

## **Appendix 1 - Parking Enforcement Contract Options**

Five possible options for the parking enforcement contract are detailed below:

**Option 1** – Cease contract - Not recommended. Ending the contract on 30 September 2023, in line with the initial 5 year timeline, creates risk and a high probability of increased contract expenditure, due to inflationary pressures, feeding into tender submissions.

Sefton Council has recently gone down this route and only received 2 bids.

Due to the current contract expiring on 30 September 2023 this isn't a viable option.

### **Pros**

- Due diligence. It can help to provide the best possible value-for-money outcome from procurement activity.
- It allows testing of the market to secure best service, quality and value.
- Contract can be tailored for a 'Best fit' solution.
- Set detailed Service Level Agreements.

### **Cons**

- Will probably result in an increase in contract costs on a like for like basis.
- It could negatively impact on service levels.
- The cost of staff time involved in the procurement process doesn't represent best value given other options available.
- Evidence suggests that there is little competition in the market at this moment in time.

**Option 2** – Extend contract by 5-years as permitted in the original contract – Recommended.

### **Pros**

- Reduced risk of loss of productivity by changing from one service provider to another. The incumbent service provider is performing satisfactorily.
- NSL Limited have extensive knowledge and experience of enforcement on Wirral.
- Ability to set a reduced fixed cost on the contract for the first 2-years offering a degree of financial stability.
- Reinvestment in equipment and technology allow the contractor to work smarter with a more targeted approach and upgrade of vehicles to electric /hybrid.
- Added value - NSL Limited's parent company is 'The Marston Group' who operate a number of services through their portfolio of businesses i.e. Project Centre Limited (PCL), Videalert and Vortex that are complimentary to the services currently provided to Wirral Council.
- Added Social Value – continuing ongoing donations and support to local charities and groups.

- Allows time for the economy to recover and settle before other delivery models are reviewed and considered further.

### **Cons**

- This option may not provide the best possible value-for-money outcome from procurement activity. However, there are risks associated with this, particularly with increasing costs.
- The option doesn't allow testing of the market to secure best service, quality and value. However, evidence is suggesting there are very few providers of this service in the market at present and a different supplier may not improve value for money or performance.

**Option 3** – Extend for a period less than 5 years to allow further consideration of other options. Not recommended as this option is normally only considered for short periods of say 6 to 12 months to allow for a full re-tender process.

### **Pros**

- Extension period could be set to allow sufficient time (2 to 3 years) for a full evaluation and implementation of the options, particularly if considering bringing the service in-house in full or part.

### **Cons**

- Contractor is unlikely to invest during a shorter extension period. Therefore older and less reliable equipment may be in use.
- Less ability and willingness to make savings.
- Risk that contract costs increase.
- Contractor won't be able to make the same efficiency savings over the term of a shorter contract length.

**Option 4** – Cease contract and undertake the service “in house”. Not currently recommended.

This option has initially been discounted based upon a lack of internal capacity, extensive investment in staffing and technical infrastructure being required and previous unsuccessful attempts at delivering other similar enforcement services in house.(i.e. environmental enforcement services).

As per recommendation 2 further consideration and a full appraisal of this option will be undertaken part way through the 5-year extension in the summer of 2026. If moving the whole service in-house this will allow officers sufficient time to implement before the end of the extension period.

**Option 5** – Cease contract and bring part of the service “in house”. Parking enforcement services could be broken down into different sections (traditional enforcement, moving traffic enforcement, notice processing, permit processing, etc.

Any one or more of these elements could be performed in house and the other parts let out to contract.

Similar to Option 4 above and as per recommendation 2, further consideration and a full appraisal of this option will be undertaken part way through the 5-year extension in the summer of 2026. If moving part of the service in-house this will allow officers sufficient time to implement before the end of the extension period.

The parking service managers from the Merseyside area and other parking managers in the North West region, have been consulted on their parking enforcement arrangements. Table 1 below is a summary of the replies received. Approximately 60% of councils are in contract with NSL, 30% operate services in-house and 10% are in contract with another provider.

| <b>Local Authority</b> | <b>Type of enforcement</b>                            | <b>Comments</b>   |
|------------------------|---|---|
| Sefton                 | Contract with NSL                                     | Currently out to tender with a start date for new contract of 1 October 2023                              |
| Liverpool              | In-house for enforcement and back office functions.   | Whole scale review of the service is currently in process.  |
| Trafford               | Contract with NSL                                     | Use NSL for parking enforcement and cash collection/first line maintenance.                               |
| Flyde                  | Contract with NSL                                     |   |
| Blackburn with Darwen  | In-house for enforcement and back office functions.   | Considering outsourcing some of the enforcement services.   |
| Lancaster              | Hybrid – Part in-house and part outsourced to County. |   |
| Burnley                | Contract with NSL                                     |   |
| Bury                   | Contract with NSL                                     | 4 <sup>th</sup> Contract via NSL  |
| Barrow                 | Contract with NSL                                     |   |
| Wigan                  | Was with APCOA came in house Oct 2021                 | Financial and operational benefits have been realised but there have been management and HR implications. |

Table 1: Summary of parking contract replies from North West Authorities