

Cabinet

NSL Car Parking Management and Enforcement Contract

Report of Councillor Mark Alcock

Portfolio Responsibility : Environment and Infrastructure

14 April 2010

Officer Contact : Chris Tunstall
Ext. 8898

Purpose of Report

The purpose of the report is to agree to entering into a contract with NSL Limited for the provision of Car Parking Management and Enforcement Services.

Executive Summary

Since 2004, following an OJEU tender procedure, NSL (formally NCP) have provided the car parking management and enforcement services within the Borough. The arrangement is currently provided via a management agreement. It is intended that a contract be entered into, until 2019, for not only the services presently provided but also related additional services currently undertaken by the Council.

Recommendation

It is recommended that a contract be entered into with NSL Limited for the provision of Car Parking Management and Enforcement Services.

Delegated authority is given to the Executive Director, Economy, Places and Skills to negotiate the final terms of the contract in consultation with the Executive Member (Environment and Infrastructure) and the Borough Treasurer and Borough Solicitor.

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4 Background

- 4.1 In 2004 the Council went out with an OJEU tender procedure an innovative provider for parking services.
- 4.2 National Car Parks Limited (NCP), which subsequently became NSL Limited were appointed as preferred provider. and negotiations undertaken to establish a Limited Liability Partnership.

- 4.3 Despite development of the LLP concept which was to be jointly owned by the Council and at the time NCP, it was never entered into as circumstances changed in respect of the extent of the car parking coverage which significantly altered the viability of the proposals. The costs of creating the LLP were to be borne by the LLP.
- 4.4 During the intervening period the arrangements were operated on a Management Agreement basis. In addition a number of Council staff, currently four, were seconded to work with NSL whilst a small core of three were retained with the Car Parking Manager to deal with initial enquiries around parking charge notices (PCN's) and Bailiff Services.
- 4.5 Within the budget a sum was provided for contractual payments, however with the current levels of service provided and income levels achieved the cost is estimated to be greater than that. In addition a saving of £150,000 has been identified as part of the budget process for 2010/11.

5 Current Position

- 5.1 In order to move to a more sustainable position and achieve the savings identified, negotiations have been ongoing for the past 3 months with NSL with a view to agreeing revised terms and conditions to enable a contract to be let for the remainder of the original contract period to 2019.
- 5.2 These negotiations have now concluded and the details are provided in the confidential part of this report.
- 5.3 Annual reviews would take place in respect of the contract to ensure that it stays within the affordability envelope for the forthcoming year. At this time cost pressures, efficiencies and income levels would be discussed and agreement reached as to the proposed affordable level of service for the forthcoming year.
- 5.4 Whilst not part of the negotiations here a further area of work being developed is the use of greater automation and increased enforcement of traffic management violations such as the introduction of Smart Cars, Automatic Number Plate Recognition – ANPR and the extension of more proactive enforcement of Bus Lane violations. The greater automation will enable further efficiency savings and is seen as the next logical stage of development for implementation over the next financial year.
- 5.5 Although no provision has been made within the negotiations for year on year savings on the Contract it is envisaged that these would be achieved in the first instance through greater efficiencies from new technology as outlined above
- 5.6 It should be noted that the Business Model used for developing this proposal is based on the continued levels of income presently achieved. Whilst the current economic climate may affect this assumption a far greater effect will be the construction of Metrolink 3b which will have a significant effect on Union Street on street parking and the temporary off street parking at John Street Car Park.

5.7 To minimise the effect of this the Car Parking Manager will be fully involved in the pre planning for this work. The implications of this will apply whichever option, including do nothing, is adopted.

6 Options/Alternatives

6.1 Five options were considered prior to discussions with NSL:

- **Retender.** At the meeting on 18 June, NSL Limited said they would not challenge the Council should it wish to exercise this option.
- **Provide the whole parking service “in house”.** Under the current interim arrangements, there are said to be 8 council employees seconded to NSL Limited (only 4 currently in post) who would return under the Council’s direct control. There are also approximately 36 attendants, who transferred from Euro Car Parks Limited at the end of the last traditional contract. These attendants would be entitled to a TUPE transfer and access to the Local Government Pension Scheme.
- **Transfer to Unity.** The provision of parking services was not expressly detailed within the scope of the Strategic Service Delivery Partnership (SSDP) agreement. Nor was the work expressly identified within the OJEU Notice which identified the Common Procurement Vocabulary Codes (CPV) which gives an indication of the Services which might be brought into the arrangements over the life of the agreement.
- **Partnership with another Local Authority in Greater Manchester**

This position is unclear however there are two options available:-

- (i) If a neighbouring authority’s current arrangements are coming to an end, the Council could seek to enter into a joint procurement exercise;
 - (ii) if a neighbouring authority’s current arrangements were tendered in such a way to enable the Council to call off services through their contract, this would be a further option however it would be necessary for Oldham Council to verify the position as challenge is likely to ensue from aggrieved contractors if there is any ambiguity.
- **Work with NSL Limited to develop a new solution.** The OJEU Notice was widely drafted, so provided the new solution achieves most or all of the stated objectives contained within the OJEU notice the Council could negotiate with NSL Limited. .

6.2 There is of course also the option to do nothing. This however is not an option as the current level of expenditure would mean it is unaffordable. The current contract costs are significantly above what is affordable.

7 Preferred Option

7.1 The preferred Option is to work with NSL Limited to develop a new solution and enter into a Contract as outlined above on this basis. This will ensure the cost of Parking Enforcement is in line with the budget envelope for 2010/11 with little to no reduction in the level of service currently provided.

8 Consultation

8.1 Procurement have been part of the negotiation team together with Legal and Finance input.

8.2 There has been no wider consultation with the Public or Members

9 Financial Implications

The financial implications of the proposed contractual arrangement are set out in the confidential part of the report.

10 Legal Services Comments

10.1 The relationship between the Council and NSL Limited is founded upon a procurement exercise undertaken in 2003.

10.2 On 18 March 2004 Cabinet approved (EDRS 4030139) the appointment of National Car Parks Limited (the predecessor company of NSL Limited) and negotiations have been ongoing since then. Paragraph 4.3 details that due to a change in circumstances the arrangements which were close to formal agreement are no longer acceptable to both parties and therefore the negotiations have continued albeit upon a greater number of issues.

10.3 Further comments are included in the confidential part of the report.

11 Human Resources Comments

11.1 The normal Consultation process for TUPE transfer will be followed with all in scope employees.

13 IT Implications

13.1 None.

14 Property Implications

14.1 This will release the current car parking office in the Civic Centre.

15 Procurement Implications

15.1 The original tender was carried out in full compliance with OJEU regulations in 2004 when NSL Ltd (formerly NCP Ltd) won the tender. There has been no other correspondence with any supplier apart from the re negotiation with NSL Ltd. and therefore there are no outstanding procurement issues.

16 Environmental and Health & Safety Implications

16.1 None.

17 Community Cohesion Implications [including Crime & Disorder Implications in accordance with Section 17 of the Act] and Equalities Implications

17.1 There will be no additional implications.

18 Forward Plan Reference

18.1 EPS-13-07

19 Key Decision

19.1 Yes.

20 Background Papers

20.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. Please note that It does not include documents which would disclose exempt or confidential information as defined by the Act :

File Ref : 362

Name of File : NSL Car Parking

Records held in Highways Division, Lees Road Depot, Hamilton Street, Oldham

Officer Name : Christopher Tunstall

Contact No : 8898