial contributions.
26. **Brand and identity.** The service would need an identity that demonstrates partnership, allows scope to include other areas in the future, yet also preserves local relevance and a link to each of the Councils. It is proposed to call the service the 'Parking Partnership'. Branding material to be used on stationery, uniforms, equipment etc is currently being developed.
27. **Financial arrangements.** The finances of this option are based on the additional expenditure by CBC (as the host of the joint service) being met by annual contributions from BDC and UDC when they pass over their functions. The contributions will be determined by a rolling three-year Business plan developed by CBC as service provider, and agreed through the Joint Committee, for budget decisions by each Authority.
28. It is anticipated that there will be savings compared to the costs of current operations, and the three councils would share equally any net benefits or costs arising from the joint service.
29. Thus in a year when there is an overall net saving compared to current costs, each council would benefit by one-third of the surplus. CBC would use this sum to cover contingencies, additional resource (if needed) and investment in the further development of the service. BDC and UDC would each be able to direct an equivalent amount to other purposes.
30. This equality principle would be applied also in circumstances when the joint service generates improvements that save costs, and if significant special investment is required beyond the level covered by the annual contributions.
31. Practical arrangements for handling the Accounts relating to parking would be as follows:
 - The three Decriminalised Parking Enforcement (DPE) accounts would remain separate, and would continue to be administered by each council
 - Income from parking charges, permit fees and enforcement would be credited directly to the separate councils. (This includes cash in ticket-machines, automatic debits, cheques etc)
 - Decisions about the contributions to be made by each council would be taken annually by the Joint Committee, on the basis of predicted costs

- A schedule would be established for regular (quarterly) payments from BDC and UDC to CBC.

32. **Service Development.** A joint service would spread the cost of investment in new opportunities. It would also provide an opportunity to consider whether certain Highways Authority responsibilities (maintaining the 'lines and signs' indicating parking restrictions, and making associated Traffic Regulation Orders) could be transferred to the joint service under an agency agreement. This would provide an holistic approach to parking management. There would be clarity and transparency for drivers seeking parking in Permitted and Restricted parking spaces, and it would also help to improve the effectiveness of enforcement, because challenges would be fewer and unambiguous.

Benefits

33. The benefits expected from the proposal include:

Short term financial savings and resilience

Economies of scale. A single team should allow savings in managerial supervision, accommodation and other overheads

Continuity and Resilience. Pooled resource would help to buffer the effects of staff absences and sudden changes in workload.

Joint procurement. Shared contracts for aspects such as purchase of new equipment and cash collection should be more cost-effective

Improvements in performance and efficiency

Shared technical expertise. For example, in relation to performance analysis and pricing strategy

Spread of good practices. Where one authority has already developed improved ways of working, the others would be able to adopt similar standards and practices.

Efficiency gains. There would be improvements from better performance analysis, logistical and workforce planning, aided by flexible working.

Investment in innovation (e.g. new technology that will bring efficiency improvements) would be more viable for a larger joint operation

Long-term vision for a wider Parking Service

Joint strategic planning A joint approach to the development of strategies such as pricing models and planning future car park needs

Greater influence A single voice speaking for all three authorities would carry more weight with other organisations, politically and commercially

34. Strategic Plan References

Effective management of car parking facilities will directly help to influence the Key Aim of tackling traffic congestion within Colchester's Strategic Plan 2006-09.

35. Consultation & Communication

Any staff potentially affected by changes in service provision will be kept informed and consulted according to the Councils' established policies and procedures. Press releases and other publicity will be issued when the Councils take the decision to establish the joint service, and when the new service is launched.

36. Financial Implications

- 36.1 The immediate financial implications are summarised in Table 1, which shows the current level of spending on Parking, estimates of the contributions to the joint service to be made in the first three years, and resulting savings to each Council. These figures are indicative estimates, that will be decided through the Authorities' 2009/10 budget-setting procedures.
- 36.2 Within the first full year of joint operation, an overall cashable benefit of £60k is expected across the three councils combined. This is in addition to the savings already achieved by BDC and UDC by deciding not to refill their previous Parking Manager posts (£16k and £25k respectively). Both councils would also make small efficiency gains through freeing up accommodation and managers' time that could be diverted to other activities. However, the saving in management time would be partly offset by the inputs required for the work of the Joint Committee.
- 36.3 Further savings and efficiency gains would be expected as a result of service development and process improvements in later years. New investment in the joint service would be expected to improve efficiency through routing & scheduling software and other enhancements. The changes currently envisaged will be incorporated in a provisional three-year Business Plan. At this stage, transport expenditure has not been transferred to the joint service; this is expected to be addressed during 2009/10.
- 36.4 The one-off implementation costs are estimated to be about £ 17k for changes to systems and processes, plus staff-related costs of up to £59k (depending on the numbers of posts affected by relocation or redundancy). It is hoped that staff-related costs would be small in practice; - few staff are in posts that are planned to relocate, and redundancies would be minimised through redeployment as far as possible. Even with a substantial contingency allowance, Implementation costs would be paid back within one to two years.
- 36.5 The one off staff costs for UDC include funding of half a post for 12 months to support the establishment and proper transfer of knowledge to ensure the best opportunity for success of the partnership.

Table 1. Financial implications of creating a joint parking service			
	Colchester BC	Braintree DC	Uttlesford DC
<i>Current Finances (08/09) £</i>			
Total Direct Expenditure	2,197,800	519,400	184,650
Total income	(5,423,900)	(1,100,560)	(990,980)
Total Indirect Expenditure	1,585,700	250,130	490,180
Net surplus	(1,640,400)	(331,030)	(316,150)
<i>Estimated Annual Contributions to the joint service £</i> <i>Note 1</i>			
2009/10	1,324,980	309,600	264,120
2010/11	1,364,730	318,890	272,040
2011/12	1,405,670	328,450	280,200
<i>Potential initial set-up costs (all in 2009/10) £</i>			
Systems/processes <i>Note 2.</i>	5,666	5,666	5,666
Staff-related costs <i>Note 3.</i>	0	≤14,190	≤ 44,296
<i>Predicted Net costs (+) or savings (-) £, after transfer of funds to the joint service</i>			
2009/10 <i>Note 4.</i>	- 14,247	+ 57	+ 30,069
2010/11	- 20,510	- 20,510	- 20,510
2001/12	- 21,125	- 21,125	- 21,125

Note 1. Estimates of costs and savings in 2008/09 prices are increased by 3% each year for inflation

Note 2. Each Council bears an equal share of the estimated common set-up costs for changes to systems and practices.

Note 3. Braintree DC and Uttlesford DC incur specific costs due to the transfers of their staff. The maximum potential costs are used; in practice, they are expected to be lower.

Note 4. The figures for BDC and UDC are a worst-case scenario, because of the use of maximum staff-related costs.

Table 1 shows that after taking account of estimated initial set-up costs, CBC will enjoy a financial saving in the first year of operation of the joint service, and all three Councils will make savings from year 2 onwards. It is likely that the net position for BDC and UDC will be more favourable than indicated, if staff-related costs are lower than the worst-case assumption used.

Appendix 1. Draft Agreement.

Appendix 2. Proposed Business Plan

Appendix 3. Three year forecast – UDC budget

Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
Loss of direct Council control over practical operations	2	1	UDC retains responsibility for its assets and setting charges. Establishment of a successful Joint Committee.
Potential difficulties in remote management of locally-based staff	1	2	Partnership reintroduces a management structure that is knowledgeable about parking operations.
Complications in accounting for the operation of DPE on behalf of the County Council	1	2	Separate accounts will be established for each authority.
Dips in performance and efficiency during transition	1	2	Half a post funded for 1 year at UDC to support the transition and knowledge transfer.
That customers will wish to contact the Partnership locally.			The Colchester base can be contacted directly by customers of UDC from the Councils main office

